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## **CHI HO DEVELOPMENT HOLDINGS LIMITED**

### **潛濤發展控股有限公司**

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

**(Stock Code: 8423)**

### **PROFIT WARNING**

This announcement is made by the board (the “**Board**”) of directors (the “**Directors**”) of Chi Ho Development Holdings 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 wishes to inform the shareholders of the Company and potential investors that, based on the preliminary review of the unaudited consolidated management accounts of the Group for the year ended 31 March 2022 and the information currently available, the Group is expected to record a consolidated net profit of not less than approximately HK\$7.0 million for the year ended 31 March 2022, as compared to the consolidated net profit of approximately HK\$21.4 million for the year ended 31 March 2021.

Based on the information currently available, the expected decrease in net profit for the year ended 31 March 2022 was primarily attributable to:

- (i) The outbreak of the fifth wave of the COVID-19 pandemic in Hong Kong since January 2022, whereby some of the employees of the Group and of the Group’s subcontractors were infected, causing temporary manpower shortage and delay of the Group’s projects in progress, and resulting in the significant drop in revenue during the three months ended 31 March 2022 (i.e. the fourth quarter of the financial year ended 31 March 2022) as compared to the three months ended 31 March 2021 (i.e. the fourth quarter of the financial year ended 31 March 2021);
- (ii) the deteriorating operating environment in the construction industry in Hong Kong which resulted in increase in the impairment loss under expected credit loss model on contract assets;
- (iii) the decrease in other income relating to the government grants received under the Employment Support Scheme by the Hong Kong government for the year ended 31 March 2021. There was no such wage subsidies received for the year ended 31 March 2022; and

- (iv) the increase in administrative expenses mainly due to the cessation of the temporary 30% salary reduction of the two executive Directors during the year ended 31 March 2021, which was ended in March 2021.

The information in this announcement is only based on the preliminary review by the Board on the unaudited consolidated management accounts of the Group for the year ended 31 March 2022 and the information currently available. The unaudited consolidated management accounts of the Group for the year ended 31 March 2022 have not yet been finalised and the information in this announcement has not been reviewed by the audit committee of the Company, and has not been audited or reviewed by the Company's auditors. The Company is still in the process of finalising the annual results of the Group for the year ended 31 March 2022 and the actual results of the Group for the year ended 31 March 2022 are subject to adjustment and may be different from the information disclosed in this announcement. Shareholders and investors are advised to read carefully the annual results announcement of the Group, which is expected to be published on or around 24 June 2022 in accordance with the GEM Listing Rules.

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

By order of the Board  
**Chi Ho Development Holdings Limited**  
**Leung Ka Ho, Raymond**  
*Chairman of the Board and Executive Director*

Hong Kong, 10 June 2022

*As at the date of this announcement, the executive Directors are Mr. Leung Ka Ho, Raymond and Mr. Ho Chi Kwan; and the independent non-executive Directors are Mr. Leung Hung Kwong, Derrick, Mr. Moy Yee Wo, Matthew and Mr. Yau Sze Yeung.*

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules 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 "Latest Listed Company Information" page on the website of The Stock Exchange of Hong Kong Limited at [www.hkexnews.hk](http://www.hkexnews.hk) for at least seven days from the date of its publication and on the Company's website at [www.chdev.com.hk](http://www.chdev.com.hk).*