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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)

WINDING UP PETITION AND UPDATES ON WINDING UP PETITIONS AND LITIGATION

This announcement is made by China Saite Group Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rules 13.09 and 13.25 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).

WINDING UP PETITION

On 23 October 2020, the Company received a winding-up petition brought by an individual bondholder for the alleged indebtedness under the bonds issued by the Company in May 2019 in the sum of approximately HK\$1,515,000. The above petition is scheduled to be heard before the High Court of Hong Kong on 20 January 2021. The Company is in the course of seeking legal advice on the above petition and is actively dealing with the petition. The Company will keep its shareholders and potential investors informed of any significant development in respect of the petition and will make further announcement(s) as and when appropriate in accordance with the Listing Rules.

According to section 182 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), in a winding up by the court, any disposition of the property of the Company, including things in action, and any transfer of shares, or alteration in the status of the members of the Company made after the presentation of the winding up petition shall be void as a matter of Hong Kong law unless the court otherwise orders. The Company hereby remind shareholders of the Company and potential investors that pursuant to the circular dated 28 December 2016 issued by the Hong Kong Securities Clearing Company Limited (“**HKSCC**”) in relation to the transfer of the shares of listed issuers after a winding up petition has been presented, and in view of the restrictions and the uncertainties that may arise in relation to the transfer of shares of the Company, for participant(s) who conduct share transfers through HKSCC (the “**Participant(s)**”), HKSCC may at any time, and without notice, exercise its powers under the General Rules of CCASS to temporarily suspend any of its services in respect of the shares of the Company. This may include the suspension of acceptance of deposits of share certificates of the Company into the Central Clearing and Settlement System (“**CCASS**”). The share certificates of the Company received by HKSCC but not yet re-registered in HKSCC Nominees Limited’s name will also be returned to the relevant Participant and HKSCC shall reserve the right to reverse any credit granted to such Participant by debiting the relevant securities of the Company from its CCASS account accordingly. These measures would generally cease to apply from the date when the Petition has been struck-out, dismissed or permanently stayed, or the Company has obtained the necessary validation order from the High Court.

The above petition was filed in the High Court only as an application for the winding up of the Company and as at the date of this announcement no winding up order has been granted to wind up the Company. The Company would also like to inform its shareholders and potential investors that the petition currently has no material adverse impact on the business operations of the Company.

UPDATES ON WINDING UP PETITIONS

Reference is made to the announcement of the Company dated 8 September 2020 (the “**Announcement**”). Unless otherwise stated, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

As disclosed in the Announcement, the Company was involved in nine winding up petitions (the “**Petitions**”). The Company wishes to provide the following supplemental information and updates on the Petitions.

Case Number	Further information on the Petitions	Updated status of the Petitions
HCCW 5 of 2020	<p>Pursuant to a subscription agreement dated 15 March 2018, the former petitioner subscribed for the bond issued by the Company at a principal sum of HK\$7,000,000 at an interest rate of 6% per annum. The Company failed to pay interest as agreed between the parties. The former petitioner demanded for the repayment of the principal amount and interest accrued in the amount of HK\$7,515,606.11 and filed the original petition against the Company on 2 January 2020. The supporting creditors joined the original petition.</p> <p>The Company reached settlement arrangements with the former petitioner and three of the six supporting creditors by August 2020.</p> <p>On 13 July 2020, the court granted leave to the current petitioner to substitute the former petitioner as the petitioner, the amended petition was served on the Company on 24 July 2020.</p>	<p>The Company has settled with the current petitioner and the remaining supporting creditors. The petition was dismissed by way of consent summons between the parties on 21 September 2020.</p>
HCCW 138 of 2020	<p>The petitioner subscribed for a bond issued by the Company in the principal amount of HK\$3,000,000 with an interest rate of 8% per annum and a maturity period of three months. The Company failed to pay the outstanding principal sum and interest accrued upon the maturity date as agreed between the parties. The petitioner demanded for the repayment of the principal amount and interest accrued and filed the petition against the Company on 26 May 2020.</p>	<p>The Company has settled arrangement with the petitioner. The petition was withdrawn by the petitioner on 7 October 2020.</p>

