建業實業有限公司
Chinney Investments, Limited

(Incorporated in Hong Kong with limited liability)
(Stock Code: 216)

CHANGE OF LAND USE
PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09(2)(a) of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

The Board wishes to inform the shareholders of the Company and potential investors that the Group has obtained formal approval for redevelopment of a parcel of land in Dongguan, PRC, where the Group's garment factory is situated. The Group has decided to cease the garment business due to its continuous operating losses and it is the present intention of the Board to develop the land into commercial/residential property.

The Board wishes to inform the shareholders of the Company and potential investors that, based on a preliminary review of the unaudited consolidated management accounts of the Group for the year ended 31 March 2019, the Group is expected to record a decrease in the net profit attributable to owners of the Company for the year ended 31 March 2019 by more than 50% as compared with that reported for the year ended 31 March 2018.

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

This announcement is made by Chinney Investments, 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 (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 "SFO").

The board of directors of the Company (the "Board") wishes to inform shareholders of the Company and potential investors that Dongguan Marigold Industry City Developing Co., Ltd, an indirect wholly-owned subsidiary of the Company, has obtained formal approval from Dongguan Land and Resources, a government authority in the People's Republic of China ("PRC") for redevelopment of a parcel of land in Dongguan, PRC, where the Group's garment factory is situated, from industrial use to commercial/residential use. Such parcel of land covers a site area of approximately 19,000 square meters and a total gross floor area of approximately 58,000 square meters, and is currently held for industrial purpose. In light of the continuous operating losses incurred by the garment business in recent years, the Group decided to cease the garment business during the year ended 31 March 2019. It is the present intention of the Board to develop the land into commercial/residential property.

The Board also wishes to inform the shareholders of the Company and potential investors that, based on a preliminary review of the unaudited consolidated management accounts of the Group for the year ended 31 March 2019, the Group is expected to record a decrease in the net profit attributable to owners of the Company for the year ended 31 March 2019 by more than 50 % as compared with that reported for the year ended 31 March 2018.

Reference is made to the interim report of the Company for the six months ended 30 September 2017, the annual report of the Company for the year ended 31 March 2018 and other previous announcements of the Company related to the sale and purchase agreement entered into by its 68.09% owned subsidiary, Hon Kwok Land Investment Company, Limited (Stock Code: 160) in January 2017 to dispose of its 75% interest of a bare site at Dong Guan Zhuan Road in Guangzhou, PRC. The transaction was completed in September 2017 and the Group recognised a gain on disposal of approximately HK$1.6 billion, net of non-controlling interests, for the year ended 31 March 2018. Based on the information currently available to the Board, the expected decrease in the Group's net profit for the year ended 31 March 2019 as compared with the corresponding period last year was primarily due to the reason that no such one-off gain was recorded for the year ended 31 March 2019.

The Company is still in the process of finalizing the consolidated annual results of the Group for the year ended 31 March 2019. The information contained in this announcement is only a preliminary assessment by the Board with reference to the unaudited consolidated management accounts of the Group for the year ended 31 March 2019 and the information currently available to the Board, which have not been reviewed by the Company's audit committee or audited by the Company's auditor. Shareholders of the Company and potential investors are advised to read carefully the annual results announcement of the Company for the year ended 31 March 2019, which is expected to be published in late June 2019.

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
James Sai-Wing Wong
Chairman

Hong Kong, 17 June 2019

At the date of this announcement, the directors of the Company are Dr. James Sai-Wing Wong (Chairman), Mr. Yuen-Keung Chan (Vice Chairman and Managing Director) and Mr. James Sing-Wai Wong as executive directors; Mr. Paul Hon-To Tong and Dr. Emily Yen Wong as non-executive directors; and Dr. Clement Kwok-Hung Young, Mr. James C. Chen and Mr. Richard Chi-Ho Lo as independent non-executive directors.