

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

Tai Cheung Holdings Limited

(INCORPORATED IN BERMUDA WITH LIMITED LIABILITY)

(Stock Code: 88)

FINAL RESULTS FOR THE YEAR ENDED 31ST MARCH 2012

RESULTS

I am pleased to report that the group profit attributable to the equity holders of the company for the year ended 31st March 2012 amounted to HK\$737.9 million, as compared with the profit of HK\$706.1 million last year, representing an increase of 5%.

DIVIDEND

An interim dividend of HK 11 cents per share was paid on 5th January 2012. The board has recommended the payment of a final dividend of HK 19 cents per share to persons registered as shareholders on 7th September 2012. Subject to the approval of shareholders at the forthcoming 2012 Annual General Meeting, the final dividend will be payable on 13th September 2012 and the total dividend for the year will be HK 30 cents per share.

CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the year ended 31st March 2012

	Note	2012 HK\$ Million	2011 HK\$ Million
Revenue	2	1,381.9	1,460.9
Cost of sales		<u>(642.9)</u>	<u>(728.0)</u>
Gross profit		739.0	732.9
Other income		38.4	11.4
Administrative expenses		(55.8)	(51.9)
Gain on disposal of investment properties		–	32.1
Impairment losses on available-for-sale financial assets		(1.6)	(7.5)
Fair value gains on investment properties		<u>–</u>	<u>0.9</u>
Operating profit	3	720.0	717.9
Finance costs		(4.6)	(4.6)
Share of results of associates, net of tax		<u>126.9</u>	<u>105.7</u>
Profit before income tax		842.3	819.0
Income tax expense	4	<u>(104.4)</u>	<u>(112.9)</u>
Profit attributable to equity holders of the company		<u>737.9</u>	<u>706.1</u>
Dividends	5	<u>185.2</u>	<u>185.2</u>
Earnings per share (basic and diluted)	6	<u>\$1.19</u>	<u>\$1.14</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31st March 2012

	2012 <i>HK\$ Million</i>	2011 <i>HK\$ Million</i>
Profit for the year	737.9	706.1
Other comprehensive income:		
Fair value gains on available-for-sale financial assets	16.7	11.8
Impairment losses on available-for-sale financial assets transferred to consolidated profit and loss account	1.6	7.5
Exchange differences	(0.2)	0.2
	<u>18.1</u>	<u>19.5</u>
Total comprehensive income for the year and attributable to equity holders of the company	<u>756.0</u>	<u>725.6</u>

CONSOLIDATED BALANCE SHEET

As at 31st March 2012

	Note	2012 HK\$ Million	2011 HK\$ Million
Non-current assets			
Property, plant and equipment		11.9	12.3
Associates		72.5	67.0
Amount due from an associate		–	17.7
Available-for-sale financial assets		103.3	100.9
Mortgage loans receivable		2.1	2.8
		<u>189.8</u>	<u>200.7</u>
Current assets			
Properties for sale		1,929.0	2,508.6
Properties under development		190.1	187.8
Mortgage loans receivable		0.1	0.2
Debtors, deposits and prepayments	7	230.6	174.7
Amounts due from associates		25.3	0.7
Bank balances and cash		3,028.2	1,980.5
		<u>5,403.3</u>	<u>4,852.5</u>
Current liabilities			
Creditors, deposits and accruals	8	88.7	114.2
Borrowings		118.8	124.5
Current income tax liabilities		83.0	82.7
		<u>290.5</u>	<u>321.4</u>
Net current assets		<u>5,112.8</u>	<u>4,531.1</u>
Net assets		<u>5,302.6</u>	<u>4,731.8</u>
Equity			
Share capital		61.7	61.7
Reserves		5,123.6	4,552.8
Proposed final dividend		117.3	117.3
Total equity		<u>5,302.6</u>	<u>4,731.8</u>

Notes:

1. Basis of preparation and accounting policies

(a) Basis of preparation

The financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants. The financial statements have been prepared under the historical cost convention as modified by the revaluation of available-for-sale financial assets, which are carried at fair value. The accounting policies are consistent with those as described in the group’s annual financial statements for the year ended 31st March 2011.

