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中國恒有源發展集團有限公司
CHYY DEVELOPMENT GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8128)

POSITIVE PROFIT ALERT

This announcement is made by CHYY Development Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) and the Inside Information Provisions (as defined in the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (“**Director(s)**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that based on the preliminary assessment of the unaudited consolidated management accounts of the Group for the year ended 31 December 2023 (“**FY2023**”) and other information currently available to the Board, the Group is expected to achieve a turnaround from loss after taxation to profit after taxation for FY2023. The expected profit after taxation is expected to be no less than HK\$1,000,000, as compared to the loss of approximately HK\$135,463,000 for the ended 31 December 2022.

The foregoing increase in profit after taxation for FY2023 was primarily due to a reduction in administrative expenses and the recovery of previous contract assets during the year. The Board believed that this improvement reflected the Group’s increased operational capability, mainly due to the Group’s ongoing efforts to strengthen its management and the collection of receivables based on independent project accounting.

As the Company is still in the process of preparing and finalising the audited condensed consolidated financial statements of the Group for FY2023. The information contained in this announcement is only a preliminary assessment by the Company based on the unaudited consolidated management accounts of the Group for FY2023 and other information currently available to the Board, which has not been audited or reviewed by the independent auditor of the Company or the audit committee of the Company and may subject to possible adjustments upon their further review. The actual financial results for FY2023 may be different from the information in this announcement. The Group’s audited condensed consolidated financial statements of the Group for FY2023 are expected to be published on or before 31 March 2024.

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

By order of the Board of
CHYY Development Group Ltd
Mr. Xu Sheng Heng
Chairman

Hong Kong, 12 March 2024

As at the date of this announcement, the Board of Directors of the Company comprises Mr. Xu Shengheng, Ms. Chan Wai Kay, Katherine and Mr. Dai Qi as executive Directors, Mr. Liao Yuan, Mr. Zhang Yiying and Ms. Liu Ening as non-executive Directors, Mr. Wu Qiang, Mr. Guan Chenghua and Mr. Zhang Honghai as independent non-executive Directors.

This announcement, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the GEM website with the domain name of www.hkexnews.hk on the “Latest Company Announcement” page for at least 7 days from the date of publication and on the website of the Company at www.chyy.com.hk.