THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt about this circular or as to the action to be taken, you should consult your stockbroker, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold all your shares in Cheuk Nang (Holdings) Limited (the "**Company**"), you should at once hand this circular and the accompanying form of proxy to the purchaser or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser.

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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)

GENERAL MANDATES FOR THE PURCHASE BY THE COMPANY OF ITS OWN SHARES AND ISSUE SHARES AND RE-ELECTION OF DIRECTORS

A notice convening the Annual General Meeting of the Company to be held at One Kowloon Peak Clubhouse, 8 Po Fung Terrace, Tsuen Wan, New Territories on Thursday, 20 November, 2025 at 3:00 p.m. at which the above proposals will be considered, is contained in the 2025 Annual Report of the Company being dispatched to shareholders together with this circular. Whether or not you are able to attend the Annual General Meeting, you are required to complete and return the form of proxy enclosed with the Annual Report that is being dispatched to the shareholders, in accordance with the instructions printed thereon as soon as possible and in any event, not less than 48 hours before the time of the Annual General Meeting. Completion of the form of proxy shall not preclude you from attending and voting at the Annual General Meeting should you so wish.

28 October 2025

CHEUK NANG (HOLDINGS) LIMITED
卓能（集團）有限公司

(Incorporated in Hong Kong with limited liability)
(Stock Code: 131)

Executive Directors:
Dr. Chao Sze Tsung, Cecil (Chairman)
Dr. Chao Gigi (Vice Chairman)
Chao Howard
Ho Sau Fun, Connie

Non-Executive Director:
Lee Ding Yue, Joseph

Independent Non-Executive Directors:
Lam Ka Wai, Graham
Sun Dai Hoe, Harold
Lee Tsung Hei, David Chris

Registered Office:
Suite 4901, 49/F
Central Plaza
18 Harbour Road
Wanchai
Hong Kong

28 October 2025

To shareholders,

Dear Sir or Madam,

PROPOSALS FOR GENERAL MANDATE FOR THE PURCHASE BY THE COMPANY OF ITS OWN SHARES AND ISSUE SHARES AND RE-ELECTION OF DIRECTORS

INTRODUCTION

The purpose of this circular is to provide the Shareholders with the information in respect of the necessary resolutions which will be proposed at the Annual General Meeting to be held on Thursday, 20 November 2025 (the "AGM") to consider and, if thought fit, approve (i) the granting to the Directors a general mandate to purchase up to 10% of the shares in the issued share capital of the Company as at the date of passing of the relevant resolution; (ii) the granting to the Directors of a general mandate to allot, issue and deal with the shares in the capital of the Company not exceeding 20% of the issued share capital of the Company as at the date of passing of the relevant resolutions; (iii) the re-election of retiring Directors.

GENERAL MANDATE TO THE DIRECTORS FOR REPURCHASE OF SHARES

The general mandate given for repurchase of shares at the annual general meeting held on 20 November 2024 will expire on 20 November 2025. An ordinary resolution will be proposed at the AGM to give a mandate to the Directors to repurchase the shares of the Company ("Repurchase Mandate") at any time until the first to occur of the conclusion of the next annual general meeting of the Company following the passing of the resolution (unless the mandate is renewed at such meeting) or the expiration of the period within which the next annual general meeting of the Company is required by the Companies Ordinance or the Company's Articles of Association to be held or until the mandate is revoked or varied by an ordinary resolution of the Company's shareholders in general meeting. The shares of the Company to be repurchased ("Share Repurchase") pursuant to the Repurchase Mandate is limited to a maximum of 10% of the issued share capital of the Company at the date of the resolution approving the Repurchase Mandate. The issued share capital of the Company as at 22 October, 2025 (the "Latest Practicable Date") prior to the printing of this document is 652,676,781 shares. Assuming that no further shares will be issued or repurchased, in the event the Repurchase Mandate is fully exercised, the maximum number of shares to be repurchased is 65,267,678 shares.

An explanatory statement as required under Rule 10.06 of the Listing Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited ("Listing Rules") to provide the requisite information of the Repurchase Mandate is set out in the Appendix I.

GENERAL MANDATE TO ISSUE SHARES

The general mandate given to issue new shares at the annual general meeting held on 20 November 2024 will expire on 20 November 2025. At the AGM, an ordinary resolution will be proposed that the Directors be given a general and unconditional mandate to issue further new shares ("General Mandate") representing up to 20% of the aggregate nominal amount of the share capital of the Company in issue on the date the resolution is passed. The issued share capital of the Company as at the Latest Practicable Date is 652,676,781 Shares. Subject to the passing of the ordinary resolution to approve the General Mandate to issue new shares and on the basis of the issued share capital of the Company as at the Latest Practicable Date and assuming that no further shares are issued or repurchased prior to the AGM, the Company would be allowed to issue a maximum of 130,535,356 shares. In addition, an ordinary resolution will also be proposed to authorize an extension of such General Mandate to be granted to the Directors to issue new shares during the period up to the next AGM of the Company or such earlier period as stated in the relevant resolution by adding to it the number of shares repurchased under the Repurchase Mandate.

