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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, while the results of the Group’s different business segments have improved in the second half of the year, the Group is expected to record a decrease in net profit for the year ended 31 December 2021 over 30% as compared to the net profit of HK\$143.8 million recorded for 2020. The Board considers that such decrease in net profit was mainly attributable to:

- (a) Cost overruns on projects in the Group’s Construction Division completed in the first half of the year. These overruns were partially due to social unrest and pandemic related delays over the past couple of years. Concurrently, the timing of recently awarded projects meant that new project profit contributions could not offset older completed project losses;
- (b) The Group showed increases in revenues but decreases in gross margins due to increases in material and logistic costs. There were also pandemic related delays that reduced project performance; and
- (c) The reduction in anti-pandemic subsidies from the Hong Kong Government in 2021 from HK\$80.2 million last year to HK\$3.2 million this year.

As the Company is still in the process of finalising the consolidated annual results for the year ended 31 December 2021, 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 preliminary results announcement of the Company for the year ended 31 December 2021 will be published by the Company on or about 29 March 2022.

Shareholders 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, 23 March 2022

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*