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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)

POSITIVE PROFIT ALERT

This announcement is made by Cheuk Nang (Holdings) Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) 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).

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company and potential investors that, based on a preliminary assessment of the unaudited consolidated management accounts of the Company for the year ended 30 June 2023 (“**FY2023**”) and the latest information currently available to the Board, the Group is expected to record profit of approximately HK\$53 million for FY2023, as compared to loss of approximately HK\$149 million for the year ended 30 June 2022 (“**FY2022**”).

The aforesaid turnaround from the Group’s loss for FY2022 to profit for FY2023 was mainly attributable to the combined effect of (i) increase in gross profit; (ii) decrease in other income; (iii) increase in the fair value gain on investment properties; and (iv) decrease in land appreciation tax in relation to the sales of properties in the People’s Republic of China.

The information contained in this announcement is only based on the information currently available to the management of the Company. The Board wishes to emphasize that it is still in the process of finalizing the results of the Group for FY2023 which have not yet been reviewed by the audit committee nor confirmed by the auditors of the Company and may be subject to adjustments and changes.

Shareholders of the Company and potential investors are advised to read carefully the Group's annual results for FY2023, which is expected to be published on 26 September 2023.

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, 22 September 2023

As at the date of this announcement, the Executive Directors are Dr. Chao Sze Tsung Cecil (Chairman), Ms. Chao Gigi (Vice Chairman) 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.