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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 (the “Shareholders”) and potential investors that, based on the information currently available to the Board, the Group is expected to record a net loss of not more than HK\$50 million for the six months ended 30 June 2023 (2022: net profit of HK\$14.5 million). The Board considers that the loss for the current interim period was mainly attributable to:

- (a) the losses of the Group’s Construction segment mainly due to additional costs incurred for certain projects in Hong Kong and Macau which may or may not be recovered from the projects;
- (b) the losses of the Group’s Building Services segment mainly due to the decrease in revenue by over 25% and the resulting decrease in profits recognised from projects, which were caused by the slow progress of certain major projects in Hong Kong and additional site staff costs and overhead. Besides, the finance costs of the segment were increased by approximately HK\$5.8 million with the hike in interest rates;
- (c) the losses of the Group’s Plastic and Chemical Products segment mainly due to the decrease in sales by over 30% and the decrease in profit margins, which were caused by the decrease in demand and product prices under the current weak economic environment; and

- (d) the decrease in anti-pandemic subsidies from the Hong Kong Government of which HK\$0.9 million were received for the last trench of the subsidies in the current interim period as compared to HK\$18.1 million were received during the last interim period.

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

As the Company is still in the process of finalising the interim results for the six months ended 30 June 2023, 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, which has not been reviewed by the audit committee of the Company and the Company's auditor. It is expected that the interim results announcement of the Company for the six months ended 30 June 2023 will be published by the Company on or about 28 August 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, 10 August 2023

At the date of this announcement, the Board comprises of seven directors, of which three are executive directors, namely Mr. James Sing-Wai Wong, Mr. Yuen-Keung Chan 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*