建 聯 集 團 有 限 公 司*
Chinney Alliance Group Limited
(Incorporated in Bermuda with limited liability)
(Stock Code: 385)

PROFIT WARNING

This announcement is made by Chinney Alliance Group Limited (the "Company", and 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 (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 board of directors of the Company (the "Board") wishes to inform the shareholders of the Company and potential investors that, based on the information currently available to the Board, the Group is expected to record a decrease in net profit for the year ended 31 December 2019 of around 30% as compared to the net profit of HK$210.4 million recorded for 2018. The Board considers that such decrease in net profit was mainly attributable to:

(a) certain major projects of the Group's building construction division and building related contracting services division were substantially completed in 2018 and the first half of 2019 while new major projects of these divisions were still in early stage, which resulted in reduction of revenue and profit of the divisions;

(b) social unrest and the weak economic environment in Hong Kong in the second half of 2019, which increased the management costs for the Group and delayed the commencement of various projects;

(c) the decrease in selling price and thus the profit margin of the products of the Group's plastic and chemical products division caused by the trade tension between the United States of America and China reduced the contribution of both revenue and profit from this division; and

(d) the increase in administrative expenses was mainly due to the step-up in staff costs and overhead of the building related contracting services division for supporting the growth in number of projects.

As the Company is still in the process of finalising the annual results for the year ended 31 December 2019, the information contained in this announcement is only based on the preliminary assessment by the management of the Company with reference to the unaudited management accounts of the Company and the information currently available and is not based on any financial figures and/or information which have been audited, verified or reviewed by the Company's auditor or audit committee. It is expected that the annual results announcement of the Company for the year ended 31 December 2019 will be published by the Company before end of March 2020.

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 March 2020

At the date of this announcement, the Board comprises of eight directors, of which four are executive directors, namely Dr. James Sai-Wing Wong, Mr. Yuen-Keung Chan, Mr. James Sing-Wai Wong and Mr. Philip Bing-Lun Lam; and one is non-executive director, namely Ms. Wendy Kim-See Gan; and three are independent non-executive directors, namely Mr. Yuen-Tin Ng, Mr. Chi-Chiu Wu and Mr. Ronald James Blake.

** For identification purpose only*