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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 (the “Shareholders”) 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 2022 over 80% as compared to the net profit of HK\$94.4 million recorded for 2021. The Board considers that such decrease in net profit was mainly attributable to:

- (a) the write-down of property held for sale under development in view of the poor residential property market in Hong Kong, which was non-cash and unrealised;
- (b) additional site and logistics costs and other overheads resulting from the delayed progress of some projects of the Group’s Construction segment and Building Services segment due to the pandemic;
- (c) the decrease in sales and profit margins of the Group’s Plastic and Chemical Products segment due to the decrease in product prices and less demand and orders from Chinese counterparts and factories; and
- (d) the deficit arising from the revaluation of certain properties in the Mainland China.

Notwithstanding the above information, the overall financial position of the Group remains healthy.

As the Company is still in the process of finalising the consolidated annual results for the year ended 31 December 2022, the information contained in this announcement is only based on the preliminary assessment by the management of the Company with reference to the unaudited consolidated management accounts of the Company and the information currently available, which has not yet been reviewed by the audit committee of the Company and the Company's auditor. It is expected that the annual results announcement of the Company for the year ended 31 December 2022 will be published by the Company on or about 28 March 2023.

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

By Order of the Board
Yun-Sang Lo
Company Secretary

Hong Kong, 20 March 2023

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 four are independent non-executive directors, namely Mr. Chi-Chiu Wu, Mr. Ronald James Blake, Mr. Anthony King-Yan Tong and Ms. Dee-Dee Chan.

* *For identification purpose only*