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建業實業有限公司
Chinney Investments, Limited

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

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, based on a preliminary review of the unaudited consolidated management accounts of the Group for the year ended 31 March 2023 and information currently available to the Board, the Group is expected to record a decrease in profit attributable to owners of the Company for the year ended 31 March 2023 by approximately 30% to 40%, as compared to the profit attributable to owners of the Company of approximately HK\$55.7 million for the year ended 31 March 2022.

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 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 2023, the Group is expected to record a decrease in profit attributable to owners of the Company for the year ended 31 March 2023 by approximately 30% to 40% as compared to the profit attributable to owners of the Company of approximately HK\$55.7 million for the year ended 31 March 2022.

The Board considers that the expected decline in profit was primarily due to the combined effect of the following factors:

- (1) Decrease in share of profits of associates as compared with last corresponding year, mainly due to (1) the write-down of property held for sale under development amid the poor residential property market in Hong Kong, and (2) drop in operating profits caused by the delay in progress of construction projects due to pandemic, leading to additional costs incurred and drop in profit margin.
- (2) Increase in finance costs of the Group which was primarily due to the increase in bank borrowing interest rate.

The above was partially offset by:

- (3) Recognition of fair value gain on the Group's development properties in Guangzhou, Mainland China, upon transferring the commercial/office building held for generating rental income from development property to investment property at the stage of completion.

Notwithstanding the above information, the overall operation, financial position and cash flow condition of the Group remain healthy.

The Company is still in the process of finalizing the consolidated annual results of the Group for the year ended 31 March 2023. The information contained in this announcement is only based on the preliminary assessment by the Board with reference to the unaudited consolidated management accounts of the Group for the year ended 31 March 2023 and the information currently available to it, which was neither reviewed by the Company's audit committee nor 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 2023, which is expected to be published in late June 2023.

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
Yuen-Keung Chan
Executive Director,
Vice Chairman and Managing Director

Hong Kong, 15 June 2023

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 Mr. Richard Chi-Ho Lo, Mr. Winfred Wai-Lap Fan and Mr. Randall Todd Turney as independent non-executive directors.