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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 it is expected that the interim results of the Group for the six months ended 31 December 2020 may experience a net loss as compared to the net profit for the six months ended 31 December 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", together with its subsidiaries, the "Group") wishes to inform the shareholders of the Company and potential investors that despite that the Group recorded significant increase in revenue of approximately HK$574,634,000 and gross profit of approximately HK$549,909,000 for the six months ended 31 December 2020 as compared to those for the six months ended 31 December 2019, the Group expected to record a loss attributable to the owners of the Company of approximately HK$62,110,000 for the six months ended 31 December 2020 as compared to the profit attributable to the owners of the Company of approximately HK$33,565,000 for the six months ended 31 December 2019. The expected net loss for the six months ended 31 December 2020 is mainly due to the change of fair value of the Group's investment properties (for the six months ended 31 December 2020: net loss on fair value change of HK$147,554,000, for the six months ended 31 December 2019: net loss on fair value change of HK$23,648,000) and increase in income tax (for the six months ended 31 December 2020: HK$643,236,000, for the six months ended 31 December 2019: HK$114,181,000).

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 2020 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 2020 carefully, which is expected to be published on 25 February 2021.

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, 19 February 2021

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 Dr. Sun Ping Hsu Samson, Mr. Ting Woo Shou Kenneth and Mr. Lam Ka Wai Graham.