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Tai Cheung Holdings Limited

(INCORPORATED IN BERMUDA WITH LIMITED LIABILITY)

(Stock Code: 88)

FINAL RESULTS FOR THE YEAR ENDED 31ST MARCH 2025

FINANCIAL RESULTS

I am pleased to report the results of the group for the year ended 31st March 2025 (the “Year”). The audited group profit attributable to equity holders of the company for the Year amounted to HK\$62.8 million (2024: HK\$74.9 million).

The decrease in profit for the Year was mainly attributable to reduced property sales and a decrease in interest income, partly offset by gains on financial assets measured at fair value through profit or loss.

DIVIDEND

An interim dividend of HK12 cents per share was paid on 7th January 2025. The board has recommended the payment of a final dividend of HK12 cents per share to the shareholders on the register of members of the company on 9th September 2025. Subject to the approval of shareholders at the forthcoming Annual General Meeting, the final dividend will be payable on 23rd September 2025 and the total dividend for the Year will be HK24 cents per share, same as last year.

CONSOLIDATED INCOME STATEMENT*For the year ended 31st March 2025*

		2025	2024
	<i>Note</i>	<i>HK\$ Million</i>	<i>HK\$ Million</i>
Revenue	2	36.0	121.7
Cost of sales		<u>(30.0)</u>	<u>(98.7)</u>
Gross profit		6.0	23.0
Other income	3	43.8	62.3
Other gains/(losses)	4	21.3	(8.7)
Administrative expenses		<u>(59.9)</u>	<u>(56.0)</u>
Operating profit	5	11.2	20.6
Finance costs		(0.6)	(1.0)
Share of results of associates, net of tax		<u>52.7</u>	<u>56.1</u>
Profit before income tax		63.3	75.7
Income tax expense	6	<u>(0.5)</u>	<u>(0.8)</u>
Profit attributable to equity holders of the company		<u>62.8</u>	<u>74.9</u>
Earnings per share (basic and diluted), HK dollars	7	<u>\$0.102</u>	<u>\$0.121</u>
Dividends, HK\$ Million	8	<u>148.2</u>	<u>148.2</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31st March 2025

	2025 HK\$ Million	2024 HK\$ Million
Profit for the year	62.8	74.9
Other comprehensive income:		
<i>Item that will not be reclassified subsequently to profit or loss:</i>		
Share of other comprehensive loss of an associate	(0.8)	(0.6)
<i>Item that has been reclassified or may be reclassified subsequently to profit or loss:</i>		
Exchange differences	(2.1)	(1.0)
	(2.9)	(1.6)
Total comprehensive income for the year and attributable to equity holders of the company	59.9	73.3

CONSOLIDATED BALANCE SHEET

As at 31st March 2025

	Note	2025 HK\$ Million	2024 HK\$ Million
Non-current assets			
Property, plant and equipment		2.1	1.0
Right-of-use assets		12.9	22.9
Associates		255.1	230.4
Deferred income tax assets		41.0	41.0
		<u>311.1</u>	<u>295.3</u>
Current assets			
Properties for sale		3,128.4	3,138.3
Properties under development		2,218.4	1,924.9
Debtors and other receivables	9	39.9	26.2
Financial assets at fair value through profit or loss		48.6	28.1
Amount due from an associate		—	24.6
Current income tax assets		0.1	—
Bank balances and cash		934.6	1,227.0
		<u>6,370.0</u>	<u>6,369.1</u>
Current liabilities			
Creditors and other payables	10	243.3	179.5
Lease liabilities		5.1	11.1
Borrowings		75.5	—
Current income tax liabilities		—	0.4
		<u>323.9</u>	<u>191.0</u>
Net current assets		<u>6,046.1</u>	<u>6,178.1</u>
Total assets less current liabilities		<u>6,357.2</u>	<u>6,473.4</u>
Non-current liabilities			
Lease liabilities		—	5.1
Other liabilities		0.7	0.7
Borrowings		—	23.2
Deferred income tax liabilities		3.5	3.5
		<u>4.2</u>	<u>32.5</u>
Net assets		<u>6,353.0</u>	<u>6,440.9</u>
Equity			
Share capital		61.7	61.7
Reserves		6,217.2	6,305.1
Proposed final dividend		74.1	74.1
Total equity		<u>6,353.0</u>	<u>6,440.9</u>

Notes:

1. Basis of preparation and accounting policies

(a) Basis of preparation

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss, which are carried at fair value.

