CHEUK NANG (HOLDINGS) LIMITED
卓 能 (集 團) 有 限 公 司

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

APPOINTMENT OF AUDITOR

This announcement is made by the board (the "**Board**") of directors (the "**Directors**") of Cheuk Nang (Holdings) Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.51(4) of the Rules (the "**Listing Rules**") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

Unless otherwise stated, capitalised terms used in this announcement shall bear the same meanings as those defined in the announcement of the Company dated 17 July 2026 in relation to the resignation of auditor (the "**Announcement**").

APPOINTMENT OF AUDITOR

In view of the vacancy in the office of auditor of the Group following the resignation of Grant Thornton Hong Kong Limited ("**GT**") which was the subject of the Announcement, the Board has resolved, with the recommendation of the Audit Committee, to appoint BDO Limited ("**BDO**") as the new auditor of the Group with effect from 27 July 2026 for the audit of the consolidated financial statements of the Group for the year ended 30 June 2026 (the "**2026 Audit**"), and to hold office until the conclusion of the next annual general meeting of the Company.

In evaluating the appointment of BDO, the Audit Committee has had regard to the guidelines issued by the Accounting and Financial Reporting Council ("**AFRC**"), including section 2 of the Guidelines for Effective Audit Committees – Selection, Appointment and Reappointment of Auditors published by the AFRC in December 2021. The Audit Committee arrived at their recommendation after considering the proposals containing, among other things, the qualifications, experience, resources, manpower, independence, scope of services, fees and timetable provided by each candidate firm and the interviews conducted with them. The Board (after due consideration of the Audit Committee's recommendation) and the Audit Committee are of the view that BDO is independent, competent and capable of performing quality audits after taking into account the key factors set out below.

Competence (including industry knowledge), governance, leadership and team resources, scope and audit approach

BDO, a member of BDO International Limited, and forms part of the international BDO network of independent member firms represented in 870 offices across 169 countries and territories and over 94,900 professionals worldwide. BDO is a registered Public Interest Entity auditor with approximately 1,000 staff and 60 directors and is presently engaged as primary auditors for approximately 182 companies listed on the Stock Exchange, including those in the property investment and development and/or the provision of property management services sectors in which the Group operates, including Poly Property Group Co., Limited (0119.HK), Century Legend (Holdings) Limited (0079.HK), Star Group Asia Limited (1560.HK), and Oriental University City Holdings (H.K.) Limited (8067.HK).

The proposed core engagement team comprises an engagement partner, engagement quality reviewer and engagement manager who are members of the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and have over 25, 25 and 8 years of audit experience respectively. The engagement partner, engagement quality reviewer and engagement manager all have relevant industry experience in property investment, development and management, and they will lead a core audit team comprising of 1 manager, 2 assistant managers, and 1 senior and 2 junior audit professionals (all of whom are HKICPA, CPA Australia or The Chinese Institute of Certified Public Accountants full or student members).

BDO has confirmed that they implement an audit methodology to ensure understanding and evaluation of the Group's systems, processes, controls and risks from initial planning to audit completion, regulatory responsiveness for quality control, and promotes a culture of open and honest communication, professional skepticism and legal and regulatory compliance.

The Board and the Audit Committee consider BDO and its proposed audit team possess the competence (including industry knowledge), leadership and team resources and capabilities to properly undertake its audit engagement, and the scope of audit and approach to be appropriate.

Compliance with relevant ethical requirements, risk assessment and ongoing monitoring processes

BDO has confirmed that it maintains comprehensive independence policies in line with the Code of Ethics for Professional Accountants issued by the HKICPA, including annual independence confirmations of all professional staff, a restricted investment list, and implements an ongoing firm-wide independence monitoring system, internal inspections and continuing professional development programs as part of a continuous quality control framework.

The Board and the Audit Committee have noted the public reprimand and pecuniary penalties imposed by the AFRC on BDO (and certain individuals) as set out in AFRC's press release dated 20 December 2024 and 21 August 2025 in relation to engagement-related incidents that took place during 2011, 2016 and 2018. BDO has confirmed that it has implemented remedial actions to address the deficiencies, including enhanced governance and partner accountability, engagement supervision, targeted training for core engagement members to ensure the engagement partner and engagement quality control reviewer are qualified during the acceptance process, ongoing monitoring and external quality review. BDO has confirmed that such remedial actions have been fully implemented and incorporated into BDO's quality management framework as part of its commitment to audit quality. BDO has also confirmed that it has not received any follow-up enquiries from the AFRC.

Based on the above, the Board and Audit Committee consider that BDO has in place a structured monitoring framework to support ongoing quality control and compliance and is competent to be appointed as auditor of the Group notwithstanding the published AFRC disciplinary decisions.

Proposed timetable with expected dates

BDO has proposed to the Audit Committee the timeline for the audit, estimating that the 2026 Audit would be completed by the end of September 2026. Details of the proposed audit timetable for the 2026 Audit are as follows:

Engagement acceptance/independence confirmation	:	Late July 2026
Audit planning with Audit Committee and onsite and remote field work	:	Late July to early September 2026
Communication with management and the Audit Committee on the draft audited report	:	September 2026
Publishment of annual results announcement	:	Late September 2026
Publishment of annual report	:	Late October 2026

Communication and interaction with the audit committee

BDO has confirmed that it aims to keep open and honest lines of communication to ensure issues are highlighted and addressed swiftly, through a combination of engagement director led approach and comprehensive reporting to management and regular communication meetings with the Audit committee, including meetings on audit plans at the planning stage and for the reporting of findings and completion at the completion stage. Additionally, BDO has confirmed that the engagement partner will proactively communicate with the Audit Committee to facilitate the resolution of any disagreements with management or unresolved issues should they arise.

The Audit Committee considers that BDO's proposed communication strategy will facilitate mutual understanding of the audit progress and ensure effective discussions on audit matters.

Proposed remuneration

BDO has confirmed that its proposed audit fee of HK$1.25 million takes into account the actual circumstances of the Group (with the assumption that the size and nature of business activities of the Company will not be materially different from the information provided to BDO, there will not be any material issues or unforeseen circumstances during the course of the audit which will have a significant impact on the required audit hours and the finalised management accounts and fully complete audit schedules are available to the audit team at the commencement of BDO's annual audit work and appropriate personnel are available to support BDO for the audit). The proposed audit fee excludes fees for external experts engaged by BDO for any amount incurred below HK$100,000 (i.e. the Company will bear any external expert fees up to HK$100,000, and BDO will cover any fees exceeding HK$100,000). BDO has confirmed that they will maintain timely communication with the Company to ensure external expert fees are reasonable and acceptable to the Company.

The Audit Committee is of the view that BDO's proposed remuneration is commensurate with its audit scope, timetable and resources allocated and will ensure an independent quality audit.

The Board would like to extend its warm welcome to BDO on its appointment as the auditor of the Group.

By order of the Board
HO SAU FUN CONNIE
Company Secretary

Hong Kong, 27 July 2026

As at the date of this announcement, the Executive Directors are Dr. Chao Sze Tsung Cecil (Chairman), Dr. 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.