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Tai Cheung Holdings Limited

(INCORPORATED IN BERMUDA WITH LIMITED LIABILITY)

(Stock Code: 88)

PROFIT WARNING

This announcement is made by Tai Cheung Holdings Limited (the “Company”) together with its subsidiaries (collectively referred to as the “Group”) pursuant to Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) and Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The board of directors of the Company (the “Board”) would like to inform the shareholders of the Company and potential investors that, based on the preliminary review of the Group’s unaudited consolidated management accounts for the six months ended 30th September 2020 (the “Period”), the Group expects to record a net loss attributable to equity holders of the Company of approximately HK\$11.0 million for the Period as compared to the net profit of HK\$70.4 million for the corresponding period in 2019.

The COVID-19 pandemic has significant negative impact on the economies and the Group’s results. In view of the pandemic, the Group expects a turnaround from profit to loss in the Period mainly attributable to the following reasons:

- (i) the decline by about 30% in the revenue of the Group due to significant decrease in property sales as a result of weak market sentiment; and
- (ii) the substantial decline by over 95% in the share of results of Consolidated Hotels Limited, which is an associate material to the Group, as a result of the adverse impact on hospitality industry since the outbreak of the COVID-19 pandemic.

Despite the aforesaid, the Group’s unaudited consolidated management accounts as at 30th September 2020 indicate that the Group has a strong cash position with low gearing level. The Board considers that the overall financial position of the Group remains sound and solid. The Group will closely monitor and respond to the evolving COVID-19 situation. By adhering to its prudent approach, the Group will continue to adopt flexible strategies to cope with market volatility.

The Company is still in the process of finalizing the interim results of the Group for the Period. The interim results announcement of the Company for the Period is expected to be released by the end of November 2020. The information contained in this announcement is only a preliminary assessment made by the management of the Company based on the unaudited consolidated management accounts of the Group for the Period, which have not been reviewed by the Company’s Audit Committee.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
David Pun Chan
Chairman

Hong Kong, 13th November 2020

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.