*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

# 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)**

## DISCLOSEABLE TRANSACTION IN RELATION TO DISPOSAL OF 100% EQUITY INTEREST IN THE TARGET COMPANY

### THE DISPOSAL

The Board is pleased to announce that on 31 December 2025 (after trading hours), the Vendor and the Purchaser entered into the Sale and Purchase Agreement, pursuant to which the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire, the Sale Shares at the Consideration of RMB2,700,000 in accordance with the terms and conditions of the Sale and Purchase Agreement.

Upon Completion, the Company will cease to hold any interest in the Target Company and the Target Company will cease to be a subsidiary of the Company. The financial results of the Target Company will no longer be consolidated into the consolidated financial statements of the Company.

### LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios calculated under Rule 19.07 of the GEM Listing Rules in respect of the Disposal are more than 5% but less than 25%, the Disposal constitutes a discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules and is therefore subject to reporting and announcement requirements.

**Completion of the Disposal is conditional upon the satisfaction of the conditions set out in the paragraph headed "The Sale and Purchase Agreement — Conditions Precedent" in this announcement. Accordingly, the Disposal may or may not proceed. Shareholders and potential investors are therefore advised to exercise caution when dealing in the Shares.**

## INTRODUCTION

The Board is pleased to announce that on 31 December 2025 (after trading hours), the Vendor and the Purchaser entered into the Sale and Purchase Agreement, pursuant to which the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire, the Sale Shares at the Consideration of RMB2,700,000 in accordance with the terms and conditions of the Sale and Purchase Agreement.

## THE SALE AND PURCHASE AGREEMENT

Date: 31 December 2025

Parties: Sichuan Saftower Energy Company Limited*
(四川蜀塔能源有限責任公司), an indirectly wholly-owned subsidiary of the Company, as the Vendor

Sichuan Zi Rui Yuan Corporate Management Limited*
(四川梓瑞源企業管理有限公司), as the Purchaser

Sichuan Xin Hao Yue New Materials Limited*
(四川鑫浩月新材料有限公司), as the Target Company

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

### Assets to be disposed of

The assets to be disposed of under the Sale and Purchase Agreement are the Sale Shares, representing 100% equity interest of the Target Company.

### Consideration

Pursuant to the Sale and Purchase Agreement, the Consideration is RMB2,700,000, and shall be settled by cash from the Purchaser to the Vendor in the following manners:

(i) RMB1,500,000 shall be payable by the Purchaser within five (5) business days upon completion of the registration of the change of the Sale Shares with the relevant authorities; and

(ii) RMB1,200,000 shall be payable by the Purchaser within five (5) business days upon the release of the collateral of the Property.

The Consideration was determined after arm's length negotiations between the Vendor and the Purchaser after taking into account of (i) the unaudited net asset value of the Target Company as at 30 September 2025 of RMB2,700,000; (ii) the Valuation on 100% equity interest of the Target Company made by Sichuan Zhongxin Assets Valuation Company Limited* (四川眾信資產評估事務所有限公司) using the asset-based approach, as at 30 September 2025 of RMB2,672,300; and (iii) other factors as set out in the paragraph headed "Reasons for and benefits of the Disposal" in this announcement.

**The Board's assessment on the Valuation**

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the Company is not aware of any relationships or interests among the Valuer, the Group, the Purchaser, or any of their respective substantial shareholders, directors or chief executives, or of their respective associates that could reasonably be regarded as relevant to the independence of the Valuer. Apart from normal professional fees payable to the Valuer in connection with the Valuation, no arrangement exists whereby the Valuer will receive any fees or benefits from the Company, the Purchaser, or any of their respective substantial shareholders, directors or chief executives, or any of their respective associates, and the Company is not aware of the existence of or change in any circumstances that would affect their independence. The Valuer has confirmed to the Company of their independence. Accordingly, the Directors considered that the Valuer is eligible to independently perform the Valuation.

