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CHEUK NANG (HOLDINGS) LIMITED

卓能（集團）有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 131)

PROFIT WARNING

– DECREASE IN LOSS ATTRIBUTABLE TO SHAREHOLDERS

This announcement is made 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 under Part XIVA of the Securities and Futures Ordinance (“SFO”).

The board of Directors (the “Board”) of Cheuk Nang (Holdings) Limited (the “Company”, together with its subsidiaries, the “Group”) wishes to inform the shareholders of the Company and potential investors that the Group is expected to record (i) decrease in revenue of approximately HK\$6.4 million for the six months ended 31 December 2022 as compared to that for the six months ended 31 December 2021; (ii) decrease in gross loss to approximately HK\$2 million for the six months ended 31 December 2022 as compared to gross loss of approximately HK\$10 million for the six months ended 31 December 2021; and (iii) a significant decrease in loss attributable to the owners of the Company of approximately HK\$97.6 million for the six months ended 31 December 2022 as compared to that for the six months ended 31 December 2021. The aforesaid expected decrease in loss attributable to the owners of the Company was an aggregated effect of: (i) decrease in gross loss for the six months ended 31 December 2022 as compared to that for the six months ended 31 December 2021; (ii) turnaround from negative change in fair value of investment properties of approximately HK\$100 million for the six months ended 31 December 2021 to positive change in fair value of investment properties of approximately HK\$7.5 million for the six months ended 31 December 2022; and (iii) decrease in the Group’s net other income of approximately HK\$16 million for the six months ended 31 December 2022 as compared to that for the six months ended 31 December 2021.

The information contained in this announcement is only a preliminary assessment by the management of the Company which is based on the management accounts with reference to the information currently available. The Group's interim results for the six months ended 31 December 2022 have not been finalized. Shareholders of the Company and potential investors should read the Group's interim results announcement for the six months ended 31 December 2022, which is expected to be published on 28 February 2023, carefully.

Shareholders of the Company and potential investors should exercise caution when dealing in the shares of the Company.

By Order of the Board
CHEUK NANG (HOLDINGS) LIMITED
Ho Sau Fun Connie
Company Secretary

Hong Kong, 23 February 2023

As at the date of this announcement, the Executive Directors are Dr. Chao Sze Tsung Cecil (Chairman), Ms. Chao Gigi (Vice Chairman), Mr. Yung Philip and Ms. Ho Sau Fun Connie; the Non-executive Directors are Mr. Chao Howard and Mr. Lee Ding Yue Joseph and the Independent Non-executive Directors are Mr. Ting Woo Shou Kenneth, Mr. Lam Ka Wai Graham and Mr. Sun Dai Hoe Harold.