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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 year ended 31st March 2021 (the “Year”), it is expected the Group will record an increase in revenue of about 70% for the Year as compared to that of last year, while the Group will record a net loss attributable to equity holders of the Company of approximately HK\$28.0 million for the Year as compared to the net profit of HK\$124.7 million for last year.

The Group expects a turnaround from profit to loss for the Year mainly attributable to the following reasons:

- (1) the operating loss of approximately HK\$29.0 million for the Year primarily due to the fall in interest income as both the Group’s bank balances and Hong Kong interest rates dropped during the Year; and
- (2) the substantial decline by over 90% 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 31st March 2021 indicate that the Group has a strong cash position with very 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 annual results of the Group for the Year. The final results announcement of the Company for the Year is expected to be released by the end of June 2021. 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 Year, which have not been confirmed nor audited by the Company’s Auditor.

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, 11th June 2021

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.