(b) New and revised standards and amendments to published standards effective in 2011/12 and adopted by the group

During the year, the group adopted the following new and revised standards and amendments to the existing HKFRSs which are effective in 2011/12 and are relevant to its operations:

HKAS 1 (Amendment)	Presentation of financial statements
HKAS 24 (Revised)	Related party disclosures
HKAS 27 (Revised)	Consolidated and separate financial statements
HKFRS 3 (Revised)	Business combinations
HKFRS 7 (Amendment)	Financial instruments: disclosures

The adoption of these new and revised standards and amendments has no significant impact on the group’s results and financial position.

2. Revenue and segment information

The group is principally engaged in property investment and development, investment holding and property management. Revenue is also the group’s turnover.

Segment information is presented on the same basis as that used by the directors to assess the performance of each reporting segment.

(a) Revenue and profit attributable to equity holders of the company

For the year ended 31st March 2012

	Property development and leasing HK\$ Million	Property management HK\$ Million	Hotel operation HK\$ Million	Investment holding HK\$ Million	Group HK\$ Million
Revenue	<u>1,374.2</u>	<u>7.7</u>	<u>–</u>	<u>–</u>	<u>1,381.9</u>
Segment results before provision	682.1	3.6	–	35.9	721.6
Impairment losses on available- for-sale financial assets	<u>–</u>	<u>–</u>	<u>–</u>	<u>(1.6)</u>	<u>(1.6)</u>
Operating profit	<u>682.1</u>	<u>3.6</u>	<u>–</u>	<u>34.3</u>	720.0
Finance costs	(4.6)	–	–	–	(4.6)
Share of results of associates, net of tax	1.3	–	125.6	–	<u>126.9</u>
Profit before income tax					842.3
Income tax expense	(103.8)	(0.6)	–	–	<u>(104.4)</u>
Profit attributable to equity holders of the company					<u>737.9</u>

For the year ended 31st March 2011

	Property development and leasing HK\$ Million	Property management HK\$ Million	Hotel operation HK\$ Million	Investment holding HK\$ Million	Group HK\$ Million
Revenue	<u>1,454.8</u>	<u>6.1</u>	<u>–</u>	<u>–</u>	<u>1,460.9</u>
Segment results before provision	685.9	2.6	–	3.9	692.4
Gain on disposal of investment properties	32.1	–	–	–	32.1
Impairment losses on available- for-sale financial assets	<u>–</u>	<u>–</u>	<u>–</u>	<u>(7.5)</u>	<u>(7.5)</u>
Fair value gains on investment properties	<u>0.9</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>0.9</u>
Operating profit	<u>718.9</u>	<u>2.6</u>	<u>–</u>	<u>(3.6)</u>	717.9
Finance costs	(4.6)	–	–	–	(4.6)
Share of results of associates, net of tax	0.6	–	105.1	–	<u>105.7</u>
Profit before income tax					819.0
Income tax expense	(112.5)	(0.4)	–	–	<u>(112.9)</u>
Profit attributable to equity holders of the company					<u>706.1</u>

(b) *Total assets and liabilities*

As at 31st March 2012

	Property development and leasing <i>HK\$ Million</i>	Property management <i>HK\$ Million</i>	Hotel operation <i>HK\$ Million</i>	Investment holding <i>HK\$ Million</i>	Group <i>HK\$ Million</i>
Segment assets	2,366.8	46.3	–	3,082.2	5,495.3
Associates	<u>18.8</u>	<u>–</u>	<u>85.5</u>	<u>(6.5)</u>	<u>97.8</u>
Total assets					5,593.1
Segment liabilities	235.3	46.3	–	8.9	<u>290.5</u>
Net assets					<u>5,302.6</u>

