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## **CHONG KIN GROUP HOLDINGS LIMITED**

**創建集團（控股）有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1609)**

### **PROFIT WARNING**

This announcement is made by Chong Kin Group Holdings 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 under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the Company’s annual results announcement published on 24 June 2020 and the supplemental announcement published on 20 October 2020. In view of the outbreak of the new coronavirus epidemic (the “**COVID-19 Epidemic**”), the government in the Mainland China and in Hong Kong has adopted strong prevention and control measures since late January 2020 to prevent the spread of the COVID-19 Epidemic and to protect life and safety, including but not limited to the extension of holidays and restrictions of personnel movements. As a result, social production and operation of the Group has been heavily affected. It has also seriously affected the movement of the senior management of the Group in supervising the operation in the Mainland China.

Based on the preliminary review of the unaudited consolidated management accounts of the Group for the six months ended 30 September 2020 (the “**Period**”) and the information currently available to the board of directors of the Company (the “**Board**”), the Group is expected to record an unaudited net loss in the range of approximately HK\$50 million to HK\$60 million for the Period as compared to an unaudited net loss of approximately HK\$10 million for the corresponding period in 2019.

The Board considers that the expected decrease in the revenue and the net loss of the Group for the Period were mainly attributable to the reasons as follows:-

- (a) Decrease in revenue and segment results of the new energy vehicle and logistics related business due to (i) the major economies suffered significant negative impact from COVID-19 Epidemic and that had caused disruption to the businesses of the Group's customers and delays in operation and services by the Group; (ii) changes in the government policies on the promotion of new energy vehicles led to demand shrinkage in the new energy vehicle sales; and (iii) slowdown in customers' business expansion due to recent downturn of the economy, which has led to a decrease in demand for the Group's logistics services.
- (b) Decrease in revenue and segment results of the concrete placing and other ancillary services business due to (i) decrease in revenue due to the completion of sizeable projects during the Period; (ii) increase in subcontracting charges since the Group has engaged subcontractors with higher subcontracting charges; and (iii) increase in the overall construction costs due to the additional costs arising from the maintenance of required site staff and necessary machineries for the prolonged projects following the COVID-19 Epidemic during the Period.

The Group is still in the process of finalising the unaudited interim results for the Period, Shareholders and potential investors should note that the information contained in this announcement is only based on a preliminary assessment by the Board with reference to the unaudited consolidated management accounts of the Group for the six months ended 30 September 2020 and information currently available to the Board, which have not been reviewed by the auditors of the Company or the audit committee of the Board. The actual results for the Period may subject to adjustments where necessary, as such, the interim results may be different from the information contained in this announcement. Details of the financial information for the Period will be disclosed in the interim results announcement of the Group which is expected to be published before the end of November 2020.

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

By order of the Board  
**Chong Kin Group Holdings Limited**  
**Zhang Jinbing**  
*Chairman and Chief Executive Officer*

Hong Kong, 3 November 2020

*As at the date hereof, the Board comprises three executive Directors, namely Mr. Zhang Jinbing, Mr. Ni Biao and Mr. Yang Rui; one non-executive Director, namely Mr. Yan Haiting; and three independent non-executive Directors, namely Dr. Zhu Zhengfu, Dr. Li Yifei and Mr. Tam Ping Kuen Daniel.*