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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)

POSITIVE PROFIT ALERT

This announcement is made pursuant to Rule 13.09(2) 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.

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, based on a preliminary assessment of the unaudited consolidated management accounts of the Company for the six months ended 31 December 2023 (“**PE2023**”) and the latest information currently available to the Board, the Group is expected to record profit of approximately HK\$313 million for PE2023, as compared to loss of approximately HK\$18 million for the six months ended 31 December 2022 (“**PE2022**”).

The aforesaid turnaround from the Group’s loss for PE2022 to profit for PE2023 was mainly attributable to the combined effect of (i) resumed sales of properties in the Group’s property project in Shenzhen, People’s Republic of China (the “**Shenzhen Project**”) which increased the Group’s revenue and generated gross profit for the Group; (ii) enterprise tax refund from tax authority of approximately RMB328 million for the Shenzhen Project; and (iii) negative change in fair value of the Group’s investment properties.

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 2023 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 2023, which is expected to be published on 29 February 2024, carefully.

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, 20 February 2024

As at the date of this announcement, the Executive Directors are Dr. Chao Sze Tsung Cecil (Chairman), Ms. Chao Gigi (Vice Chairman) 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, Mr. Lam Ka Wai Graham and Mr. Sun Dai Hoe Harold.