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中國恒泰
CHINA APEX

China Apex Group Limited
中國恒泰集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2011)

PROFIT WARNING

This announcement is made by China Apex Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions (as defined under the 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 and potential investors of the Company that, based on the preliminary assessment of the unaudited consolidated management accounts of the Group for the year ended 31 December 2020 and information currently available to the Board, the Group is expected to record a net loss of not less than HK\$50 million for the year ended 31 December 2020 as compared to approximately HK\$44 million in 2019. The expected loss was primarily attributable to combined effect of (i) the significant decrease in both revenue and gross profit of the zipper business for the year ended 31 December 2020 as compared to 2019 mainly due to the impact of the global outbreak of the COVID-19 including quarantine, lockdown and travel restrictions, resulting in the decreasing number of sales orders from customers of the Group who are primarily OEMs who manufacture apparel products; (ii) the impairment loss expected to be recognised on the property, plant and equipment and right-of-use assets for the year ended 31 December 2020 in relation to our zipper business and (iii) the fair value gain on financial asset at fair value through profit or loss of approximately HK\$1.5 million was recorded during the year ended 31 December 2020 as compared to the fair value loss of approximately HK\$23.6 million in 2019.

The Company is still in the process of finalising the annual results of the Group for the year ended 31 December 2020. The information contained in this announcement is only based on the Board’s preliminary assessment of the unaudited consolidated management accounts of the Group for the year ended 31 December 2020 and the latest information currently available

to the Board, which have not been audited or reviewed by the Company's auditors and the audit committee of the Company and may be subject to adjustments. The annual results of the Group for the year ended 31 December 2020 are expected to be announced on 31 March 2021.

Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

By Order of the Board
China Apex Group Limited
Zhuang Weidong
Chairman

Hong Kong, 22 March 2021

As at the date of this announcement, the executive directors of the Company are Mr. Zhuang Weidong, Mr. Qiu Chuanzhi, Mr. Wu David Hang and Mr. Mak Yung Pan Andrew; the non-executive director of the Company is Ms. Lin Ping; and the independent non-executive directors of the Company are Mr. Leung Ka Tin, Mr. Cheng Hong Kei and Mr. Liew Fui Kiang.