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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)

POTENTIAL DISCLOSEABLE TRANSACTION PROPOSED DISPOSAL OF EQUITY INTERESTS IN AN ASSOCIATE THROUGH LISTING-FOR-SALES

The Board announces that FNE Guangdong, an indirect wholly-owned subsidiary of the Company, initiated a listing-for-sales process to propose to dispose of its 25% equity interests in Yelin Textile Technology on China Beijing Equity Exchange (北京產權交易所有限公司) on 31 December 2025.

FNE Guangdong is a state-controlled company defined under the PRC laws and, as required by applicable PRC laws and regulations, equity interests held by FNE Guangdong, a state-controlled company, shall be disposed of through a public process in an equity exchange established in accordance with the applicable PRC laws and regulations. According to the rules of CBEX, FNE Guangdong and the Transferee shall enter into an equity transaction agreement.

I. INFORMATION ON THE PROPOSED DISPOSAL

Date

The listing-for-sales notice containing (i) basic information of the target for transfer; (ii) basic information of the transferor; (iii) trading terms and the qualification terms for the transferee; (iv) publication period; and (v) the bidding procedures, in respect of the Proposed Disposal will be published on the website of CBEX on 31 December 2025.

Procedures

The publication period of the Proposed Disposal will be 20 business days commencing on Sunday, 4 January 2026 (inclusive). If no interested transferee registers within the publication period, such publication period will be extended with five business days each time until an interested transferee registers. During the publication period, any qualified entity may (i) indicate its intention to purchase the Target Equity Interests;

and (ii) register itself as an interested transferee. The interested transferee shall pay RMB10,000,000 as deposit for the Proposed Disposal within three business days upon the confirmation of its qualification as a transferee by FNE Guangdong. If there are two or more interested transferees, the Transferee shall be determined in accordance with the bidding procedures of CBEX. Upon completion of such bidding procedures, if any, CBEX shall notify FNE Guangdong of the identity/identities of the Potential Transferee(s). Yelin Textile Printing and Dyeing Co., Ltd.* (煙台業林紡織印染有限責任公司), the other existing shareholder of Yelin Textile Technology, holds 75% equity interests in Yelin Textile Technology as at the date of this announcement. The determination of the Transferee shall also be subject to whether YLTPD will exercise its pre-emptive right as the other existing shareholder of Yelin Textile Technology according to the Articles of Association of Yelin Textile Technology. If YLTPD waives such pre-emptive right, the Potential Transferee shall become the Transferee. To the best of the Board's knowledge, information and belief and having made all reasonable enquires, YLTPD and its ultimate beneficial owners are all independent third parties of the Company and its connected persons.

Within five business days upon the determination of the Transferee, FNE Guangdong and the Transferee shall enter into an equity transaction agreement in respect of the Proposed Disposal. The Company and FNE Guangdong will perform their relevant approval procedures and information disclosure obligations in accordance with applicable laws, regulations, the Listing Rules and their respective constitutional documents.

As at the date of this announcement, material terms of equity transaction agreement, including but not limited to the Transferee, the final consideration, payment terms, and delivery and transfer time, have not been determined, and no definitive agreement has been entered into between FNE Guangdong and any other party in relation to the Proposed Disposal.

II. BASIS OF CONSIDERATION

According to the relevant rules of CBEX, there should be a base price for each listing-for-sales. The base price for the Proposed Disposal is RMB33,980,000 (equivalent to approximately HKD37,250,000), which is (i) required by the CBEX rules; and (ii) determined based on the original investment amount of RMB 25,000,000 plus the capital cost of RMB8,980,000 with reference to the 5-year loan prime rate.

The base price is determined with reference to the requirements of the document "Notice on Optimising the Management of Assets Appraisal of Central Enterprises"* (關於優化中央企業資產評估管理有關事項的通知) (國資發產權規[2024]8號) issued by SASAC.

However, in the event of unsuccessful bidding (including no interested transferee registers) for listing-for-sales in respect of the Proposed Disposal, the Board may consider reducing the base price.

Shareholders should note that the final consideration shall be subject to the bidding process.

III. FINANCIAL INFORMATION OF YELIN TEXTILE TECHNOLOGY

Based on the audited consolidated financial statements of Yelin Textile Technology for the financial years ended 31 December 2023 and 2024,which were prepared in accordance with the PRC GAAP, the net profits before and after taxation of Yelin Textile Technology are set out below:

	2024	**2023**
	RMB	*RMB*
Profit before taxation	7,611,093.46	38,166,324.09
Profit after taxation	6,008,089.02	36,429,664.72

The unaudited net assets of Yelin Textile Technology as at 30 November 2025 was RMB125,872,393.79.

IV. REASONS FOR AND BENEFITS OF THE PROPOSED DISPOSAL

Meanwhile, the Group will gradually divest non-core businesses and concentrate resources to further optimise and streamline the corporate structure and comprehensively rationalise and consolidate its core businesses so as to maximise value for the Shareholders.