In assessing the basis of the consideration in respect of the Disposal, the Company has engaged the Valuer to appraise the value of 100% equity interest of the Target Company. The Valuer is a member of the China Appraisal Society and is authorised to provide asset appraisal services in the PRC. The individual valuers who are responsible for preparation and sign-off the report of Valuation are practising members of the China Appraisal Society.

The Valuer had discussed with the management of the Company on the operating status, development and financial position of the Target Company. The Valuer has also reviewed the breakdown of the balance sheet items in the course of the Valuation.

As advised by the Valuer, they have relied on the information provided by the management of the Company in arriving at the opinion of value, of which, they are not in the position to verify the accuracy of information provided to them by the management of the Company. Apart from the above, there is no specific limitation in the course of the Valuation of apart from general limiting conditions adopted in the Valuation. The major documents and information relied upon by the Valuer in the Valuation of the Property include (i) the financial information of the Target Company as provided by the management of the Company; (ii) the operational information of the Target Company as discussed with the management of the Company; and (iii) title documents regarding the title to the Property, its site and floor areas of the Property.

According to the Valuation, the appraised Value of 100% equity interest of the Target Company as at 30 September 2025 was RMB2,672,300 using the asset-based approach.

With regard to the valuation of 100% equity interest of the Target Company, the Board understands from the Valuer that the asset-based approach is the most appropriate valuation approach. Asset-based approach is a valuation approach which is based on the amount of the balance sheet items to reasonably assessed fair value of the assets and liabilities of the Target Company. The Valuer advised that as at 30 September 2025, the assets and liabilities of the Target Company are well-identified and fully assessed based on the information provided by the management of the Company.

The Valuer also considered the income approach and market approach in the course of the Valuation. Income approach is a valuation approach which is based on the expected future economic benefits of a company. However, by using the income approach (i) is highly based on the value of its underlying investment of a company rather than its income generating capabilities; and (ii) involve the preparation of the long-term forecasts, high level of uncertainty in expected income to be generated by a company and many underlying assumptions, and thus not suitable in the Valuation. Market approach is a valuation approach which is based on the relevant comparable transactions or comparable companies to directly compare with the Target Company. Market approach is also not suitable as there are insufficient relevant comparable transactions or comparable companies with identical financial information to form a reliable basis of the Valuer's opinion of value.

The Board considers the assumptions adopted by the Valuer to be reasonable. In arriving at its appraisal result, the Valuer had, among others, assumed that:

(i) 100% equity interest of the Target Company is on the progress of the Disposal;

(ii) the financial information of the Target Company as supplied to the Valuer are freely traded on arm's length negotiation basis;

(iii) the financial information of the Target Company as supplied to the Valuer has been prepared in a manner which truly, completely and accurately reflects the financial performance and positions of the Target Company as at the respective assessment date;

(iv) for the Target Company to continue as a going concern, the Target Company will successfully carry out all necessary activities for the development of its business;

(v) there will be no material changes in the accounting policies and estimates of the Target Company's assets and liabilities;

(vi) there will be no material changes in the business operation of the Target Company and its operating structure;

(vii) there will be no material changes in the interest rates and exchange rates in the localities for the operations of the Target Company;

(viii) there will be no major changes in the political, legal, economic or financial conditions and taxation laws in the localities in which the Target Company operates or intends to operate, which would adversely affect the financial performance of the Target Company; and

(ix) all relevant approvals, business certificates, licenses or other legislative or administrative authority from any local, provincial or national government, or private entity or organization required to operate in the localities where the Target Company operates or intends to operate will be officially obtained and renewable upon expiry unless otherwise stated.

Having considered that (i) the Valuation has been prepared in compliance with applicable valuation procedures and methods by the Valuer; (ii) the Valuer had reviewed relevant financial information, operational information and other relevant data concerning the Target Company; (iii) the reasons for the adoption of the asset-based approach for the valuation of 100% equity interest of the Target Company; (iv) the assumptions adopted by the Valuer; (v) the scope of the valuation and the valuation results; and (vi) the factors as indicated in the paragraph headed "Reasons for and benefits of the Disposal" below in this announcement, the Directors consider that the appraisal result reflected the value of 100% equity interest of the Target Company and is fair and reasonable.

