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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)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent

Imperium International Securities Limited



PLACING OF NEW SHARES UNDER GENERAL MANDATE

On 21 October 2025 (after trading hours of the Stock Exchange), the Company entered into the Placing Agreement with the Placing Agent pursuant to which the Placing Agent has conditionally agreed, as agent of the Company, to procure on a best efforts basis currently expected to be not less than six Placees who and whose ultimate beneficial owners shall be Independent Third Parties to subscribe for up to 31,000,000 Placing Shares at the Placing Price of HK\$0.105 per Placing Share.

The maximum of 31,000,000 Placing Shares represent (i) approximately 19.84% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.56% of the issued share capital of the Company as enlarged by the allotment and issue of all the Placing Shares.

The Placing Price of HK\$0.105 per Placing Share represents (i) a discount of 18.60% to the closing price of HK\$0.129 per Share as quoted on the Stock Exchange on the Last Trading Day; and (ii) a discount of 18.60% to the average of the closing prices per Share of HK\$0.129 as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the Last Trading Day.

The Placing Shares will be allotted and issued pursuant to the General Mandate and is not subject to further Shareholders' approval. An application will be made by the Company to the Listing committee of the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

Assuming all the Placing Shares are fully placed, the gross proceeds from the Placing will be approximately HK\$3,255,000. The net proceeds, after deduction of all relevant expenses (including but not limited to placing commission, legal expenses and disbursements) incidental to the Placing, are estimated to be approximately HK\$3,150,000. The Company intends to use such net proceeds for the general working capital of the Group and improve the financial position of the Group which then can help establishing and strengthening the existing and future business of the Group.

Shareholders and potential investors of the Company should note that completion of the Placing is subject to the fulfilment of the condition set out in the Placing Agreement. The Placing may or may not proceed. Shareholders and potential investors of the Company are therefore urged to exercise caution when dealing in the Shares and other securities of the Company.

PLACING OF NEW SHARES UNDER GENERAL MANDATE

On 21 October 2025 (after trading hours of the Stock Exchange), the Company entered into the Placing Agreement with the Placing Agent pursuant to which the Placing Agent has conditionally agreed, as agent of the Company, to procure on a best efforts basis currently expected to be not less than six Placees who and whose ultimate beneficial owners shall be Independent Third Parties to subscribe for up to 31,000,000 Placing Shares at the Placing Price of HK\$0.105 per Placing Share. Details of the Placing Agreement are set out below:

The Placing Agreement

Date: 21 October 2025 (after trading hours of the Stock Exchange)

Parties: (i) the Company, as the issuer; and

(ii) Imperium International Securities Limited, as the placing agent.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owner(s) are Independent Third Parties.

Pursuant to the terms of the Placing Agreement, the Placing Agent will receive a placing commission of HK\$50,000 in Hong Kong dollars. The placing commission in respect of the Placing was negotiated on arm's length basis between the Company and the Placing Agent. The Directors are of the view that the placing commission accords with the market rate and is fair and reasonable.

The Directors consider that the placing commission in respect of the Placing are fair and reasonable based on the current market conditions.

Placees

The Placing Shares will be placed to not less than six Placees who and whose ultimate beneficial owners will be Independent Third Parties. Upon completion of the Placing, it is expected that none of the Placees will become a substantial Shareholder. If any of the Placees will become a substantial Shareholder after completion of the Placing, further announcement will be made by the Company.

Placing Shares

The maximum of 31,000,000 Placing Shares represent (i) approximately 19.84% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.56% of the issued share capital of the Company as enlarged by the allotment and issue of all the Placing Shares.

The aggregate nominal value of the maximum of 31,000,000 Placing Shares is HK\$3,100,000.

Ranking of the Placing Shares

The Placing Shares, when allotted and issued, will rank pari passu in all respects among themselves and with the Shares in issue on the date of allotment and issue of the Placing Shares.

Placing Price

The Placing Price of HK\$0.105 per Placing Share represents (i) a discount of 18.60% to the closing price of HK\$0.129 per Share as quoted on the Stock Exchange on the Last Trading Day; and (ii) a discount of 18.60% to the average of the closing prices per Share of HK\$0.129 as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the Last Trading Day.