The Board is of the view that should the Proposed Disposal be materialised, a capital appreciation could be realised from the Proposed Disposal which would have a positive impact on the financial position of the Company. The Proposed Disposal will be carried out on normal commercial terms which is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

V. USE OF PROCEEDS AND FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL

The Company intends to use the proceeds from the Proposed Disposal, if materialised, for general working capital.

As at the date of this announcement, the final consideration has not been determined and no equity transaction agreement has been entered into. The Company will make further disclosure regarding the financial effects of the Proposed Disposal in compliance with the Listing Rules as and when the relevant information is available to the Company to enable it to make an assessment of such financial impact.

VI. LISTING RULES IMPLICATION

Based on the base price, as the highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) of the Proposed Disposal is more than 5% but less than 25%, the Proposed Disposal is expected to be a potential discloseable transaction of the Company and shall be subject to the reporting and announcement requirements but exempt from the Shareholders' approval requirement under Chapter 14 of the Listing Rules. The Company will perform the relevant procedures and make further disclosure as appropriate based on the final price to comply with the Listing Rules.

VII. GENERAL INFORMATION

The Group

The ultimate holding company of the Company is China National Machinery Industry Corporation (中國機械工業集團有限公司), a state-owned enterprise established in the PRC under the direct supervision and administration of, and is beneficially owned by the State-owned Assets Supervision and Administration Commission of the State Council of the PRC.

The Company acts as an investment holding company. The Group is principally engaged in (i) the manufacture and sale of dyeing and finishing machines; and (ii) the manufacture and sale of stainless steel casting products and stainless steel supply chain.

FNE Guangdong

FNE Guangdong was incorporated in the PRC in June 2007 and is an indirect wholly-owned subsidiary of the Company. Its main business includes manufacture and trading of dyeing and finishing machines.

Yelin Textile Technology

Yelin Textile Technology was a joint venture established in the PRC in 2017 and is engaged in the principal business of printing, dyeing and finishing of high-end fabrics by developing the most advanced automatic printing and dyeing production line in the PRC with the new automatic printing and dyeing solution of the Group. It also acts as the show room enabling the Group to showcase its automatic production solution on printing and dyeing to customers.

As at the date of this announcement, the Proposed Disposal has not yet been materialised, the Transferee is still uncertain, no equity transaction agreement has been entered into, and no performance arrangement has been made. The Proposed Disposal may, or may not, proceed. Therefore, the Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

DEFINITIONS

"Board"	the board of directors of the Company
"CBEX"	China Beijing Equity Exchange (北京產權交易所有限公司), a comprehensive property right exchange approved to be established by the Municipal People's Government of Beijing
"Company"	CHTC Fong's International Company Limited, an exempted company incorporated in Bermuda with limited liability, the issued shares of which are listed on the main board of the Stock Exchange
"FNE Guangdong"	Fong's National Engineering (Guangdong) Co., Ltd.* (立信染整機械(廣東)有限公司), a company established in the PRC with limited liability, being an indirect wholly-owned subsidiary of the Company
"Group"	the Company and its subsidiaries
"HKD"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Potential Transferee"	a potential transferee of the Proposed Disposal, i.e. (i) the interested transferee registered on CBEX whose qualification has been confirmed by FNE Guangdong, if there is only one interested transferee; or (ii) the interested transferee registered on CBEX whose qualification has been confirmed by the FNE Guangdong and subsequently won in the bidding procedures for the Proposed Disposal through listing-for-sales, if there are two or more interested transferees
"PRC"	the People's Republic of China, which for the purpose of this announcement excludes Hong Kong, the Macau Special Administrative Region and Taiwan
"Proposed Disposal"	the proposed disposal of Target Equity Interests proposed by FNE Guangdong through listing-for-sales on CBEX
"RMB"	Renminbi, the lawful currency of the PRC

"SASAC"	the State-owned Assets Supervision and Administration Commission of the State Council of the PRC
"Shareholder(s)"	the registered holder(s) of the shares of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Target Equity Interests"	the 25% equity interests in Yelin Textile Technology held by FNE Guangdong
"Transferee"	the actual transferee of the Proposed Disposal
"Yelin Textile Technology"	Yantei Yelin Textile Technology Co., Ltd.* (煙台業林紡織科技有限公司), a company established in the PRC with limited liability and an associate of the Company , in which the Company indirectly holds 25% equity interests through FNE Guangdong
"YLTPD"	Yantei Yelin Textile Printing and Dyeing Co., Ltd.* (煙台業林紡織印染有限責任公司), a company established in the PRC with limited liability, and the existing shareholder of Yelin Textile Technology as to 75% equity interests as at the date of this announcement
"%"	percent

Notes:

1. * *For identification purpose only*

2. For the purpose of this announcement and for illustrative purpose only, RMB is converted into HKD at the rate of RMB1 to HK$1.0962. No representation is made that any amounts in RMB has been or could be converted at the above rate or at any other rates.

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

Hong Kong, 31 December 2025

As at the date of this announcement, the Company's Executive Directors are Mr. Guan Youping (Chairman) and Mr. Chen Peng (General Manager); 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 Dr. Chen Ying.