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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)

CLARIFICATION TO THE PROFIT WARNING

Reference is made to the Company's profit warning announcement dated 3 August 2021 (the "**Announcement**"). Unless otherwise defined, capitalised terms used herein shall have the same meanings as defined in the Announcement.

The Board wishes to clarify that the second paragraph of the Announcement shall be replaced in its entirety and read as follows:

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 consolidated management accounts of the Group for the six months ended 30 June 2021 ("**6M2021**") and the information currently available to the Board, the Group is expected to record a net loss of approximately RMB5.4 million for 6M2021 as compared with the net profit of approximately RMB1.3 million recorded by the Group for the six months ended 30 June 2020. The increase in net loss was mainly attributable to (1) the decrease in gross profit of approximately RMB6.5 million and the decrease in gross profit margin due to the increase in the cost of raw material; (2) the increase of allowance for expected credit loss on trade receivables of approximately RMB1.5 million; and (3) the increase of staff cost of approximately RMB0.9 million for 6M2021 as compared to the corresponding period in 2020.

Save as the above clarification, all information and contents as set out in the Announcement remain unchanged.

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

Hong Kong, 4 August 2021

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 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 GEM website at 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.

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