Case Number	Further information on the Petitions	Updated status of the Petitions
HCCW 160 of 2020	On 4 May 2019, the petitioner subscribed for a bond of the Company with the principal amount of HK\$1,600,000 with interest rate of 1.75% per quarter of annum and maturity date on 14 August 2019. The Company failed to repay the principal sum and interest upon the maturity date in the amount of HK\$1,611,497.68 and the petition was filed against the Company on 12 June 2020.	The Company has settled with the petitioner. The petition was dismissed by way of consent summons between the parties on 21 September 2020.
HCCW 192 of 2020	Pursuant to the subscription agreement and the placing letter dated 31 August 2017, the petitioner subscribed for HK\$10,000,000 of the 6.25% coupon unlisted bonds. The Company failed to redeem the subscribed bonds upon the maturity date and the petition was filed against the Company on 3 July 2020.	The Company is in the course of discussing settlement arrangement with the petitioner. Hearing of the petition was scheduled to be heard on 28 October 2020.
HCCW 235 of 2020	The petitioner subscribed for two debentures issued by the Company in the principal sum of HK\$5,500,000. Save for a partial payment of HK\$500,000 repayment in the principal sum, the Company failed to repay in full the principal sum and interests upon maturity of the debentures. Civil action was instigated by the petitioner against the Company and a judgment was awarded to the petitioner, awarding the petitioner a judgment sum of HK\$5,000,000 with interests and costs on 22 June 2020. The Company failed to comply with the statutory demand issued by the petitioner requesting the Company to pay the judgment sum with interests and costs. A winding up petition was filed against the Company for failure to pay the relevant petitioner an outstanding judgement sum and the accrued interest in an aggregate amount of HK\$ 5,518,356.16 as at 24 June 2020.	The Company is in the course of discussing settlement arrangement with the petitioner. Hearing of the petition was scheduled to be heard on 28 October 2020.
HCCW 302 of 2019	The petition was filed against the Company on 2 October 2019 for the judgment sum payable by the Company pursuant to a bond issuance agreement in the amount of HK\$7,935,118.43.	The Company has reached settlement arrangement with the petitioner and the petition was withdrawn by the petitioner on 11 November 2019.

Case Number	Further information on the Petitions	Updated status of the Petitions
HCCW 18 of 2020	On 13 January 2020, the petitioner served on the Company a statutory demand requiring the Company to pay the outstanding sum in the amount of HK\$5,351,726 incurred pursuant to three bond certificates issued by the Company.	The Company has reached settlement arrangement with the petitioner and the petition was withdrawn by the petitioner on 11 May 2020.
HCCW 50 of 2020	The petitioner subscribed for bonds of the Company pursuant to two bond subscription agreements. The Company failed to repay in full the principal amount and interests of the bonds upon the maturity date in the amount of HK\$20,161,349.89 under the two bond subscription agreements. The petition was filed against the Company on 9 March 2020.	The Company has reached settlement arrangement with the petitioner and the petition was withdrawn by the petitioner on 16 June 2020.
HCCW 69 of 2020	The petitioner subscribed for a bond of the Company in the principal amount of HK\$8,032,000 and interest of HK\$32,000. The Company has made a part payment on the outstanding sum and the petitioner demanded for the remaining of the outstanding sum in the amount of HK\$3,500,000 in the petition filed against the Company on 18 March 2020.	The Company has reached settlement arrangement with the petitioner and the petition was withdrawn by the petitioner on 11 May 2020.

Save as disclosed in this announcement, to the best knowledge and belief of the Company, there is no other outstanding winding up petition filed against the Company as at the date of this announcement.

In view of the amount involved, the Company considers that the Petitions do not cause a material adverse impact to the Company's business operations and it has sufficient financial resources to pay the respective petitioners and settle the outstanding sum.

THE CIVIL CLAIMS

As disclosed in the Announcement, the Company was involved in two legal proceedings and wishes to provide further details on the Civil Claims as follow.

Case Number	Details of the Civil Claims	Status of the Civil Claims
HCA 232 of 2020	<p>Each of the three plaintiffs subscribed for bonds of the Company under the Capital Investment Entrant Scheme. The Company failed to pay the interest by the prescribed date, the plaintiffs sought for repayment of the principal and interest on the bonds in the sum of HK\$30,000,000 together with interest and fixed costs of HK\$11,045.</p> <p>On 13 July 2020, the court granted leave to the current petitioner to substitute the former petitioner as the petitioner, the amended petition was served on the Company on 24 July 2020.</p>	The Company has reached settlement arrangements with the plaintiffs in September 2020.
HCA 635 of 2020	The plaintiff subscribed for bonds of the Company under the Capital Investment Entrant Scheme. The Company failed to pay the interest by the prescribed date, the plaintiff sought for repayment of the principal and interest on the bonds in the sum of HK\$10,000,000 together with interest and fixed costs of HK\$11,045.	The Company has reached settlement arrangement with the plaintiff in September 2020.

In view of the amount involved, the Company considers that the Civil Claims do not cause a material adverse impact to the Company's business operations and it has sufficient financial resources to settle the outstanding sum.

The Company will keep its shareholders informed of any significant developments and other matters by way of further announcement(s) as and when appropriate. Shareholders and potential investors should exercise caution when dealing in the securities of the Company.

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, 23 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 of the Company are Mr. Xu Jiaming, Mr. Yan Hualin, Mr. Wu Zhongxian, Mr. Choi Ho Yan and Mr. Siu Siu Ling, Robert.