(b) Adoption of amended standards and interpretation in 2024/25

During the year, the group adopted the following amended standards and interpretation which are effective in 2024/25:

HKAS 1 (Amendments)	Classification of Liabilities as Current or Non-current
HKAS 1 (Amendments)	Non-current Liabilities with Covenants
HKAS 7 and HKFRS 7 (Amendments)	Supplier Finance Arrangements
HKFRS 16 (Amendments)	Lease Liability in a Sale and Leaseback
Hong Kong Interpretation 5 (2020)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

The adoption of the amended standards and interpretation does not have any significant effect on its results of operations and financial position of the group.

2. Revenue and segment information

The group is principally engaged in property development, investment holding and property management.

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 2025

	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>	Total <i>HK\$ Million</i>
Revenue					
– recognised at a point in time	15.3	–	–	–	15.3
– recognised over time	–	9.6	–	–	9.6
Revenue from other sources					
– rental income	11.1	–	–	–	11.1
	<u>26.4</u>	<u>9.6</u>	<u>–</u>	<u>–</u>	<u>36.0</u>
Segment results and operating profit	<u>(44.0)</u>	<u>2.4</u>	<u>–</u>	<u>52.8</u>	11.2
Finance costs	(0.6)	–	–	–	(0.6)
Share of results of associates, net of tax	–	–	52.7	–	<u>52.7</u>
Profit before income tax					63.3
Income tax expense	(0.3)	(0.2)	–	–	<u>(0.5)</u>
Profit attributable to equity holders of the company					<u>62.8</u>

2. Revenue and segment information (Continued)

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

For the year ended 31st March 2024

	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>	Total <i>HK\$ Million</i>
Revenue					
– recognised at a point in time	102.8	–	–	–	102.8
– recognised over time	–	9.9	–	–	9.9
Revenue from other sources					
– rental income	9.0	–	–	–	9.0
	<u>111.8</u>	<u>9.9</u>	<u>–</u>	<u>–</u>	<u>121.7</u>
Segment results and operating profit	<u>(21.8)</u>	<u>2.9</u>	<u>–</u>	<u>39.5</u>	20.6
Finance costs	(1.0)	–	–	–	(1.0)
Share of results of associates, net of tax	–	–	56.1	–	<u>56.1</u>
Profit before income tax					75.7
Income tax expense	(0.5)	(0.3)	–	–	<u>(0.8)</u>
Profit attributable to equity holders of the company					<u>74.9</u>

The analysis of revenue by geographical area is as follows:

	2025 <i>HK\$ Million</i>	2024 <i>HK\$ Million</i>
Hong Kong	17.0	15.8
United States	<u>19.0</u>	<u>105.9</u>
	<u>36.0</u>	<u>121.7</u>

Revenue of approximately HK\$19.8 million (2024: HK\$80.7 million) are derived from two (2024: three) major customers each contributing 10% or more of the total revenue.

2. Revenue and segment information (Continued)

(b) Total assets and liabilities

As at 31st March 2025

	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>	Total <i>HK\$ Million</i>
Segment assets	5,486.2	117.1	–	822.7	6,426.0
Associates	–	–	255.1	–	255.1
Total assets					6,681.1
Segment liabilities	202.9	117.3	–	7.9	328.1
Net assets					6,353.0

As at 31st March 2024

	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>	Total <i>HK\$ Million</i>
Segment assets	5,171.8	106.1	–	1,131.5	6,409.4
Associates	–	–	255.0	–	255.0
Total assets					6,664.4
Segment liabilities	109.1	106.3	–	8.1	223.5
Net assets					6,440.9

Segment assets are assets other than investments in associates.

Non-current assets, other than deferred income tax assets are mainly located in Hong Kong.

