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China Castson 81 Finance Company Limited

中國鑄晨81金融有限公司

(Continued into Bermuda with limited liability)

(Stock Code: 810)

PROFIT WARNING ESTIMATED INCREASE IN NET LOSS FOR THE YEAR ENDED 31 DECEMBER 2022

This announcement is made by China Castson 81 Finance Company 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 (“**Listing Rules**”) and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the information currently available to the Board and the preliminary assessment by the Board of the unaudited consolidated management accounts of the Group for the year ended 31 December 2022, the Group is expected to record a net loss in the range of approximately HK\$25 million to HK\$32 million for the year ended 31 December 2022 as compared to a net loss of approximately HK\$9.6 million for the year ended 31 December 2021 (the “**Profit Warning**”). The expected increase in net loss for the year ended 31 December 2022 was mainly attributable to, among others, the following factors:

- (1) the net losses on financial assets at fair value through profit and loss which were in the range of approximately HK\$10 million to HK\$13 million for the year ended 31 December 2022 (2021: net gains of HK\$1.1 million); and
- (2) Other gains and losses for the year ended 31 December 2022 turned to minor losses (2021: gains of HK\$8.9 million) because there was no gain or loss on disposal of property, plant and equipment.

The Company is still finalizing the unaudited annual results of the Group for the year ended 31 December 2022. The information contained in this announcement is only based on the information currently available to the Board and a preliminary assessment by the Board of the unaudited consolidated management accounts of the Group, which are subject to the review of the Company's audit committee and audit by the Company's auditor. Shareholders and potential investors are advised to refer to the Company's annual results announcement for the year ended 31 December 2022 (the "**2022 Annual Results Announcement**"), which is expected to be published 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.

TAKEOVERS CODE IMPLICATIONS

References are also made to (i) the Company's announcement dated 20 January 2023 (the "**Rule 3.7 Announcement**") in relation to a possible voluntary conditional cash offer pursuant to Rule 3.7 of the Hong Kong Code on Takeovers and Mergers (the "**Takeovers Code**"); and (ii) the Company's monthly update announcement pursuant to Rule 3.7 of the Takeovers Code dated 20 February 2023.

Following the publication of the Rule 3.7 Announcement, the offer period (as defined under the Takeovers Code) in respect of the Company has commenced since 20 January 2023, the Company is required to comply with the relevant requirements under the Takeovers Code. The Profit Warning constitutes a profit forecast under Rule 10 of the Takeovers Code and is required to be reported on by the Company's financial advisers and its accountants or auditors in accordance with Rule 10.4 of the Takeovers Code.

Since this announcement is made pursuant to Rule 13.09(2)(a) of the Listing Rules and Part XIVA of the SFO, which require the Company to disclose any inside information as soon as reasonably practicable and given the time constraints, the Company has encountered genuine difficulties (time-wise or otherwise) in meeting the requirements set out in Rule 10.4 of the Takeovers Code.

Pursuant to Rule 10.4 of the Takeovers Code and Practice Note 2 issued by the Takeovers Executive of the Securities and Futures Commission of Hong Kong, the reports from the Company's financial adviser and auditor on the Profit Warning are required to be included in the next document to be sent to the Shareholders (the "**Shareholders' Document**"). It is expected that the 2022 Annual Results Announcement will be published prior to the despatch of the next Shareholders' Document. If this is the case, the requirement under Rule 10 of the Takeovers Code to report on the Profit Warning will be superseded by the publication of the 2022 Annual Results Announcement. Otherwise, the Profit Warning shall be reported on in accordance with Rule 10 of the Takeovers Code and the relevant reports will be included in the next Shareholders' Document.

Shareholders and potential investors should note that the Profit Warning does not meet the standard required by Rule 10 of the Takeovers Code and has not been reported on in accordance with the Takeovers Code, and therefore they are advised to exercise caution in placing reliance on the Profit Warning in assessing the merits and demerits of the Possible Offer (as detailed in the Rule 3.7 Announcement).

By order of the Board
China Castson 81 Finance Company Limited
Lam Man Chan
Chairman

Hong Kong, 8 March 2023

As at the date of this announcement, the executive director of the Company is Mr. Lee Kwok Leung; the non-executive director of the Company is Dr. Lam Man Chan; and the independent non-executive directors of the Company are Dr. Ng Chi Yeung, Simon, Mr. Tam Yuk Sang, Sammy and Ms. Florence Ng.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.