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## **China Saftower International Holding Group Limited**

### **中國蜀塔國際控股集團有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8623)**

### **PROFIT WARNING**

This announcement is made by China Saftower International Holding Group Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) and the Inside Information Provisions (as defined under the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company would like to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that based on a preliminary review of the unaudited financial information currently available to the Board, the Group is expected to record a decrease in net profit of approximately RMB6.5 million for the six months ended 30 June 2020 (“**6M2020**”) as compared to that for the six months ended 30 June 2019 (“**6M2019**”). The decrease in net profit was mainly attributable to (i) drop in the revenue of the Group in 6M2020 due to the outbreak of COVID-19 (ii) the decrease in government grants and subsidies as compared to 6M2019 due to the receipt of one-off government grants of approximately RMB5.6 million in 6M2019 while such one-off government grants were not available in 6M2020 and the PRC government postponing the payment of government grants and subsidies of approximately RMB2.5 million in the first quarter of 2020 under the impact of COVID-19; and (iii) no agency fee income was recorded during 6M2020 following the cessation of all aluminium oxide agency service arrangements in December 2019 whereas approximately RMB2.5 million was recorded in 6M2019.

As the Company is still in the process of finalising its consolidated annual financial results for 6M2020, the information contained in this announcement is only based on the preliminary assessment by the Board on the unaudited draft consolidated management accounts of the Group for 6M2020 and the information currently available, which has not been reviewed or audited by the Company's auditor or reviewed by the audit committee of the Company. The above information is subject to adjustments upon further review. The actual interim results for 6M2020 may be different from the information disclosed in this announcement. Shareholders and potential investors are advised to read carefully the interim results announcement of the Group for the six months ended 30 June 2020, which is expected to be published on 10 August 2020 in accordance with the GEM Listing Rules.

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

By order of the Board  
**China Saftower International Holding Group Limited**  
**Dang Fei**  
*Chairman and Executive Director*

Hong Kong, 6 August 2020

*As at the date of this announcement, the executive Directors are Mr. Dang Fei, Mr. Wang Xiaozhong, Ms. Luo Xi and Mr. Luo Qiang, the non-executive Director is Mr. Wang Haichen and the independent non-executive Directors are Dr. Zuo Xinzhang, Mr. Chan Oi Fat and Ms. Hu Xiaomin.*

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

*This announcement will remain on the GEM website at [www.hkgem.com](http://www.hkgem.com) on the "Latest Listed Company Information" page for at least seven days from the date of its publication and on the website of the Company at [www.saftower.cn](http://www.saftower.cn).*

*In the case of inconsistency, the English text of this announcement shall prevail over the Chinese text.*