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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)

APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTOR AND MEMBER OF NOMINATION COMMITTEE AND GRANT OF WAIVER FROM STRICT COMPLIANCE WITH RULES 3.10(1), 3.10A AND 3.27A OF THE LISTING RULES

APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTOR AND MEMBER OF NOMINATION COMMITTEE

The Board wishes to announce that Mr. Lee, Tsung Hei David Chris has been appointed as an independent non-executive Director and a member of the Nomination Committee with effect from 17 June 2024.

GRANT OF WAIVER FROM STRICT COMPLIANCE WITH RULES 3.10(1), 3.10A AND 3.27A OF THE LISTING RULES

The Company has made an application to the Stock Exchange for the Waiver and the Stock Exchange granted the Waiver to the Company on 14 June 2024.

APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTOR AND MEMBER OF NOMINATION COMMITTEE

The board (the “**Board**”) of directors (the “**Director(s)**”) of Cheuk Nang (Holdings) Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that Mr. Lee, Tsung Hei David Chris (“**Mr. Lee**”) has been appointed as an independent non-executive Director and a member of the nomination committee (the “**Nomination Committee**”) with effect from 17 June 2024. The biographical information of Mr. Lee are as follows:

Lee, Tsung Hei David Chris, BBS, JP

Mr. Lee, aged 73, is currently the Chairman and CEO of DH International Group Holdings Ltd, DH Capital (HK) Ltd and Guangzhou DHC Investment Advisory Ltd. He is also a Director of Lufei Aviation Holdings Limited. He qualified as a Chartered Valuation Surveyor in 1973 and was registered as an Authorized Person in 1977. He is a Fellow of the Hong Kong Institute of Surveyors, a Registered Professional Surveyor, a Fellow of the Hong Kong Institute of Directors, an associate of the Incorporated Society of Valuers and Auctioneers, and an associate of the Chartered Institute of Arbitrators. Mr. Lee is a former member of the Central Policy Unit, which is known as the Government “Think Tank”, a past Chairman of the Hong Kong Housing Society, a former member of the Supervisory Board of the Hong Kong Housing Society, a former director of Hong Kong Cyberport Management Company Limited, a former Council member of Hong Kong Polytechnic University and a former member of the Land and Building Advisory Committee, and the Steering Committee on review of the Urban Renewal Strategy, a Visiting Professor of the Guangzhou Urban Mass Transit Training Institute. He is currently a member of the Salvation Army Advisory Board and Chairman of the Property Advisory Committee of the Salvation Army.

Mr. Lee informed the Company that he was a director of David C Lee Property Consultants (Asia Pacific) Limited (“**DCLP**”). He was also a director of David C Lee Surveyors Limited (“**DCLS**”) prior to his resignation in May 2006. DCLS and DCLP were dissolved in 2009.

DCLS and DCLP were incorporated in Hong Kong and were principally engaged in the provision of property consulting services. The Company was advised by Mr. Lee that he had indirect shareholding interests in DCLS and DCLP through another company (the “**Corporate Shareholder**”) and that disputes arose around May 2006 between Mr. Lee and a third party (the “**Third Party**”) as to the ultimate shareholding and control of the Corporate Shareholder. Mr. Lee decided to resign as a director of DCLS along with the other directors in May 2006.

On 29 May 2006, the then directors of DCLS decided to voluntarily wind up DCLS. DCLS was dissolved on 9 September 2009.

On 7 August 2006, a petition for the winding up of DCLP was presented to the High Court of Hong Kong by an employee in respect of claims for severance payment and wages in lieu of notice and annual leave under her employment contract. On 4 October 2006, a winding-up order was issued against DCLP by the Hong Kong High Court. DCLP was dissolved on 11 November 2009.

The Company has considered the information provided by Mr. Lee in relation to the winding up of DCLP and DCLS. Based on the information provided, nothing has come to the Board's attention indicating any allegation of fraud or other impropriety on the part of DCLP and DCLS or Mr. Lee during the course of the winding up or any allegation that Mr. Lee is liable for any of the liabilities of DCLP and DCLS.

On the basis of the information set out above, the Board considered that Mr. Lee's would be able to satisfy the requirement of Rule 3.09 of the Rules Governing the Listing of Securities (the "**Listing Rules**") on the Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") and that Mr. Lee has the character, experience and integrity and would be able to demonstrate a standard of competence commensurate with his position as an independent non-executive Director.