As at 31st March 2011

	Property development and leasing <i>HK\$ Million</i>	Property management <i>HK\$ Million</i>	Hotel operation <i>HK\$ Million</i>	Investment holding <i>HK\$ Million</i>	Group <i>HK\$ Million</i>
Segment assets	2,903.8	43.5	–	2,020.5	4,967.8
Associates	<u>17.0</u>	<u>–</u>	<u>74.6</u>	<u>(6.2)</u>	<u>85.4</u>
Total assets					5,053.2
Segment liabilities	267.3	45.9	–	8.2	<u>321.4</u>
Net assets					<u>4,731.8</u>

3. Operating profit

	2012 <i>HK\$ Million</i>	2011 <i>HK\$ Million</i>
--	------------------------------------	------------------------------------

Operating profit is stated after charging the following:

Cost of property sales	607.2	685.9
Depreciation	<u>0.5</u>	<u>0.6</u>

4. Income tax expense

Hong Kong profits tax has been provided at the rate of 16.5% (2011: 16.5%) on the estimated assessable profits for the year.

	2012 <i>HK\$ Million</i>	2011 <i>HK\$ Million</i>
Current income tax		
Hong Kong profits tax	104.4	118.2
Deferred income tax	–	(5.3)
	<u>104.4</u>	<u>112.9</u>

5. Dividends

	2012 <i>HK\$ Million</i>	2011 <i>HK\$ Million</i>
Interim, paid, of HK 11 cents (2011: HK 11 cents) per ordinary share	67.9	67.9
Final, proposed, of HK 19 cents (2011: HK 19 cents) per ordinary share	117.3	117.3
	<u>185.2</u>	<u>185.2</u>

6. Earnings per share

The calculation of earnings per share is based on the profit attributable to equity holders of the company of HK\$737.9 million (2011: HK\$706.1 million) and ordinary shares in issue of 617,531,425 (2011: 617,531,425). There were no potential dilutive ordinary shares outstanding during the year (2011: Nil).

7. Debtors, deposits and prepayments

	2012 <i>HK\$ Million</i>	2011 <i>HK\$ Million</i>
Trade debtors, aged		
0-3 months	221.7	165.9
Over 3 months	0.5	0.3
	<u>222.2</u>	<u>166.2</u>
Deposits and prepayments	8.4	8.5
	<u>230.6</u>	<u>174.7</u>

Debtors, deposits and prepayments are mainly denominated in Hong Kong dollars.

Credit terms given to customers vary and generally range from 3 to 6 months.

As at 31st March 2012, trade debtors of HK\$218.1 million (2011: HK\$161.1 million) were fully performing.

7. Debtors, deposits and prepayments (Continued)

As at 31st March 2012, no trade debtor was impaired (2011: Nil). Trade debtors of HK\$4.1 million (2011: HK\$5.1 million) were past due but not considered to be impaired; these were aged within 150 days (2011: 150 days). These relate to debtors with good repayment history and no recent history of default, and the majority are covered by rental deposits received by the group.

8. Creditors, deposits and accruals

	2012 <i>HK\$ Million</i>	2011 <i>HK\$ Million</i>
Creditors, aged		
0-3 months	1.1	1.1
Over 3 months	0.9	2.0
	<hr/>	<hr/>
	2.0	3.1
Deposits and accruals	86.7	111.1
	<hr/>	<hr/>
	88.7	114.2
	<hr/>	<hr/>

The creditors and deposits are mainly denominated in Hong Kong dollars.

BUSINESS REVIEW

Property Development

Luxury residential prices at the Peak continue to be strong. Profit from sale of a house for about HK\$400 million in our project at 3 Plunkett's Road was booked in the financial year. We are confident that sale of the remaining houses at this Peak project will generate very high return for our shareholders.

Site grading work for the French Valley Airport Center project has already been completed. There are signs that the American economy is slowly improving. It is likely that construction work will begin in the next twelve months.

