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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 (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, 6 June 2021, 22 June 2021, 13 September 2021, 21 September 2021, 22 October 2021, 21 December 2021, 21 January 2022, 23 February 2022, 25 February 2022, 14 April 2022, 19 April 2022, 16 May 2022, 17 May 2022, 18 May 2022, 31 May 2022, 27 June 2022, 30 June 2022, 16 August 2022 and 22 August 2022 (the “**Announcements**”). Unless otherwise defined, capitalised terms used herein shall have the same meanings as those 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, the application for leave for judicial review against the delisting decision of the Listing Review Committee and the impact of the COVID-19 pandemic. The Board and the senior management of the Company have been making continuous effort to improve and maintain the operating performance of the Group. Further details regarding business update of the Group will be disclosed by way of announcement(s) as and when appropriate.

UPDATE ON THE RESUMPTION PROGRESS

The status of fulfilment of the Resumption Guidance are summarised as follows:

Independent Investigation

As disclosed in the previous quarterly update announcement dated 27 June 2022, the Independent Board Committee has completed the Independent Investigation, and the main findings of the Independent Investigation have been disclosed in the announcement of the Company dated 23 February 2022. The Board has also undertaken remedial measures in response to the findings of the Independent Investigation Report. Please refer to the announcement of the Company dated 23 February 2022 in respect of the Independent Investigation for further details.

Independent Internal Control Review

As disclosed in the previous quarterly update announcement dated 27 June 2022, the 2nd IC Review and Follow-up Review have been conducted from October 2021 to January 2022 and has been completed. The key findings of the 2nd Internal Control Review Report and the views of the audit committee of the Company and the Board have been disclosed in the announcement of the Company dated 23 February 2022.

Financial results

The annual reports of the Company for FY2019 and FY2020 were despatched on 16 August 2022.

As disclosed in the announcement of the Company dated 22 August 2022, the Company has engaged Zhonghui Anda CPA Limited as its auditor with effect from 22 August 2022, to fill the vacancy following the resignation of BDO Limited. As at the date of this announcement, the audit work is still ongoing and the Company will publish further announcement(s) to inform the shareholders of the Company of any significant developments in respect of, as well as the expected date for, the publication of (i) the annual results announcement and annual report of the Company for the year ended 31 December 2021; and (ii) interim results announcements and interim reports of the Company for the six months ended 30 June 2020, 30 June 2021 and 30 June 2022, as and when appropriate in accordance with the requirements of the Listing Rules.

Winding-up Petition

As at the date of this announcement, there is no outstanding winding-up petition against the Company.

Proposed Restructuring

As disclosed in previous quarterly update announcement dated 27 June 2022, the Scheme of Arrangement was approved by the requisite majority of the creditors of the Company at the Scheme Meeting held on 25 February 2022, and was subsequently sanctioned by the High Court at the sanction hearing on 11 April 2022. The court order sanctioning the Scheme of

Arrangement has been registered with the Hong Kong Companies Registry on 25 April 2022. Please refer to the announcements of the Company dated 25 February 2022 and 14 April 2022 in respect of the Scheme of Arrangement details.

UPDATE ON JUDICIAL REVIEW

As disclosed in the announcements of the Company dated 31 May 2022 and 30 June 2022, the Company has applied to the High Court to obtain leave to apply for judicial review against the LRC Decision and, among others, an interim stay of the decision of the Listing Review Committee to delist the Shares of the Company from the Stock Exchange pending the final determination of the judicial review proceeding(s). In addition, by a letter to the Company dated 30 May 2022, the Stock Exchange agreed that it will not proceed with the Cancellation of Listing without giving the Company at least 7 days' notice whilst the JR Application is still at large.

The High Court has directed that there shall be a rolled-up hearing of (i) the JR Application; and (ii) the substantive application for Judicial Review, and the hearing shall be fixed on 14 November 2022 at 10:00 a.m. (with 1 day reserved).

Further announcement(s) regarding any material development of the JR Application and the Cancellation of Listing will be made by the Company as and when appropriate.

Shareholders and potential investors of the Company should note that the postponement of the Cancellation of Listing and the JR Application do not mean that the Company will not be delisted. The High Court may or may not grant leave for the judicial review and even if leave is granted, the judicial review may or may not succeed. Shareholders and potential investors of the Company who have any queries about the implications of the Cancellation of Listing and the judicial review are advised to obtain appropriate professional advice.

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
Shan Hu
Executive Director

Hong Kong, 21 September 2022

As at the date of this announcement, the executive Directors are 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. Choi Ho Yan and Mr. Siu Siu Ling, Robert.