Mr. Lee has entered into a letter of appointment with the Company for an initial term of three years commencing from 17 June 2024 subject to retirement by rotation and re-election pursuant to the articles of association of the Company. He is entitled to a director's fee of HK\$73,000 per annum which is determined by the Board and approved by the Remuneration Committee with reference to Mr. Lee's duties in the Company and comparable market statistics.

Mr. Lee has confirmed (i) his independence as regards each of the facts referred to in Rule 3.13(1) to (8) of the Listing Rules; (ii) he does not have any past or present financial or other interests in the business of the Company or its subsidiaries or any connected with any core connected person (as defined under the Listing Rules); and (iii) there are no other factors that may affect his independence at the time of his appointment.

Save as disclosed above, as at the date of this announcement, Mr. Lee (i) has not held and is not holding any other position with the Company and other members of the Group; (ii) has not held any other directorships in the last three years in any public companies the securities of which are listed on any securities market in Hong Kong or overseas; (iii) does not have any relationship with any Directors, senior management, substantial shareholders or controlling shareholders of the Company (within the meaning the Listing Rules); and (iv) does not have and is not deemed to have any interest or short positions in the shares or other securities of the Company or any of its associated corporations which is required to be disclosed under Part XV of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

Save as disclosed above, there is no other information relating to the appointment of Mr. Lee that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules and there are no other matters that need to be brought to the attention of the shareholders of the Company.

The Board would like to express its warmest welcome to Mr. Lee on his new appointment.

GRANT OF WAIVER FROM STRICT COMPLIANCE WITH RULES 3.10(1), 3.10A AND 3.27A OF THE LISTING RULES

Reference is made to the announcement of the Company dated 29 February 2024 (the “**Announcement**”) in relation to, among other things, the resignation of Mr. Ting Woo Shou Kenneth (“**Mr. Ting**”) as an independent non-executive Director. As disclosed in the Announcement, following the resignation of Mr. Ting, (i) the number of independent non-executive Directors on the Board had fallen below the minimum of three members and one-third of the Board as required under Rules 3.10(1) and 3.10A of the Listing Rules, respectively; and (ii) the Nomination Committee did not comprise a majority of independent non-executive Directors as required under Rule 3.27A of the Listing Rules.

Pursuant to Rule 3.11 of the Listing Rules, the Company should appoint an additional independent non-executive Director within three months after failing to meet the requirements under Rules 3.10(1) and 3.10A of the Listing Rules.

Since the publication of the Announcement, the Company had taken steps to identify suitable candidates with appropriate expertise to fill the casual vacancy on the Board. As the Company required additional time to identify, consider, meet with, and negotiate with the suitable candidate(s) on the offer and terms of engagement to be made, the Company had applied to the Stock Exchange for a waiver from strict compliance with Rules 3.10(1), 3.10A and 3.27A of the Listing Rules (the “**Waiver**”) and the Stock Exchange granted the Waiver to the Company on 14 June 2024 to extend the grace period under Rule 3.11 of the Listing Rules to 28 June 2024 to comply with Rules 3.10(1) and 3.10A of the Listing Rules.

Following the appointment of Mr. Lee as an independent non-executive Director, (i) the Board comprises four executive Directors, one non-executive Director and three independent non-executive Directors; (ii) the Nomination Committee comprises 3 members with a majority of them are independent non-executive Directors. Accordingly, the Company has complied with Rules 3.10(1), 3.10A and 3.27A of the Listing Rules as the date of this announcement.

By Order of the Board
CHEUK NANG (HOLDINGS) LIMITED
Ho Sau Fun Connie
Executive Director

Hong Kong, 17 June 2024

As at the date of this announcement, the Executive Directors are Dr. Chao Sze Tsung Cecil (Chairman), Ms. Chao Gigi (Vice Chairman), Mr. Chao Howard and Ms. Ho Sau Fun Connie; the Non-executive Director is Mr. Lee Ding Yue Joseph and the Independent Non-executive Directors are Mr. Lam Ka Wai Graham, Mr. Sun Dai Hoe Harold and Mr. Lee Tsung Hei David Chris.