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C CHENG HOLDINGS LIMITED
思城控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1486)

PROFIT WARNING

This announcement is made by C Cheng Holdings 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 ("**Listing Rules**") and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (the "**SFO**", Chapter 571 of the Laws of Hong Kong).

The Board (the "**Board**") of directors (the "**Directors**") of the Company wishes to inform the shareholders of the Company and the potential investors that, based on the preliminary review of the unaudited consolidated management accounts of the Group, the Group is expected to record a net loss for the six months ended 30 June 2019, as compared with a net profit of approximately HK$25 million recorded for the corresponding period in 2018.

The Board considers that such loss was mainly attributable to following items:

(i) With the increasing amount of contracts on hand since 2018 till 30 June 2019, the Group has been recruited additional professional workforce to handle the increased contracts. However, the uncertainties arising from the continuation and escalation of the Sino-Trade War has been challenging, delays in the progress of projects during the year has thereby lead to the decrease in gross profit; and

(ii) There was a recognition of non-recurring accounting related impairment loss of approximately HK$19 million on a loss making business unit, Cfu Come Limited as Cfu Come Limited has ceased its business after this reporting period.

Notwithstanding the impact of the above-mentioned factors, the Board is of the view that the cessation of loss making business unit can improve the Group's efficiency in resource allocation in the future. The Board considers that while the macroeconomic uncertainties affected the Group's gross profit in this period, the operating profit of the main stream business of the Group is still satisfactory. Having a record high contracts on hand in 2018 and the six months ended 30 June 2019, the Board remains optimistic on the revenue growth of the Group in future.

The Company is still in the process of finalising the unaudited consolidated results of the Group for the six months ended 30 June 2019. The information contained in this announcement is only based on a preliminary assessment by the Board with reference to the information currently available to the Board and such information has neither been reviewed nor audited by the auditors of the Company. The finalised unaudited consolidated results of the Group for the six months ended 30 June 2019 are expected to be published on 22 August 2019.

Shareholders of the Company and potential investors are advised to exercise due care when dealing in the shares of the Company. When in doubt, investors are advised to seek professional advice from professional or financial advisers.

By order of the Board
C CHENG HOLDINGS LIMITED
Liang Ronald
Chairman and Executive Director

Hong Kong, 8 August 2019

As at the date of this announcement, the executive Directors are Mr. Liang Ronald, Mr. Liu Gui Sheng, Mr. Fu Chin Shing, Mr. Wang Jun You, Mr. Liu Yong and Mr. Ma Kwai Lam Lambert, and the independent non-executive Directors are Mr. Yu Chi Hang, Mr. Lo Wai Hung and Ms. Su Ling.