RE-ELECTION OF DIRECTORS

Dr. Chao Sze Tsung Cecil (Executive Director), Mr. Sun Dai Hoe Harold (Independent Non-Executive Director) and Ms. Ho Sau Fun Connie (Executive Director), shall retire by rotation and being eligible, offered for re-election at the forthcoming AGM.

Details of the retiring Directors eligible for re-election are set out in Appendix II to this circular.

AGM

The notice convening the AGM is contained in the 2025 Annual Report and a form of proxy together with this circular were dispatched to the shareholders. Shareholders are requested to complete the form of proxy in accordance with the instructions printed thereon and return the same to Computershare Hong Kong Investor Services Limited, the Company's Share Registrar at Shops 1712-1716, 17/F., Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as practicable and in any event not later than forty-eight (48) hours before the time appointed for the holding of the meeting (or any adjournment thereof). Completion and return of the form of proxy will not preclude a shareholder from attending and voting in person at the AGM (or any adjournment thereof).

Pursuant to the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. The Chairman of the forthcoming Annual General Meeting will therefore put each of the resolutions to be proposed at the Annual General Meeting to be voted by way of a poll. On a poll, every shareholder who is present in person or by proxy shall have one vote for every share of which he is the holder. Detailed procedures for conducting a poll are set out in Appendix III of this circular.

The Company will publish an announcement on the website of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company's website (www.cheuknang.com.hk) of the results of the voting by poll at the Annual General Meeting on the same day after the Annual General Meeting.

If Typhoon Signal No. 8 or above, or a "black" rainstorm warning is in force in Hong Kong at 9:00 a.m. on the date of the AGM, the AGM will be automatically adjourned. The Company will post an announcement on the websites of the Company (www.cheuknang.com.hk) and of the Stock Exchange (www.hkexnews.hk) to notify members of the date, time and place of the rescheduled meeting.

RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirmed, having made all reasonable enquiry, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

RECOMMENDATION

The Directors believe that the Repurchase Mandate and the General Mandate to issue new shares and the re-election of directors are in the best interests of the Company and its shareholders. Accordingly, the Directors recommend all shareholders to vote in favour of the resolutions to be proposed at the AGM.

By Order of the Board
Cecil Sze-Tsung Chao
Executive Chairman

This appendix serves as the explanatory statement required under Rule 10.06 of the Listing Rules to provide the Shareholders with all the information reasonably necessary for them to make an informed decision on whether to vote for or against the ordinary resolutions approving the Repurchase Mandate.

SHAREHOLDERS APPROVAL

All shares repurchases on the Stock Exchange by a Company with its primary listing on the Stock Exchange must be of fully-paid up shares and must be approved in advance by an Ordinary Resolution of shareholders, either by way of general mandate or by specific approval in relation to specific transactions.

SHARE CAPITAL

As at the Latest Practicable Date for determining such figure, the total number of issued share of the Company was 652,676,781 shares. Subject to the passing of the Ordinary Resolution, and on the basis that 652,676,781 shares are in issue and assuming no shares are issued or repurchased by the Company prior to the AGM, the Directors will be authorized under the Repurchase Mandate to repurchase a maximum of 65,267,678 shares.

REASONS FOR THE REPURCHASE MANDATE

The Directors believe that it is in the interests of the Company and the Shareholders to have a general authority from the Shareholders to enable the Directors to repurchase Shares in the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and, or its earnings per share and will only be made when the Directors believe that such repurchase will benefit the Company and the Shareholders.

FUNDING OF REPURCHASES

Repurchase of the Company's securities would be financed by the Company's distributable profits or proceeds of a fresh issue of shares made for the purposes of the repurchases. The Company may only apply funds legally available for such purposes in accordance with its articles of association and the laws of Hong Kong.

There may be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in its latest published audited accounts made up to 30 June, 2025) in the event the Repurchase Mandate is exercised in full. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

DISCLOSURE OF INTERESTS

None of the Directors nor, to the best of their knowledge, having made all reasonable enquiries, any of their respective associates (as defined in the Listing Rules), has present intention to sell any shares of the Company if the Repurchase Mandate is approved by the Shareholders.

No connected person (as defined in the Listing Rules) of the Company have notified the Company that they have present intention to sell shares to the Company, or have undertaken not to do so, in the event that the Directors are authorized to make repurchase of the shares.

