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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 of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

The Board of the Company wishes to inform the shareholders of the Company and potential investors that the Group is expected to record a significant decrease in profit attributable to the owners of the Company for the year ended 30 June 2020 as compared to the profit attributable to the owners of the Company for the year ended 30 June 2019.

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

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") wishes to inform the shareholders of the Company and potential investors that although the Company together with its subsidiaries (the "Group") is expected to record a significant increase in revenue and gross profit for the year ended 30 June 2020 (HK$552,880,000 and HK$370,596,000 respectively) as compared to those for the year ended 30 June 2019 (HK$201,541,000 and HK$146,206,000 respectively), the Group is also expected to record a significant decrease in profit attributable to the owners of the Company for the year ended 30 June 2020 as compared to that for the year ended 30 June 2019.

The expected decrease in profit attributable to the owners of the Company for the year ended 30 June 2020 is mainly due to the change of fair value of the Group's investment properties (for the year ended 30 June 2020: net gain on fair value change of approximately HK$5.8 million; for the year ended 30 June 2019: net gain on fair value change of approximately HK$683.4 million), administrative expenses (for the year ended 30 June 2020: approximately HK$109.3 million, for the year ended 30 June 2019: approximately HK$68.9 million), income tax expenses (for the year ended 30 June 2020: approximately HK$244.4 million, for the year ended 30 June 2019: approximately HK$166.50 million).

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 annual results for the year ended 30 June 2020 have not been finalized. Shareholders of the Company and potential investors should read the Group's annual results announcement for the year ended 30 June 2020 carefully, which is expected to be published on 29 September 2020.

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, 24 September 2020

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 Director are Mr. Lee Ding Yue Joseph and Mr. Chao Howard and the Independent Non-executive Directors are Dr. Sun Ping Hsu Samson, Mr. Ting Woo Shou Kenneth and Mr. Lam Ka Wai Graham.