The Placing Price was arrived at after arm's length negotiations between the Company and the Placing Agent with reference to the prevailing market price and the recent trading performance of the Shares. The Directors consider that the Placing Price and the terms of the Placing Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

Condition of the Placing

The Placing is conditional upon the Listing committee of the Stock Exchange granting listing of, and permission to deal in, the Placing Shares. If the above condition is not fulfilled by 10 November 2025 (or such later date as may be agreed by the parties in writing thereto), all rights, obligations and liabilities of the parties to the Placing Agreement shall cease and determine and neither of the parties thereto shall have any claim against the other save for any antecedent breach under the Placing Agreement prior to such termination.

Completion

Completion of the Placing shall take place on a date falling within five Business Days after the day on which the condition set out in the Placing Agreement has been fulfilled (or such later date as may be agreed between the parties thereto).

Application for listing

An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

General Mandate to issue the Placing Shares

The Placing Shares will be allotted and issued pursuant to the General Mandate. The maximum number of Shares that can be issued under the General Mandate is 31,235,049 Shares. The General Mandate is sufficient for the allotment and issue of all the Placing Shares. As such, the issue of the Placing Shares is not subject to further Shareholders' approval. The General Mandate will be utilised as to 99.25% upon the allotment and issue of all the Placing Shares.

Termination

The Placing Agent shall be entitled by notice to the Company given at any time up to 8:00 a.m. on the date of Completion to terminate the Placing Agreement if:

- (a) there is or will be any change in national, international, financial, exchange control, political, economic conditions in Hong Kong or there is or will be any new law or change in existing laws or any change in the interpretation or application thereof by any court of competent authority which in the reasonable opinion of the Placing Agent would be materially adverse in the consummation of the Placing; or
- (b) there is any breach of the warranties, representations and undertakings given by the Company in this Agreement and such breach to be material in the context of the Placing; or
- (c) there is any material change (whether or not forming part of a series of changes) in market conditions or the general affairs, management, business, financial, trading or other condition or prospects of the Company which would materially and prejudicially affect the Placing or makes it inadvisable or inexpedient for the Placing to proceed; or
- (d) there is any suspension of dealings in the Shares on the Stock Exchange for more than ten (10) consecutive Business Days (other than as a result of or in connection with the Placing), or there is any cancellation of the listing of the Shares on the Stock Exchange; or
- (e) any litigation or claim of material importance of any third party being instigated against any member of the Group, which has or may have a material adverse effect on the business or financial prospects of the Group taken as a whole and which would materially prejudice the success of the Placing.

In the event that the Placing is not completed by the Completion Date, this Agreement will terminate unless otherwise agreed between the parties.

If notice is given pursuant to the above, all rights, obligations and liabilities of the parties hereto hereunder shall cease and determine and no party hereto shall have any claim against the other party in respect of any matter or thing arising out of or in connection with this Agreement save in respect of any antecedent breach of any obligation under this Agreement or any accrued liability.

REASONS FOR AND BENEFITS OF THE PLACING AND USE OF PROCEEDS

The principal activity of the Company is manufacturing and sales of wires and cables as well as the sales of aluminum products.

Assuming all the Placing Shares are fully placed, the gross proceeds from the Placing will be approximately HK\$3,255,000. The net proceeds, after deduction of all relevant expenses (including but not limited to placing commission, legal expenses and disbursements) incidental to the Placing, are estimated to be approximately HK\$3,150,000, representing a net issue price of approximately HK\$0.102 per Placing Share. The Company intends to use such net proceeds for the general working capital of the Group.

The Directors consider that the Placing represents an opportunity to raise additional funding for the business operations of the Group and will strengthen the Group's financial position, and enlarge shareholders' base of the Company which may in turn establish and strengthen the existing and future business of the Group, enhance the liquidity of the Shares, and provide working capital to the Group to meet any financial obligations of the Group.

EQUITY FUND-RAISING ACTIVITIES OF THE COMPANY DURING THE PAST 12 MONTHS

As at 4:00 p.m. on 8 April 2025, a total of 35,582,518 Rights Shares provisionally allotted under the Rights Issue were accepted. As at 4:00 p.m. on 28 April 2025, 10,192,727 Shares were successfully placed to three placees at the price of HK\$0.11 per Share. The gross proceeds raised from the Rights Issue (including the Placing) were approximately HK\$5.04 million and the net proceeds (after deducting all relevant expenses) from the Rights Issue were approximately HK\$4.17 million. The Company allocated the use of the net proceeds as follows: (i) approximately HK\$1.25 million for repayment of the Group's debt and borrowings; (ii) approximately HK\$1.67 million for investments in the industry of non-motor vehicle; and (iii) approximately HK\$1.25 million for the general working capital of the Group.

