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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)**

### **(1) UPDATES ON THE INDEPENDENT INVESTIGATION AND INTERNAL CONTROL REVIEW AND (2) DESPATCH OF THE SCHEME DOCUMENT**

This announcement is made by China Saite Group Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rules 13.09 of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), the Inside Information Provisions (as defined under 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 21 June 2020, 22 June 2020, 22 July 2020, 5 October 2020, 19 November 2020, 8 December 2020, 26 March 2021, 7 May 2021, 22 June 2021, 13 September 2021, 21 September 2021, 22 October 2021, 21 December 2021 and 21 January 2022 (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 resignation of auditor of the Company, the findings of internal control report, appointment of internal control consultant, update on the independent investigation, the quarterly updates on the progress of fulfilling the Resumption Guidance and update on the proposed restructuring. Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

#### **UPDATE ON INDEPENDENT INVESTIGATION**

It is one of the Resumption Guidance to conduct an appropriate independent investigation into the issues identified in the Resignation Letter, announce the findings and take appropriate remedial actions.

In order to fulfil this Resumption Guidance, the Company has established the Independent Board Committee which comprises of Mr. Choi Ho Yan (Chairman of the Independent Board Committee), Mr. Yan Hualin and Mr. Siu Siu Ling, Robert (Members of the Independent Board Committee) to conduct the Independent Investigation. The Independent Board Committee had engaged the Independent Legal Adviser to provide legal advice on matters relating to the Independent Investigation, and through the Independent Legal Adviser, had engaged RSM Corporate Advisory (Hong Kong) Limited as the independent consultant to provide professional services and assistance.

As at the date of this announcement, the Independent Investigation has been completed and the Independent Board Committee is in the course of finalising the report regarding the Independent Investigation. The Company will keep the Shareholders and its potential investors abreast of the major findings of the Independent Investigation as well as appropriate remedial action(s) by way of announcement(s) as and when appropriate.

### **UPDATE ON INTERNAL CONTROL REVIEW**

It is also one of the Resumption Guidance that the Company should demonstrate that it has put in place adequate internal control and procedures to comply with the Listing Rules (the “**IC Guidance**”). In order to fulfill the IC Guidance, the Company has engaged Azzura Corporate Advisory Limited in July 2020 to conduct the Internal Control Review and prepare the Internal Control Report, the findings of which were disclosed in the announcement of the Company dated 7 May 2021.

As disclosed in the announcement of the Company dated 13 September 2021, having considered the significance of maintaining an appropriate and effective internal control systems and in order to provide further assurance to the public that the Company is committed to fulfill the IC Guidance, the Board has engaged SHINEWING Risk Services Limited (“**Shinewing**”) on 31 August 2021 as its internal control consultant to conduct a second round of independent review of the internal control systems and procedures of the Group (“**2nd IC Review**”).

As at the date of this announcement, the 2nd IC Review has been completed and the Company and Shinewing are in the course of finalising the report regarding the 2nd IC Review. The Company will keep the Shareholders and its potential investors informed of the major findings of the 2nd IC Review as well as appropriate remedial action(s) by way of announcement(s) as and when appropriate.

### **DESPATCH OF THE SCHEME DOCUMENT**

As stated in the announcement of the Company dated 21 January 2022, it is anticipated the Scheme Meeting will be held on or around 25 February 2022 (Hong Kong time). The scheme document issued by the Company dated 31 January 2022 in relation to the Scheme of Arrangement (the “**Scheme Document**”), together with the notice of the Scheme Meeting and the relevant form of proxy, have been despatched to the creditors of the Company on 4 February 2022.

The Scheme Document contains, among other things, details of the Scheme of Arrangement, the letter from the Board, an explanatory statement as required under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) and notice of the Scheme Meeting.

## **CONTINUED SUSPENSION OF TRADING**

At the request of the Company, trading in the shares of the Company on the Stock Exchange was suspended with effect since 22 June 2020 and will continue to be suspended until further notice.

**Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.**

By order of the Board  
**China Saite Group Company Limited**  
**Li Xulin**  
*Chairman*

Hong Kong, 4 February 2022

*As at the date of this announcement, the executive Directors are Mr. Li Xulin, Mr. Xu Fanghua, Mr. Liu Zhibo, Mr. Hua Gang, Mr. Shan Hu and Mr. Zhang Tianbo; 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.*