**The Board's assessment on the Consideration**

Having considered, the Consideration (i) is equal to the unaudited net asset value of the Target Company as at 30 September 2025; and (ii) represents a slight premium of approximately 1.0% over the Valuation as appraised by the Valuer as at 30 September 2025, the Board is of the view that the Consideration is fair and reasonable.

**Conditions Precedent**

Completion of the Disposal is conditional upon the fulfilment of the following conditions:

(i) the Sale and Purchase Agreement and the Disposal having been approved by the directors of the Vendor;

(ii) the Company having published an announcement in relation to the Sale and Purchase Agreement and the Disposal pursuant to the requirements of the GEM Listing Rules; and

(iii) all of the Vendor, the Purchaser, the Target Company and the Company having obtained all the government or regulatory consent, permit and approval necessary for the Sale and Purchase Agreement and the Disposal.

As at the date of this announcement, (i) and (ii) of the conditions have been fulfilled. If any of the Conditions Precedent are not satisfied on or before the Long Stop Date, the Purchaser shall have the right to terminate and rescind the Sale and Purchase Agreement.

**Completion**

Completion of the Disposal shall take place subject to the satisfaction of all the Conditions Precedent of the Disposal on or before the Long Stop Date. On the date of Completion, the following procedures for delivery of the Sale Shares shall be completed by the Vendor, the Purchaser and the Target Company:

(i) registration of the change of the Sale Shares with the relevant authorities;

(ii) registration of changes in the legal representative, directors, supervisors, managers and financial officers of the Target Company with the relevant authorities;

(iii) transfer of all the assets and liabilities of the Target Company from the Vendor to the Purchaser;

(iv) transfer of all original documents and materials of the Target Company from the Vendor to the Purchaser;

(v) paying off all the outstanding loans and payables owed by the Target Company within thirty (30) days by the Purchaser from the date of completion of the change in the Sales Shares;

(vi) releasing the collateral of the Property within five (5) business days by the Vendor from the date of completion of item (v) above; and

(vii) publication of an announcement in relation to the Completion.

## INFORMATION ON THE GROUP AND THE VENDOR

The Group is principally engaged in the manufacturing and sales of wires and cables, sale of aluminium products and sales of polymeric materials in the PRC.

The Vendor is a limited liability company established under the laws of the PRC on 16 March 2023. It is principally engaged in research and development of emerging energy and new materials of wire and cables in the PRC. As at the date of this announcement, the Vendor is an indirectly wholly-owned subsidiary of the Company.

## INFORMATION ON THE PURCHASER

The Purchaser is a limited liability company established under the laws of the PRC on 30 December 2024. It is principally engaged in business management, business consultancy and non-residential property leasing and management. As at the date of this announcement, the Purchaser is owned as to 99% and 1% by Ms. Huang Shurong (黃蜀蓉) and Mr. Liu Zhangjiu (劉長久) respectively. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner(s) are the Independent Third Parties of the Company and its connected persons.

## INFORMATION ON THE TARGET COMPANY

The Target Company is a limited liability company established under the laws of the PRC on 14 July 2025. It is principally engaged in research and development of new materials of wires and cables in the PRC.

The principal assets of the Target Company are the land use rights of the Property and the Property which are the land and buildings located at No. 88 Qingma Road, Modern Industrial Park (South Area), Pidu District, Chengdu, Sichuan Province, the PRC* (中國四川省成都市郫都區現代工業港(南片區)清馬路88號), pursuant to the Real Estate Title Certificate* (不動產權證書), Sichuan (2025) Pidu District Real Estate Title No. 006448* (四川(2025) 郫都區不動產權第006448號). The land use rights of a parcel of land with a site area of approximately 12,361 sq.m. and the building ownership rights of five blocks of 1 to 3-storey workshop buildings with a total gross floor area of approximately 7,498 sq.m. were granted to the Target Company for a term expiring on 2057 for industrial use. As at the date of this announcement, the majority portion of the Property is currently vacant and only small portion of the Property has leased out for rental income.

