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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

This announcement is made pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance.

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, based on a preliminary assessment of the unaudited consolidated management accounts of the Company for the six months ended 31 December 2024 (“**PE2024**”) and the latest information currently available to the Board, the Group is expected to record a loss not more than HK\$40 million for PE2024, as compared to a profit of approximately HK\$313 million for the six months ended 31 December 2023 (“**PE2023**”).

The aforesaid change from the Group’s profit for PE2023 to loss for PE2024 was mainly due to the combined effect of (i) the non-recurring one-off enterprise tax refund from tax authority of approximately RMB329 million related to the Group’s property project in Shenzhen, The People’s Republic of China during PE2023 (PE2024: Nil); (ii) an increase in the Group’s finance costs for PE2024 as compared to that for PE2023 mainly due to increase in interest charges on bank loans; (iii) a change from loss for PE2023 to profit for PE2024 in fair value of financial assets at fair value through profit or loss; and (iv) a decrease in the loss in fair value of investment properties for PE2024 as compared to that for PE2023.

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 PE2024 have not been finalized. Shareholders of the Company and potential investors should read the Group's interim results announcement for PE2024, which is expected to be published on 28 February 2025, 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, 20 February 2025

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