UNDERTAKING OF THE DIRECTORS

The Directors have undertaken to the Stock Exchange that they will exercise the power of the Company to make repurchase pursuant to the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of Hong Kong.

SHARE REPURCHASE MADE BY THE COMPANY

During each of the six months preceding the date of this circular, no repurchase of shares have been made by the Company (whether on the Stock Exchange or otherwise).

TAKEOVER CODE CONSEQUENCES

If as a result of a repurchase of Shares by the Company, a shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of the Hong Kong Code on Takeovers and Mergers (the "Takeovers Code"). As a result, a shareholder, or a group of shareholders acting in concert, depending on the level of increase of its or their shareholding, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code. Save as aforesaid, the Directors are not aware of any consequences which would arise under the Takeovers Code as a consequence of any repurchases pursuant to the Repurchase Mandate.

As at the Latest Practicable Date, the substantial shareholders, Yan Yin Company Limited, Szehope Securities Company Limited acting in concert with Dr. Cecil Sze-Tsung Chao, are currently holding 485,981,509 shares, representing approximately 74.46% of the issued shares. In the event the repurchase of shares is exercised in full, the aggregate shareholding of Yan Yin Company Limited, Szehope Securities Company Limited and Dr. Cecil Chao Sze-Tsung will be increased to approximately 82.73% of the issued shares. The Directors have no intention of exercising the power to repurchase shares pursuant to the Repurchase Mandate to such extent as would result in the level of shareholdings in the Company held by public shareholders falling below 25%. Pursuant to the Undertaking given by Yan Yin Company Limited, Szehope Securities Company Limited and Dr. Cecil Sze-Tsung Chao, in the event if the Repurchase Mandate is exercised and resulted the public shareholdings fall below the minimum prescribed percentage of 25% laid down in Rule 8.08 of the Listing Rules, Yan Yin Company Limited, Szehope Securities Company Limited and Dr. Cecil Chao Sze-Tsung will place out such number of shares so as to reduce their aggregate shareholding to 75% or less of the issued capital of the Company. The Directors are not aware of any other consequences which would arise under the Takeover Code as a result of any repurchase of shares pursuant to the Repurchase Mandate.

SHARE PRICES

The highest and lowest prices at which shares of the Company have traded on the Stock Exchange during each of the previous twelve months preceding the Latest Practicable Date were as follows:

	Highest *(HK$)*	**Lowest** *(HK$)*
2024		
October	1.890	1.650
November	1.750	1.600
December	1.680	1.600
2025		
January	1.680	1.600
February	1.680	1.570
March	1.650	1.570
April	1.600	1.440
May	1.570	1.430
June	1.520	1.440
July	1.510	1.470
August	1.490	1.450
September	1.450	1.380
October (up to Latest Practicable Date)	1.410	1.370

Particulars of the retiring Directors subject to re-election at the AGM are set out below:

CHAO Sze Tsung Cecil

Dr. Chao, aged 89, is the founder and Executive Chairman of the Group since 1988. Dr. Chao obtained a Bachelor of architecture degree, with honor, from The University of Durham, England and subsequently worked in the field of property, construction, investment, shipping, industrial and architect for over fifty years. He has also worked for Hong Kong Government Building Department and Architectural Office. He is a Hong Kong registered architect and a member of the Royal Institute of British Architect and has obtained Honorary Doctor Degree (Ph. D.) from U.S. Morrison University. Dr. Chao is also awarded World Outstanding Chinese. He has obtained Lifetime Achievement Award given by the ASEAN Outstanding Business Award 2016. He is the Chairman and beneficial owner of Yan Yin Company Limited, Cecil Chao & Associates Limited and Szehope Securities Company Limited which are the controlling shareholders of the Group.

As at the Latest Practicable Date, Dr. Chao has not entered into any service contract with the Company and he is subject to retirement by rotation and re-election in accordance with the Articles of Association. The Director's fee paid to Dr. Chao as director of the Group for the year ended 30 June 2025 was HK$9,720,100 which was reviewed by the Remuneration Committee of the Company.

As at the Latest Practicable Date, Dr. Chao is interested in 485,981,509 ordinary shares, representing 74.46% in the issued share capital of the Company, within the meaning of Part XV of the Securities and Futures Ordinance.

Dr. Chao does not have any relationship with the directors, senior management or other substantial or controlling shareholders of the Company except Dr. Chao Gigi (Executive Director) and Mr. Chao Howard (Executive Director) are his children.

Save for the foregoing, there is no information relating to Dr. Chao that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules nor are there other matters that need to be brought to the attention of the Shareholders regarding the re-election of Dr. Chao.

