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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 AND UPDATE ON WINDING UP PETITIONS

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 (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), 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, 8 December 2020, 28 December 2020, 26 March 2021, 30 March 2021, 31 March 2021, 7 May 2021, 3 June 2021 and 6 June 2021 (the “**Announcements**”) in relation to, among others, the suspension of trading in the shares of the Company on the Stock Exchange pending the publication of the annual results of the Group for the years ended 31 December 2019 and 2020, the resumption guidance and additional resumption guidance issued by the Stock Exchange (the “**Resumption Guidance**”), the winding up petitions against the Company, the findings of the internal control review report, the resignation of auditor of the Company and the entering into of the memorandum of understanding in relation to the proposed investment in 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, the 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 progressing normally despite the impact of COVID-19.

On 2 June 2021, the Company entered into a memorandum of understanding with Anhui Dayu and Fujian Kangjing in relation to the Proposed Investment. Pursuant to the MOU, Fujian Kangjing intends to cooperate with the Company and Anhui Dayu in relation to the Possible Subscription and/or the Repayment of Debts. As at the date of this announcement, Fujian Kangjing is conducting a legal and financial due diligence review on the Company. The Company will make announcement(s) on the status of the Proposed Investment as and when appropriate.

The Group will continue to proactively seek for new potential business opportunities, with the aim of broadening its source of income and maximising return to the shareholders. The Group will make announcement(s) to update its shareholders and investors of any major developments in the business operations of the Group as and when appropriate.

UPDATES ON RESUMPTION PROGRESS

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:

Independent investigation

The Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors of the Company that the Independent Investigation is still ongoing. The Company will make an announcement on the findings of the Independent Investigation as and when appropriate.

Independent internal control review

The Company wishes to inform the Shareholders and potential investors of the Company that Azzura is currently conducting a further internal control review (the “**Further Internal Control Review**”) of the Company to ensure that the Company has taken measures to address the deficiencies based on their recommendations to the Company as set out in the Internal Control Report and that the Company’s internal control complies with the Listing Rules.

The Company will make an announcement on the findings of the Further Internal Control Review as and when appropriate.

Financial results

The predecessor auditor of the Company, McMillan Woods, had resigned as the auditor of the Company with effect from 3 June 2021. The Board is in the process of identifying a new auditor to fill the casual vacancy following the resignation of McMillan Woods.

The Company will publish further announcements as and when appropriate to inform its shareholders regarding the appointment of the Company’s new auditor.

UPDATE ON WINDING UP PETITIONS

References are made to the announcements of the Company dated 8 September 2020, 23 October 2020, 16 November 2020, 2 December 2020, 11 December 2020, 22 January 2021 and 30 March 2021. On 10 May 2021, the petitioners of five of the petitions filed against the Company under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) (the “**CWUMPO**”) joined the proceedings of another petition filed against the Company as supporting creditors. As such, five of the petitions were dismissed and as at the date of this announcement, there is currently one outstanding petition (the “**Petition**”) filed against the Company under the CWUMPO that has yet to be withdrawn or dismissed. The hearing of the Petition was adjourned to 17 September 2021.

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, 22 June 2021

As at the date of this announcement, the executive Directors 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.