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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)

### **SUPPLEMENTAL ANNOUNCEMENT**

#### **IN RELATION TO THE INTERIM REPORT FOR THE SIX MONTHS ENDED 31 DECEMBER 2021**

Reference is made to (i) the announcement of Cheuk Nang (Holdings) Limited (the “**Company**”) dated 24 February 2022 in relation to interim results for the six months ended 31 December 2021 (the “**Reporting Period**”); and (ii) the Company’s interim report for the Reporting Period (the “**Interim Report**”). Unless the context requires otherwise, capitalized terms used herein shall have the same meaning as they are used in the Interim Report.

The Board wishes to provide the following additional information under the sub-section headed “Management Discussion and Analysis – Financial Review – Financial Highlights” in the Interim Report:

#### **I. Revenue for the Reporting Period**

It was disclosed in the Interim Report that the 96.4% decrease in the revenue for the Reporting Period as compared to the same period last year was mainly due to no properties sold in Shenzhen during the Reporting Period.

The management of the Company believes that the fall in sales of Cheuk Nang Garden, Shenzhen during the Reporting Period to nil was due to the combined effect of the implementation of the credit control policy by the People’s Bank of China and the China Banking and Insurance Regulatory Commission, under which ceilings were imposed on the ratio of home mortgages loans to the total amount of outstanding loans of domestic banks, which restricted the ability of banks borrowing to homebuyers, the impact of the pandemic and the concern generally over the debt crisis of property developers in the PRC which led to a fallback in buying sentiments in the PRC property market in the latter half of 2021.

## **II. Gross loss for the Reporting Period**

It was disclosed in the Interim Report that gross loss for the Reporting Period amounted to HK\$9,760,000, as compared to a gross profit of HK\$739,410,000 for the same period last year.

The management of the Company wishes to advise that revenue for the Reporting Period comprised rental income and estate management income. The gross loss of HK\$9.76 million recorded for the Reporting Period was mainly attributable to the combined effect of (i) management fee incurred during the Reporting Period; (ii) certain repair and maintenance costs incurred during the Reporting Period; and (iii) certain construction costs and sales commission in respect of property units sold in prior periods were finalized and paid during the Reporting Period.

The Board confirmed that the information provided in this announcement does not affect any other information contained in the Interim Report and, save as disclosed above, the content of the Interim Report remains unchanged.

By Order of the Board  
**CHEUK NANG (HOLDINGS) LIMITED**  
**Ho Sau Fun Connie**  
*Company Secretary*

Hong Kong, 28 March 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. Lee Ding Yue Joseph and Mr. Chao Howard and the Independent Non-executive Directors are Mr. Ting Woo Shou Kenneth and Mr. Lam Ka Wai Graham.*