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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)

VOLUNTARY ANNOUNCEMENT BUSINESS UPDATE — STRATEGIC COOPERATION FRAMEWORK AGREEMENT

This announcement is made by China Saite Group Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis to inform the shareholders of the Company and potential investors of the latest business development of the Group.

The board of directors (“**Directors**”) of the Company is pleased to announce that on 20 January 2019, the Company entered into a strategic cooperation framework agreement (“**Strategic Cooperation Agreement**”) with Angang Construction Consortium Co., Ltd. (鞍鋼建設集團有限公司)(“**Angang Construction**”).

STRATEGIC COOPERATION FRAMEWORK AGREEMENT

According to the Strategic Cooperation Agreement, the parties will base on their strength in their respective businesses to strategically cooperate in complementing both parties’ project supply, market development, market management, technology exchange and project investment.

Summary of the scope of cooperation is set out as follows:

1. Based on the geographical locations of projects and under the same circumstances, Angang Construction and its related companies shall give preference to the steel structure products of the Company when undertaking the construction projects of housing constructions, railway engineering, petrochemical and mining projects, and electric power projects from 2019 to 2023. The workshop of the Company is a processing base of Angang Construction in the south region. Depending on the needs of specific projects, the Company may provide one to two workshops to Angang Construction to manage in its full discretion and Angang Construction shall bear the corresponding rental fees. In case where the Company is subject to limitations of

production capacity or geographical locations, the Company shall preferably select Angang Construction as a supplier under the same circumstances for the bridge engineering, civilian and industrial construction projects undertaken by the Company. During the actual operation of the project, both parties may establish project companies based on actual situations.

2. Angang Construction has general contracting qualification with powerful and comprehensive operation capability. The Company shall preferably disclose large-scale construction information derived from its sales channels and customer relationships to Angang Construction and utilise the Company's advantages on human resources, customer network, geographical connections and information channels, etc. to actively cooperate with Angang Construction to undertake projects.
3. Both parties have leading technical research results, production methods, installation technologies, etc. in areas where they have mutual interest to research and develop. They have their own leading technical advantages and numerous well-protected patented technologies in different in-depth topic research directions. As cooperation partners, both parties are given priority to use the results of the other party.
4. Both parties shall mutually provide their advantages such as technology and managerial talents, sales network, customer relationships, manufacturing bases, erectors and geographical location impact, etc. to develop areas where they have common interest.

INFORMATION ON THE GROUP AND ANGANG CONSTRUCTION

The Group is an integrated steel structure and prefabricated construction solution service provider headquartered in Yixing, Jiangsu Province, the People's Republic of China. It has an operation history of over 20 years. The Group's integrated construction solution services are customized to meet the technical specifications and requirements of different projects, and span from fabrication to assembly of steel structure parts and prefabricated construction materials at workshops, and to the installation of materials onsite.

Angang Construction is an integrated large-scale and comprehensive construction corporation comprising architectural designing, construction, splitting mountains, stripping, industrial and civilian construction, industrial structure and metallurgical equipment manufacturing and installing, large-scale construct hoisting and transportation, mechanical equipment installation and adjustment, product development and production, etc. To the best of the knowledge and belief of the Directors, having made all reasonable enquiries, Angang Construction and its ultimate beneficial owner are third parties independent of the Company and its connected persons.

REASONS FOR AND BENEFITS OF THE ENTERING INTO THE STRATEGIC COOPERATION AGREEMENT

The Directors believe that the Strategic Cooperation Agreement and the transactions thereunder are in the ordinary and usual course of business of the Group and will bring in revenue to the Group and result in positive impact on the Group. The Directors are of the view that the terms of the Strategic Cooperation Agreement were negotiated on an arm's length basis between the parties and are on normal commercial terms, fair and reasonable and in the interests of the Company and the shareholders of the Company as a whole.

GENERAL

As the Strategic Cooperation Agreement is only a framework agreement between the parties, the parties will enter into formal and specific cooperation agreements in writing separately to set out specific content of cooperation, terms and otherwise. The Company will keep its shareholders and potential investors informed of any material development in connection with the above matter by way of further announcement(s) as and when appropriate.

By Order of the Board
China Saite Group Company Limited
Jiang Jianqiang
Chairman

Hong Kong, 30 January 2019

As at the date of this announcement, the executive directors of the Company are Mr. JIANG Jianqiang, Mr. SHAO Xiaoqiang and Mr. XU Fanghua; and the independent non-executive directors are Mr. XU Jiaming, Mr. LUK Chi Shing and Mr. WU Zhongxian.