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SANVO Fine Chemicals Group Limited
三和精化集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 301)

POSITIVE PROFIT ALERT

This announcement is made by SANVO Fine Chemicals Group Limited (the “**Company**” and, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Part XIVA of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company hereby informs the shareholders and potential investors of the Company that, based on the unaudited management accounts of the Group for the year ended 31 December 2020 (the “**Year**”) and the financial information currently available, the Group recorded a profit after tax of approximately RMB65,800,000, representing an increase of approximately RMB41,900,000, or 175.0%, as compared to the audited profit after tax of approximately RMB23,900,000 for the year ended 31 December 2019. The increase was primarily due to i) the increase in gross profit as a result of a decrease in the average cost of sales; and ii) the decrease in listing expenses.

The information contained in this announcement is based solely on the preliminary result made by the management of the Company with reference to the unaudited management accounts and the financial information currently available. Such information has not been reviewed by the auditors or the audit committee of the Company. Shareholders and potential investors are advised to read carefully the results announcement of the Group for the Year scheduled to be published in late March 2021.

By Order of the Board
SANVO Fine Chemicals Group Limited
Mr. Chen Bingqiang

*Chairman, Chief Executive Officer and Executive
Director*

Hong Kong, 8 March 2021

As at the date of this announcement, the executive Directors are Mr. Chen Bingqiang, Mr. Chen Bingyao and Mr. Ng Cheuk Lun; and the independent non-executive Directors are Ir. Daniel Lai, Mr. Xu Kai and Mr. Yeung Chun Yue David.