3. Other income

	2025 HK\$ Million	2024 HK\$ Million
Interest income	41.0	57.0
Investment income from financial assets at fair value through profit or loss	—	2.8
Others	2.8	2.5
	<u>43.8</u>	<u>62.3</u>

4. Other gains/(losses)

	2025 HK\$ Million	2024 HK\$ Million
Fair value change on financial assets at fair value through profit or loss	21.3	(8.7)

5. Operating profit

	2025 HK\$ Million	2024 HK\$ Million
Operating profit is stated after charging the following:		
Cost of property sales	9.4	71.4
Depreciation – property, plant and equipment	0.7	0.7
Depreciation – right-of-use assets	10.0	10.0

6. Income tax expense

Hong Kong profits tax has been provided at the rate of 16.5% (2024: 16.5%) on the estimated assessable profits for the year.

	2025 HK\$ Million	2024 HK\$ Million
Current income tax Hong Kong profits tax	0.5	0.8

7. Earnings per share

The calculation of earnings per share is based on the profit attributable to equity holders of the company of HK\$62.8 million (2024: HK\$74.9 million) and ordinary shares in issue of 617,531,425 (2024: 617,531,425). There were no potential dilutive ordinary shares outstanding during the year (2024: Nil).

8. Dividends

	2025 <i>HK\$ Million</i>	2024 <i>HK\$ Million</i>
Interim, paid, of HK12 cents (2024: HK12 cents) per ordinary share	74.1	74.1
Final, proposed, of HK12 cents (2024: HK12 cents) per ordinary share	74.1	74.1
	<u>148.2</u>	<u>148.2</u>

9. Debtors and other receivables

	2025 <i>HK\$ Million</i>	2024 <i>HK\$ Million</i>
Other receivables, deposits and prepayments	<u>39.9</u>	<u>26.2</u>

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

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

10. Creditors and other payables

	2025 <i>HK\$ Million</i>	2024 <i>HK\$ Million</i>
Creditors, aged 0-3 months (from dates of invoices)	39.0	7.9
Other payables, deposits and accruals	<u>204.3</u>	<u>171.6</u>
	<u>243.3</u>	<u>179.5</u>

The creditors, other payables, deposits and accruals are mainly denominated in Hong Kong dollars.

BUSINESS REVIEW

Property Development

Our Ap Lei Chau site is being developed into a luxurious residential building with recreational facilities and car parks. Superstructure work is scheduled for completion by late 2025. Pre-sale consent has been obtained from government authority. Located along the vibrant waterfront at the Southern District, the development enjoys enhanced connectivity with pleasant walking environment nearby. This contemporary residence is an ingenious collection of deluxe homes with 38 units, comprising entirely four-bedroom apartments with feature units in simplex and duplex design. In light of the favorable market trends, the development is planned for pre-sale launch in the third quarter of 2025 to meet the keen demand for larger housing units.

Preparation works for sales launch of our Repulse Bay project “PULSA” are well underway. Marketing promotion activities have been proceeding smoothly. Located at the picturesque Southside and surrounded with lush greenery, this super luxury development boasts panoramic views of the Repulse Bay. The upscale residence consists of eight spacious and elegant houses, with well-equipped clubhouse facilities. Its distinctive curtain-wall façade and innovative design offers unprecedented iconic signature in the neighborhood.

French Valley Airport Center, an industrial and commercial project in California, is being developed in phases. Located adjacent to French Valley Airport with essential amenities nearby, this modern architecture offers a range of all-new single-storey buildings, bringing convenience and high-quality construction in a well-designed business center. Sales of Phase 3 of the project achieved satisfactory results in view of the current market conditions. Construction works for Phase 4 is expected to be completed in the third quarter of 2025.

Hotel

Sheraton-Hong Kong Hotel, an acclaimed 5-star city-center hotel in which the group has 35% interest, continued to maintain its prestigious status in Hong Kong. Newly renovated guestrooms and stylish updates throughout the hotel help to enhance the overall guest experience, allowing it to gain a competitive advantage in the industry.

The hotel continued to deliver satisfactory performance during the year, showcasing resilience and adaptability in the face of evolving market conditions. Occupancy rates remained strong amid accelerating demand due to growth in group, business and international travel.

Increasing numbers of overnight visitors, widening source markets, international mega-events and tourism initiatives are expected to provide impetus to the local hotel sector. Challenges to hoteliers lie in attracting higher-spending visitors, shortage of manpower and pressure on costs.

