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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 — BUILDING CONSTRUCTION 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 6 September 2019, Jiangsu Saite Steel Structure Co. Ltd.* (江蘇賽特鋼結構有限公司), a wholly owned subsidiary of the Company (“**Jiangsu Saite**”), entered into the Building Construction Agreement (建設工程施工合同) (“**Building Construction Agreement**”) with Jiangsu TaiLong Decelerator Machinery Co., Ltd. (江蘇泰隆減速機股份有限公司) (“**Jiangsu TL**”) in respect of the construction of Transmission Machinery Science and Technology Industrial Park* (傳動機械科技產業園) (“**TMST Park**”) project situated at Taixing High-Tech Industrial Development Zone* (泰興高新技術產業開發區 (文昌東路北側、國慶東路南側)) (the “**TMST Park Project**”).

Pursuant to the Building Construction Agreement, Jiangsu Saite will be responsible for steel construction and engineering works based on the technical specifications as required in the TMST Park Project. The total consideration under the Building Construction Agreement shall be approximately RMB133,980,583 (approximately to HK\$148,450,486) which comprises the costs of construction and engineering works and other provisional expenses for the construction of the TMST Park Project. The construction period of the TMST Park Project will be 210 days commencing from 20 September 2019 to 20 April 2020.

INFORMATION ON THE GROUP

The Group is an integrated steel structure and prefabricated construction solution service provider headquartered in Yixing, Jiangsu Province, the PRC. 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.

INFORMATION ON JIANGSU TL

Jiangsu TL is one of the top 500 machinery enterprises in China, and has been ranked as a Leading Enterprise in the national decelerator industry for 10 consecutive years.

Jiangsu TL is currently the Director Unit of National Decelerator Industry Association* (全國減速機行業協會理事長單位) and the Secretariat Unit of National Decelerator Standardization Technical Committee* (全國減速機標準化技術委員會秘書處單位). Jiangsu TL has successively obtained over 30 state-level awards such as the National Enterprise of Contractual Performance and Creditworthiness* (全國守合同重信用企業), the National Key High-tech Enterprise* (全國重點高新技術企業) and the National Advance Enterprise of Quality and Efficiency Type in Machinery Industry* (全國機械工業品質效益型先進企業), etc. TaiLong trademark has been recognized as “Chinese Famous Trademark” in the industry by the State Administration of Industry and Commerce.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, Jiangsu TL is a third party independent of the Company and its connected persons.

REASONS FOR AND BENEFITS OF THE ENTERING INTO OF THE BUILDING CONSTRUCTION AGREEMENT

The Directors believe that the Building Construction 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 Building Construction Agreement were negotiated on an arm’s length basis between the parties and are of normal commercial terms, fair and reasonable and in the interests of the Company and the shareholders of the Company as a whole.

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

Hong Kong, 23 September 2019

Unless otherwise specified in this announcement, translations of RMB into HK\$ are made in this announcement, for illustration only, at the rate of RMB1.00 to HK\$1.108. No representation is made that any amounts in RMB or HK\$ could have been or could be converted at that rate or at any other rate or at all.

As at the date of this announcement, the executive directors of the Company are Mr. JIANG Jianqiang, Mr. SHAO Xiaoqiang, Mr. LIU Zhibo, Mr. HUA Gang and Mr. XU Fanghua; and the independent non-executive directors are Mr. XU Jiaming, Mr. WU Zhongxian and Mr. YAN Hualin.

* For identification only