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中國恒有源發展集團有限公司
CHYY DEVELOPMENT GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8128)

PROFIT ALERT

This announcement is made pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) and the Inside Information Provisions (as defined in the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors (the “**Board**”) of CHYY Development Group Limited (the “**Company**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that based on the preliminary assessment of the unaudited consolidated management accounts of the Company and its subsidiaries (collectively the “**Group**”) for the six months ended 30 June 2023 (the “**Period**”), it is expected that the net loss after tax for the Period will reduce by approximately 50% to 60% from HK\$37,163,000 as recorded for the corresponding period in last year.

The reduction in net loss after tax for the Period was primarily due to:

- i) the improvement in gross profit margin;
- ii) the decrease in sales and distribution expenses;
- iii) the decrease in administrative expenses; and
- iv) the reduction in loss of the associates.

As the Company is still in the process of finalizing the results for the six months ended 30 June 2023 (the “**Interim Results 2023**”), the information contained in this announcement is only based on the Company’s preliminary assessment of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2023 which have not been finalised nor reviewed by the audit committee and audited by the auditor. The announcement of the Interim Results 2023 of the Group is expected to be released on 11 October 2023.

CONTINUED SUSPENSION OF TRADING

In accordance with the GEM Listing Rules, trading in securities of the Company is suspended due to delay in publication of 2022 audited results. At the request of the Company, trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on Monday, 3 April 2023 and will continue to be suspended until further notice.

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

By Order of the Board of
CHYY Development Group Limited
Xu Shengheng
Chairman

Hong Kong, 29 September 2023

As at the date of this announcement, the Board comprises Mr. Xu Shengheng, Ms. Chan Wai Kay, Katherine and Mr. Dai Qi as executive Directors, Mr. Liao Yuan, Mr. Zhang Yiying and Ms. Liu Ening as non-executive Directors, Mr. Wu Desheng, Mr. Wu Qiang, Mr. Jia Wenzeng and Mr. Guan Chenghua as independent non-executive Directors.

This announcement, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This notice will remain on the “Latest Company Announcements” page of the Stock Exchange website www.hkexnews.hk for at least 7 days from the date of its publication. This notice will also be published on the Company’s website at www.chyy.com.hk.