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**CHTC FONG'S INTERNATIONAL COMPANY LIMITED**

**中國恒天立信國際有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 641)**

**PROFIT WARNING**

This announcement is made by CHTC Fong's International Company Limited (the "**Company**", 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 (the "**Listing Rules**") and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the "**Board**") wishes to inform the shareholders (the "**Shareholders**") of the Company and potential investors that, based on the information currently available to the Company and the preliminary review by the Board of the unaudited consolidated management accounts of the Group for the year ended 31 December 2022 (the "**Year**"), the Group is expected to record a loss attributable to the owners of the Company ranging from HK\$200 million to HK\$240 million as compared to profit attributable to owners of the Company of approximately HK\$77 million for the year ended 31 December 2021.

The Board considers that the turnaround from net profit to net loss was mainly attributable to (i) the decline in revenue of approximately 15% in the dyeing and finishing machine segment due to the continuous negative impact of the novel coronavirus pandemic on the overall economic environment; (ii) the impairment loss of approximately HK\$80 million in respect of certain long outstanding trade and other receivables from the discontinued operation in the Year; and (iii) the net profit for the year ended 31 December 2021 comprised a gain of approximately HK\$401 million resulting from the final installment payment of RMB400 million received in respect of the urban renewal project during the year ended 31 December 2021.

Excluding the factors as mentioned above, the Group's operating results remained fairly stable when compared with last year. With the Group's continuous effort in streamlining its internal structure and enhancing the operating efficiency, the Board believes that the overall profit margin of the Group will improve progressively.

The Company wishes to remind its Shareholders and potential investors that the information in this announcement is based on a preliminary assessment of the currently information from the unaudited management accounts of the Group, which have not been audited or reviewed by the Company's auditor or its audit committee, and will be subject to change and finalization. Shareholders and potential investors are advised to refer to the Group's 2022 annual results announcement, which will be released before the end of March 2023.

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

By order of the Board  
**CHTC Fong's International Company Limited**  
**Lee Che Keung**  
*Company Secretary*

Hong Kong, 15 March 2023

*As at the date of this announcement, the Company's Executive Directors are Mr. Ye Maoxin (Chairman), Mr. Guan Youping (General Manager) and Mr. Chen Peng; the Non-executive Director is Mr. Fong Kwok Leung, Kevin; and the Independent Non-executive Directors are Mr. Tong Wing Chi, Dr. Jiang Gaoming and Mr. Li Jianxin.*