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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 by China Futex Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 17.10(2) of the Rules Governing the Listing of Securities on GEM (the “**GEM Listing Rules**”) of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) 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 wishes to inform the potential investors and shareholders of the Company (the “**Shareholders**”) that, based on a preliminary review of the unaudited consolidated management accounts of the Group for the year ended 31 December 2020 and assessment of the information currently available to the Board, the Group is expected to record a net loss (excluding the impact of provision of guarantees by the Group, details of which are set out in the announcement of the Company dated 30 December 2020) of approximately RMB7.6 million as compared to a net profit of approximately RMB16.6 million for the year ended 31 December 2019.

The expected change from net profit to net loss is primarily attributable to a considerable decrease in revenue of approximately 48% as compared to 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 year ended 31 December 2020, leading to reduced demands from both overseas and domestic customers as compared to the corresponding period in 2019.

The Company is still in the process of finalising the audited consolidated results of the Group for the year ended 31 December 2020. The information contained in this announcement is based on the preliminary assessment of the Board with reference to the unaudited consolidated management accounts of the Group for the year ended 31 December 2020 and the information currently available, which have not been audited or reviewed by the auditor and audit committee of the Board. Actual financial results of the Group for the year ended 31 December 2020 may be different from those disclosed in this announcement. The potential investors and the Shareholders are advised to read carefully the results announcement of the Group for the year ended 31 December 2020, which is expected to be released on 26 March 2021.

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

By order of the Board
China Futex Holdings Limited
Cheng Jun
Chairman and executive Director

Hong Kong, 2 March 2021

As at the date of this announcement, the executive Directors are Mr. Cheng Jun (Chairman), Ms. Yuan Yuan, Mr. Guan Min and Mr. Zheng Liangjian; and the independent non-executive Directors are Dr. Hu Xudong, Mr. Shum Shing Kei and Mr. Chan Ka Leung Kevin.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules 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 website of the Stock Exchange at www.hkexnews.hk on the “Latest Listed Company Information” page for at least 7 days from the date of its posting and will be published on the Company’s website at www.kx-machine.com.