Set out below is the unaudited financial information of the Target Company for the three months ended 30 September 2025:

| | **For the three months ended 30 September 2025** *RMB (unaudited)* |
|---|---|
| Rental income | 102,245 |
| Net loss before tax | (35,337) |
| Net loss after tax | (35,337) |

| | **As at 30 September 2025** *RMB (unaudited)* |
|---|---|
| Total assets | 19,213,876 |
| Total liabilities | 16,513,876 |
| Net assets | 2,700,000 |

As at 30 September 2025, the unaudited net asset value of the Target Company was RMB2,700,000.

## REASONS FOR AND BENEFITS OF THE DISPOSAL

As disclosed in the interim report of the Company for the six months ended 30 June 2025, the Company recorded net current liabilities and net assets amounted to approximately RMB79.5 million and RMB0.7 million respectively. The Directors are of the view that the Group's current capital structure remains challenging, with limited equity base and heavy dependence on borrowings. The Group will continue to adopt prudent financial management strategies, strengthen cash flow control, and actively explore financing alternatives to support business operations and future development.

The Board is of the opinion that the Disposal represents a good opportunity for the Group to dispose 100% equity interest of the Target Company and realise the Target Company's value at a reasonable price. The Disposal (i) provides the Group with the net proceeds from the Disposal of approximately RMB2.5 million; and (ii) set-offs the outstanding loans and payables owed by the Target Company which shall improve the financial position of the Group. Having considered that the majority portion of the Property is currently vacant and only small portion of the Property has leased out for rental income, the Board is of the view that the Disposal can release the liquidity of the Target Company into cash so as to reallocate its resources to focus on the Group's existing business. Furthermore, the Group has other production facilities located in Sichuan Province, the PRC for its existing business

operations. Therefore, the Directors consider that there is no material adverse effect on the Group's business operations. The Disposal represents a valuable opportunity for the Group to realise the Target Company and obtain the immediate cash flow to improve the Group's financial position.

Having considered of the above, the Directors are of the view that the Disposal would allow the Group to improve its liquidity and financial position and reallocate its financial resources for better uses. Accordingly, the Directors consider that the Sale and Purchase Agreement and the Disposal are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## FINANCIAL EFFECT OF THE DISPOSAL AND USE OF PROCEEDS OF THE DISPOSAL

Upon Completion, (i) the Company will cease to hold any interest in the Target Company; (ii) the Company will no longer receive the rental income from leasing of small portion of the Property; and (iii) the Target Company will cease to be a subsidiary of the Company. The financial results of the Target Company will no longer be consolidated into the consolidated financial statements of the Company.

Based on the Consideration, there is no excess of unaudited net asset value of the Target Company of RMB2,700,000 as at 30 September 2025 over the gross proceeds from the Disposal. Based on, *inter alia*, the Consideration, the unaudited net asset value of the Target Company as at 30 September 2025 and the related expenses for the Disposal, the Group currently expects to record an unaudited loss on disposal of approximately RMB0.2 million upon Completion.

As at 30 June 2025, the unaudited net asset value of the Group was approximately RMB0.7 million. Upon Completion, based on the estimation of the Directors, (i) the Group's total assets will be decreased by approximately RMB16.7 million; and (ii) the Group's total liabilities will be decreased by approximately RMB16.5 million.

The financial effect of the Disposal as set out in the foregoing paragraph is presented for illustrative purpose only and is subject to change upon Completion, review and final audit by the auditor of the Company.

The net proceeds from the Disposal are expected to be approximately RMB2.5 million. The Group intends to apply the net proceeds from the Disposal as to general working capital of the Group.

## LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios calculated under Rule 19.07 of the GEM Listing Rules in respect of the Disposal are more than 5% but less than 25%, the Disposal constitutes a discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules and is therefore subject to reporting and announcement requirements.