Save as disclosed above, the Company has not conducted any fund-raising activities involving the issue of equity securities during the 12 months immediately preceding the date of this announcement.

CHANGES IN SHAREHOLDING STRUCTURE

The changes in the shareholding structure of the Company as a result of the Placing (assuming that there are no other changes in the issued share capital of the Company from the date of this announcement up to and immediately after Completion) are as follows:

Shareholders	As at the date of this announcement		Immediately after completion of the Placing (assuming all the Placing Shares are fully placed)	
	<i>Number of Shares</i>	<i>Approx. %</i>	<i>Number of Shares</i>	<i>Approx. %</i>
Red Fly Investment Limited	52,692,000	33.74%	52,692,000	28.15%
Xseven investments Limited	14,964,000	9.58%	14,964,000	7.99%
The Placees	—	—	31,000,000	16.56%
Other public Shareholders	88,519,245	56.68%	88,519,245	47.29%
Total	<u>156,175,245</u>	<u>100.00%</u>	<u>187,175,245</u>	<u>100.00%</u>

DEFINITIONS

In this announcement, the following expressions shall, unless the context requires otherwise, have the following meanings:

“associates”	has the meaning ascribed thereunder the GEM Listing Rules
“Board”	the board of Directors
“Business Day”	means any day (excluding a Saturday) on which banks generally open for business in Hong Kong

“Company”	China Saftower International Holding Group Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the GEM (stock code: 8623)
“Completion”	completion of the placing of the Placing Shares in accordance with the terms and conditions as set out in the Placing Agreement
“connected persons”	has the meaning as ascribed thereto under the GEM Listing Rules
“Director(s)”	director(s) of the Company
“GEM”	GEM operated by the Stock Exchange
“GEM listing rule”	the Rules Governing the Listing of Securities on GEM
“General Mandate”	the general mandate granted to the Directors by the Shareholders pursuant to an ordinary resolution passed at the annual general meeting of the Company held on 30 June 2025, pursuant to which a maximum of 31,000,000 new Shares may fall to be allotted and issued as at the date of this announcement
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	independent third party(ies) who is/are not connected person(s) of the Company and is/are independent of and not connected with the Company and directors, chief executive, controlling shareholders and substantial Shareholders of the Company or their respective associates
“Last Trading Day”	21 October 2025, being the last trading day for the Shares prior to the issue of this announcement
“Listing committee”	the listing sub-committee of the board of directors of the Stock Exchange

“Placees”	any person or entity by the Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing Agreement
“Placing”	the placing, on a best efforts basis, of up to 31,000,000 new Shares pursuant to the terms of the Placing Agreement
“Placing Agent”	Imperium International Securities Limited, a licensed corporation to carry on business in type 1 (dealing in securities), type 2 (dealing in futures contracts) and type 4 (advising on securities) regulated activities under the SFO
“Placing Agreement”	the conditional placing agreement dated 21 October 2025 and entered into between the Company and the Placing Agent in relation to the Placing
“Placing Price”	HK\$0.105 per Placing Share
“Placing Shares”	up to 31,000,000 new Shares to be placed under the Placing
“Record Date”	Friday, 21 March 2025 or such other date as may be determined by the Company, being the record date for determining the entitlements of the Shareholders to participate in the Rights Issue
“Rights Issue”	the proposed issue of new Shares by way of rights on the basis of one (1) Rights Share for every two (2) existing Shares held at the close of business on the Record Date at the subscription price of HK\$0.11 per Rights Share
“Rights Share(s)”	the new Share(s) to be allotted and issued under the Rights Issue
“SFO”	Securities and Futures Ordinance, Cap. 571 of the Laws of Hong Kong
“Share(s)”	ordinary issued share(s) of HK\$0.1 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)

“Stock Exchange”

The Stock Exchange of Hong Kong Limited

“HK\$”

Hong Kong dollars, the lawful currency of Hong Kong

“%”

per cent.

By order of the Board

China Saftower International Holding Group Limited

Dang Fei

Chairman and Executive director

Hong Kong, 21 October 2025

As at the date of this announcement, the executive Directors are Mr. Dang Fei, Mr. Wang Xiaozhong, Ms. Luo Xi, Ms. Zhou Wenqi, Ms. Hu Yi and Mr. Cheung Wai Yin Wilson, and the independent non-executive Directors are Dr. Zuo Xinzhang, Mr. Li Jian and Mr. Ma Kaibing.

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 Stock Exchange’s website at www.hkexnews.hk 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.