SUN Dai Hoe Harold

Mr. Sun, aged 62, is currently an executive director of the Sun International Group of Companies and has been appointed as an independent non-executive director of Oriental Watch Holdings Limited (HKSE 0398), a company listed on the Main Board of the Stock Exchange of Hong Kong Limited (the "Stock Exchange"), since 23 March 2022. He was previously an independent non-executive director of Saizen REIT, a real estate investment trust listed on the Singapore Exchange Securities Trading Limited, from January 2008 until its voluntary delisting.

Mr. Sun was awarded a Master degree in Business Administration from University of British Columbia, Canada in 1987. Mr. Sun possesses over 30 years of experience in marketing and distribution of consumer products in Hong Kong and Southeast Asia. He was the Chairman of the Federation of Hong Kong Watch Trades and Industries Limited from 2017 to 2019 and has been its advisor since 2020. In addition, he has been the Chairman of Qualifications Framework, Watch and Clock Industry Training Advisory Committee since January 2022, a member of Hong Kong Productivity Council's Watch and Clock Technology Centre Management Committee since 2016, and was a member of Hong Kong Trade Development Council's Watches and Clocks Advisory Committee from 2016 to 2020. Mr. Sun was the Vice-President of Singapore Clock and Watch Trade Association from 2010 to 2017. Mr. Sun's experience also includes real estate investment in Hong Kong, Singapore, Malaysia and North America through his family holdings.

As at the Latest Practicable Date, Mr. Sun has not entered into any service contract with the Company and he is subject to retirement by rotation and re-election in accordance with the Articles of Association. The Director's fee paid to Mr. Sun as director of the Group for the year ended 30 June 2025 was HK$73,000 which was reviewed by the Remuneration Committee of the Company.

Mr. Sun does not have any interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Mr. Sun does not have any relationship with the directors, senior management or other substantial or controlling shareholders of the Company.

Save for the foregoing, there is no information relating to Mr. Sun that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules nor are there other matters that need to be brought to the attention of the Shareholders regarding the re-election of Mr. Sun.

HO Sau Fun Connie

Ms. Ho, aged 58, was appointed as a Director of the Company since 1996. She is an associate member of The Hong Kong Chartered Governance Institute and of The Chartered Governance Institute UK & Ireland (formerly known as The Institute of Secretaries and Administrators of U.K.). She has been working in the company secretarial field for over 35 years. Ms. Ho is also a director of the subsidiaries of the Company.

As at the Latest Practicable Date, Ms. Ho has not entered into any service contract with the Company and she is subject to retirement by rotation and re-election in accordance with the Articles of Association. The Director's fee paid to Ms. Ho as director of the Group for the year ended 30 June 2025 was HK$73,000 which was reviewed by the Remuneration Committee of the Company.

Ms. Ho does not have any interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Ms. Ho does not have any relationship with the other directors, senior management or other substantial or controlling shareholders of the Company.

Save for the foregoing, there is no information relating to Ms. Ho that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules nor are there other matters that need to be brought to the attention of the Shareholders regarding the re-election of Ms. Ho.

The chairman of the meeting will put all resolutions set out in the notice of the Annual General Meeting to be voted by way of a poll pursuant to Article 74 of the Articles of Association.

On a poll, pursuant to Article 80 of the Articles of Association, subject to any special rights, privileges or restrictions as to voting from time to time attaching to any class or classes of Shares, every shareholder who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative or proxy, shall have one vote for every Share of which he/she is the holder.

A shareholder present in person or by proxy or by authorised representative who is entitled to more than one vote does not have to use all his/her votes (i.e. he/she can cast less votes than the number of Shares he/she holds or represents) or to cast all his/her votes the same way (i.e. he/she can cast some of his/her votes in favour of the resolution and some of his/her votes against the resolution). It is believed that in most situations, shareholders (other than nominee companies) usually cast all their votes either in favour of a resolution or against a resolution.

The poll voting slip will be distributed to shareholders or their proxies or authorized representatives upon registration of attendance at the Annual General Meeting. Shareholders who want to cast all their votes entitled may mark a "√" in either "FOR" or "AGAINST" box corresponding to the resolution to indicate whether he/she supports that resolution. For shareholders who do not want to use all their votes or want to split votes in casting a particular resolution shall indicate the number of votes cast on a particular resolution in the "FOR" or "AGAINST" box, where appropriate, but the total votes cast must not exceed his/her entitled votes, or otherwise, the voting slip will be spoiled and the shareholder's vote will not be counted.

After closing the poll, the Company's Share Registrars, Computershare Hong Kong Investor Services Limited, will scrutinize the votes counting and the poll results will be published on the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and the Company's website at www.cheuknang.com.hk on the same day after the Annual General Meeting.