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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 consolidated management accounts of the Group for the nine months ended 30 September 2021 (“**9M2021**”) and the information currently available to the Board, the Group is expected to record a net loss of approximately RMB6.9 million for 9M2021, representing an increase in net loss of approximately RMB5.7 million as compared to a net loss of approximately RMB1.2 million for the nine months ended 30 September 2020. The increase in net loss was mainly attributable to (1) the decrease in gross profit of approximately RMB17.6 million and the decrease in gross profit margin due to the increase in the cost of raw materials; (2) the increase of allowance for expected credit loss on trade receivables of approximately RMB0.3 million; and (3) the increase of staff cost of approximately RMB2.0 million for 9M2021 as compared to the corresponding period in 2020.

As the Company is still in the process of finalising its unaudited consolidated financial results for 9M2021, the information contained in this announcement is only based on the information currently available and the preliminary assessment by the Board with reference to the unaudited consolidated management accounts of the Group for 9M2021, which has not been reviewed or audited by the Company's auditor or reviewed by the audit committee of the Company, and is subject to further adjustments. The actual results for 9M2021 may be different from the information disclosed in this announcement. Shareholders and potential investors are advised to read carefully the third quarterly results announcement of the Group for 9M2021, which is expected to be published on or around 12 November 2021 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, 5 November 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.