After the end of the current financial year, your group has bought a site in Repulse Bay for about HK\$1.67 billion to be developed into a super luxurious residential project.

Hotel

As the supply of new 5-star hotels is going to be limited over the next few years, the Sheraton-Hong Kong Hotel, in which your group has 35% interest, will continue to have satisfactory performance in the next few years due to strong economic growth in Asia relative to the rest of the world.

The hotel management is studying various options to upgrade the shopping mall at the Sheraton in the near future to enhance its competitiveness and income potential. Some of the recent lease renewals are at substantially higher rental.

High-tech Investments

There are signs that the U.S. high-tech sector is recovering as evidenced by the sharp rise in NASDAQ shares since the lows in March 2009. Some funds that we have invested in have realized the value of their companies through sale to large technology and pharmaceutical companies. It is expected that the performance of the funds that we have invested in will improve over the next few years.

ASSETS VALUE

The group's interest in Sheraton-Hong Kong Hotel is stated at cost less accumulated depreciation on the hotel land and buildings in accordance with the current accounting standards.

In order to fully reflect the underlying economic value of the group's hotel properties, the group considers it appropriate also to present to shareholders, as set out below, supplementary information on the group's statement of net assets on the basis that the group were to state these hotel properties at their open market valuations as at 31st March 2012.

	2012 (Unaudited) <i>HK\$ Million</i>	2011 (Unaudited) <i>HK\$ Million</i>
Non-current assets, including interest in associates	189.8	200.7
Add: Attributable revaluation surplus relating to hotel properties ⁽¹⁾	<u>2,678.0</u>	<u>2,365.2</u>
	2,867.8	2,565.9
Current assets	5,403.3	4,852.5
Current liabilities	<u>(290.5)</u>	<u>(321.4)</u>
Net current assets	<u>5,112.8</u>	<u>4,531.1</u>
Net assets as if the hotel properties were stated at open market value	<u>7,980.6</u>	<u>7,097.0</u>
Net assets per ordinary share as if the hotel properties were stated at open market value	<u>\$12.92</u>	<u>\$11.49</u>

⁽¹⁾ Based on open market valuations as at 31st March 2012 and 2011 respectively, carried out by DTZ Debenham Tie Leung Limited, an independent firm of professional valuers.

LIQUIDITY AND FINANCIAL RESOURCES

The group's funding requirements are met with cash on hand, internally generated cash and, to the extent required, by external floating rate bank borrowings. Other sources of funds include dividends received from associates.

At 31st March 2012, the group's cash net of borrowings, was HK\$2,909.4 million as compared with HK\$1,856.0 million last year. The group's borrowing facilities were secured by certain properties held by the group with a total carrying value of HK\$373.2 million. All the group's borrowings were denominated in United States dollars. The US dollar loans are directly tied in with the business of the group's United States operations, and therefore these loans are substantially hedged by assets in the same currency.

As at year end, all the group's borrowings were payable within one year.

The group strives to maintain its gearing ratio, which is calculated as the ratio of the bank borrowings to equity at a low level. It was 2.2% at 31st March 2012 as compared with 2.6% last year.

Committed borrowing facilities available to the group, but not drawn, at 31st March 2012 amounted to HK\$70.2 million. Together with the receipts over the next twelve months from tenants and purchasers of the group's properties, the liquid funds of the group are adequate to meet the anticipated working capital requirement in the coming year.

HUMAN RESOURCES

The group, excluding associates, employs a total of 214 people in Hong Kong and the United States. Employees' costs, excluding directors' emoluments, amounted to HK\$52.9 million for the year ended 31st March 2012. Remuneration packages are reviewed annually with other employee benefits including medical subsidies, a non-contributory provident fund scheme and a mandatory provident fund scheme.

CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

The group has capital commitments in respect of available-for-sale financial assets as at 31st March 2012 of HK\$32.1 million. The group does not have any contingent liabilities as at 31st March 2012.

