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China Futex Holdings Limited
中國福紡控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8506)

PROFIT WARNING

This announcement is made pursuant to Rule 17.10(2) of the GEM Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

The Board wishes to inform the Shareholders and potential investors that, based on the information currently available to the Board, the Group is expected to record a decline in unaudited net profit for the six months ended 30 June 2020, from approximately RMB9.1 million to approximately RMB1.4 million, representing a decrease of approximately 84% as compared to the unaudited net profit for the six months ended 30 June 2019.

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

This announcement is made pursuant to Rule 17.10(2) 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 "**SFO**").

The board (the "**Board**") of directors (the "**Director(s)**") of China Futex Holdings Limited (the "**Company**", together with its subsidiaries as the "**Group**") wishes to inform the shareholders of the Company (the "**Shareholders**") and potential investors that, based on the information currently available to the Board, the Group is expected to record a decline in unaudited net profit for the six months ended 30 June 2020 (the "**Period**"), from approximately RMB9.1 million to approximately RMB1.4 million, representing a decrease of approximately 84% as compared to the unaudited net profit for the six months ended 30 June 2019.

The expected decline in net profit is primarily attributable to a considerable drop in revenue of approximately 59% as compared with the corresponding period in 2019. The outbreak of the novel coronavirus (COVID-19) pandemic developed rapidly and had adverse impact to the global economic conditions during the Period, and demands from our overseas and domestic customers were both generally low as compared to the corresponding period in 2019.

The Company is still in the process of finalizing the unaudited consolidated results of the Group for the Period. The information contained in this announcement is solely based on the preliminary assessment by the Board on the consolidated management accounts of the Group for the Period and the information currently available, which have not been reviewed by the audit committee of the Company. The above information may be subject to possible adjustments upon further review.

Shareholders and potential investors are advised to refer to the details in the results announcement of the Company for the Period, which is expected to be published on 14 August 2020.

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

By Order of the Board
China Futex Holdings Limited
Yuan Yuan
Chairlady and Chief Executive Officer

Hong Kong, 7 August 2020

As at the date of this announcement, the executive Directors are Ms. Yuan Yuan (Chairlady) and Mr. Chen Yihui; and the independent non-executive Directors are Dr. Hu Xudong, Dr. Mu Zhirong and Mr. Shum Shing Kei.

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 in this announcement misleading.

This announcement will remain on the "Latest Company Announcements" page of the GEM website (www.hkgem.com) for at least seven days from the date of its posting. This announcement will also be published on the Company's website at www.kx-machine.com.