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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 increase in net loss attributable to the owners of the Company for the six months ended 31 December 2021 as compared to that for the six months ended 31 December 2020.

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 the Group is expected to record a significant decrease in revenue of approximately HK\$847 million for the six months ended 31 December 2021 as compared to that for the six months ended 31 December 2020. The Group is also expected to record gross loss of approximately HK\$10 million for the six months ended 31 December 2021 as compared to the gross profit of approximately HK\$739 million for the six months ended 31 December 2020. Furthermore, the Group is expected to record a significant increase in loss attributable to the owners of the Company of approximately HK\$53 million for the six months ended 31 December 2021 as compared to that for the six months ended 31 December 2020. The aforesaid expected increase in loss attributable to the owners of the Company was an aggregated effect of: (i) gross loss for the six months ended 31 December 2021 as compared to gross profit for the six months ended 31 December 2020; (ii) reduction in negative change of fair value of the Group’s investment properties for the six months ended 31 December 2021, as compared to that for the six months ended 31 December 2020; and (iii) decrease in income tax expense for the six months ended 31 December 2021 as compared to that for the six months ended 31 December 2020.

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 of the Company for the six months ended 31 December 2021 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 2021 carefully, which is expected to be published on 24 February 2022.

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, 17 February 2022

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 and Mr. Lam Ka Wai Graham.