PROSPECTS

Hong Kong Government has announced numerous measures to cool down the property market late last year. With turmoils in the financial markets, both transaction volume and prices in the property market have decreased. However, prices and turnover have increased again in recent months.

Due to property sales in the past year, your group now has substantial net cash reserves. Your group has acquired a luxury residential development site in Repulse Bay for about HK\$1.67 billion in May this year. With the recent Government land sales through auction and tender at prices lower than expected, it is a good opportunity for your group to continue to replenish its land bank in the near future.

PURCHASE, SALE OR REDEMPTION OF SHARES

The company did not redeem any of its shares during the year. Neither the company nor any of its subsidiaries purchased or sold any of the company's shares during the year.

REVIEW OF FINANCIAL STATEMENTS

The Audit Committee has reviewed the group's financial statements for the year ended 31st March 2012, including the accounting principles and practices adopted by the group, in conjunction with the company's external auditor and internal auditor.

SCOPE OF WORK OF PRICEWATERHOUSECOOPERS

The figures in respect of the preliminary announcement of the group's results for the year ended 31st March 2012 have been agreed by the group's auditor, PricewaterhouseCoopers, to the amounts set out in the group's consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers on the preliminary announcement.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

During the year, the company has complied with the Code on Corporate Governance Practices (the “CG Code”) as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited except in relation to the followings:

- (1) Under code provision A.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual.

The company does not have a separate Chairman and Chief Executive Officer and Mr. David Pun Chan currently holds both positions. The board considers that the combination of the roles of Chairman and Chief Executive Officer can promote the efficient formulation and implementation of the company’s strategies to grasp business opportunities efficiently and promptly. Such arrangement, which has been adopted by many local and international corporations, enables the company to meet the rapidly changing business environment which needs quicker decision making to achieve business efficiency.

- (2) Under code provision A.4.1 of the CG Code, non-executive directors should be appointed for a specific term, subject to re-election.

Non-executive directors of the company are not appointed for a specific term. However, they are subject to retirement by rotation and re-election at the annual general meeting of the company in accordance with the company’s Bye-laws.

- (3) Under the second part of code provision A.4.2 of the CG Code, every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

Every director of the company, including those appointed for a specific term (save for any chairman or managing director under the company’s Private Act which was enacted in Bermuda in 1990), shall be subject to retirement by rotation at least once every three years. Pursuant to section 4(g) of the Private Act of the company, any chairman or any managing director of the company shall not be subject to retirement by rotation under the Bye-laws.

Detailed information of the company’s compliance of the CG Code will be set out in the Corporate Governance Report contained in the 2012 Annual Report.

ANNUAL GENERAL MEETING

The 2012 Annual General Meeting will be held on 23rd August 2012. The Notice of Annual General Meeting will be published and dispatched to the shareholders in due course.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members will be closed during the following periods:

- (1) from Monday, 20th August 2012 to Thursday, 23rd August 2012, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for attending and voting at the 2012 Annual General Meeting, all transfers accompanied by the relevant share certificates must be lodged with the transfer office of the company's Registrars in Hong Kong, Computershare Hong Kong Investor Services Limited, Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Friday, 17th August 2012.
- (2) from Wednesday, 5th September 2012 to Friday, 7th September 2012, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the proposed final dividend, all transfers accompanied by the relevant share certificates must be lodged with the transfer office of the company's Registrars in Hong Kong, Computershare Hong Kong Investor Services Limited, Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Tuesday, 4th September 2012.

By Order of the Board

DAVID P. CHAN

Chairman

Hong Kong, 21st June 2012

As at the date hereof, the board comprises Mr. David Pun Chan (Chairman), Mr. William Wai Lim Lam and Mr. Wing Sau Li as executive directors, Ms. Ivy Sau Ching Chan as non-executive director and Mr. Joseph Wing Siu Cheung, Mr. Karl Chi Leung Kwok and Mr. Man Sing Kwong as independent non-executive directors.