**Completion of the Disposal is conditional upon the satisfaction of the conditions set out in the paragraph headed "The Sale and Purchase Agreement — Conditions Precedent" in this announcement. Accordingly, the Disposal may or may not proceed. Shareholders and potential investors are therefore advised to exercise caution when dealing in the Shares.**

## 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 |
| "Company" | China Saftower International Holding Group Limited (stock code: 08623), a company incorporated in Cayman Islands with limited liability whose issued Shares are listed on the GEM of the Stock Exchange |
| "Completion" | completion of the Disposal pursuant to the Sale and Purchase Agreement |
| "Conditions Precedent" | the condition(s) precedent to the Completion as set out under the paragraph headed "The Sale and Purchase Agreement — Conditions Precedent" of this announcement |
| "connected person(s)" | has the meaning ascribed to it under the GEM Listing Rules |
| "Consideration" | the consideration of the Disposal, being RMB2,700,000 payable by the Purchaser to the Vendor in respect of the Disposal pursuant to the Sale and Purchase Agreement |

| | |
|---|---|
| "Director(s)" | the director(s) of the Company |
| "Disposal" | the proposed disposal of the Sale Shares by the Vendor to the Purchaser pursuant to the Sale and Purchase Agreement |
| "GEM" | GEM operated by the Stock Exchange |
| "GEM Listing Rules" | the Rules Governing the Listing of Securities on GEM |
| "Group" | the Company and its subsidiaries |
| "HK$" | the lawful currency of Hong Kong |
| "Hong Kong" | the Hong Kong Special Administrative Region of the People's Republic of China |
| "Independent Third Party(ies)" | person(s) or company(ies) who/which is(are) independent of the Company and its connected persons |
| "Long Stop Date" | within 60 days after the signing of the Sale and Purchase Agreement or such later date as the Vendor and the Purchaser may agree |
| "PRC" | the People's Republic of China, but for the purpose of this announcement, do not include, Hong Kong, Macau and Taiwan |
| "Property" | the land and buildings located at No. 88 Qingma Road, Modern Industrial Park (South Area), Pidu District, Chengdu, Sichuan Province, the PRC* (中國四川省成都市郫都區現代工業港(南片區)清馬路88號) |
| "Purchaser" | Sichuan Zi Rui Yuan Corporate Management Limited* (四川梓瑞源企業管理有限公司), a limited liability company established under the laws of the PRC on 30 December 2024 |
| "RMB" | Renminbi, the lawful currency of the PRC |
| "Sale and Purchase Agreement" | the sale and purchase agreement entered into between the Vendor and the Purchaser dated 31 December 2025 in respect of the Disposal |

| | |
|---|---|
| "Sale Shares" | 100% of the issued share capital of the Target Company |
| "Share(s)" | the ordinary share(s) of HK$0.1 each in the share capital of the Company |
| "Shareholder(s)" | the holder(s) of Shares |
| "sq.m." | square metre(s) |
| "Stock Exchange" | The Stock Exchange of Hong Kong Limited |
| "Target Company" | Sichuan Xin Hao Yue New Materials Limited* (四川鑫浩月新材料有限公司), a limited liability company established under the laws of the PRC on 14 July 2025 |
| "Valuation" | the valuation of 100% equity interest of the Target Company made by the Valuer as at 30 September 2025 |
| "Valuer" | Sichuan Zhongxin Assets Valuation Company Limited* (四川眾信資產評估事務所有限公司) |
| ''Vendor'' | Sichuan Saftower Energy Company Limited* (四川蜀塔能源有限責任公司), a limited liability company established under the laws of the PRC on 16 March 2023 |
| "%" | per cent. |

*In this announcement, if there is any inconsistency between the Chinese names of the entities or enterprises established in the PRC and their English translations, the Chinese names shall prevail. The English translation of names or any descriptions in Chinese which are marked with "*" is for identification purpose only.*

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

Hong Kong, 31 December 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 Dr. Tsang Hing Bun.*

*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.*

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