ASSETS VALUE

The group has equity accounted for its interest in Sheraton-Hong Kong Hotel, which has adopted the cost model for its hotel land and buildings which are stated at cost less accumulated depreciation, 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 2025.

	2025 (Unaudited) <i>HK\$ Million</i>	2024 (Unaudited) <i>HK\$ Million</i>
Non-current assets, including interest in associates	311.1	295.3
Add: Attributable revaluation surplus relating to hotel properties ⁽¹⁾	<u>2,855.4</u>	<u>3,127.0</u>
	----- 3,166.5	----- 3,422.3
Current assets	6,370.0	6,369.1
Current liabilities	<u>(323.9)</u>	<u>(191.0)</u>
Net current assets	----- 6,046.1	----- 6,178.1
Total assets less current liabilities	9,212.6	9,600.4
Non-current liabilities	<u>(4.2)</u>	<u>(32.5)</u>
Net assets as if the hotel properties were stated at open market value	<u>9,208.4</u>	<u>9,567.9</u>
Net assets per ordinary share as if the hotel properties were stated at open market value	<u>\$14.91</u>	<u>\$15.49</u>

⁽¹⁾ Based on open market valuations as at 31st March 2025 and 2024 respectively, carried out by Cushman & Wakefield 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 2025, the group's cash net of borrowings was HK\$859.1 million as compared with HK\$1,203.8 million last year. The group's borrowing facilities were secured by certain properties held by the group with a total carrying value of HK\$434.8 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 1 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 1.2% at 31st March 2025 as compared with 0.4% last year.

Committed borrowing facilities available to the group, but not drawn, at 31st March 2025 amounted to HK\$57.0 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.

EMPLOYEES

The group, excluding associates, employs a total of 148 people in Hong Kong and the United States. Employees' costs, excluding directors' emoluments, amounted to HK\$59.5 million for the year ended 31st March 2025. The group understands that employees are valuable assets. Remuneration packages are reviewed annually with other employee benefits including medical subsidies, a non-contributory provident fund scheme and a mandatory provident fund scheme. The group also provides education subsidies to eligible employees.

CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

The group has capital commitments in respect of financial assets at fair value through profit or loss and properties as at 31st March 2025 of HK\$276.6 million. The group does not have any contingent liabilities as at 31st March 2025.

BUSINESS STRATEGY

The group has been pursuing to build and manage quality properties mainly in Hong Kong and adheres to its business strategy on lean management by focusing on luxury residential properties in recent years, delivering attractive returns to our shareholders.

Besides, the group's interest in the hotel is a long term investment in prime location. It provides a reliable, stable and recurring source of income for the group.

In determining its business strategy, the group takes into consideration market opportunities, the group's financial resources and its core competence, while exercising prudent and disciplined financial management at all times.

Taking pride in its long history in the business and strong financial capability, the group endeavors to achieve long term sustainable growth of its business by seeking potential opportunities in preserving and enhancing the shareholders' value.

PROSPECTS

Hong Kong economy is on track for a solid growth, driven by international trade flows and ongoing recovery in inbound tourism. Its economic landscape is witnessing a resurgence as Mainland investors channel significant capital into the city's property and equity markets, signalling optimism for a sustained recovery. Furthermore, international investors increasingly view Hong Kong as a conduit to regional growth, encouraged by the Mainland's stimulus policies and hopes fuelled by its technological breakthroughs. Looking into the future of Hong Kong, bigger opportunities will come along.

Due to the persisting uncertainties in the U.S. trade policies and the future path of the U.S. monetary policy, global financial conditions would inevitably be affected and exhibit volatility.

Despite a tumultuous time around the globe, the Hong Kong residential market continues to hold firm, with end-users actively back in the market which is fostering momentum. Mainlanders continue to be the driving force, taking advantage of various talent schemes.

The local luxury residential segment has remained resilient. Recent notable transactions in prime locations underscore the robust demand for high-end properties among affluent buyers. Going forward, potential decline in borrowing costs and improved stock market is expected to support the demand from discerning buyers seeking opulent living spaces or solid investment opportunities.

Looking ahead, trade tensions, geopolitical events and changes in global financial conditions will continue to affect economic and consumer confidence. The group will stay vigilant by monitoring closely to the potential impact of the challenges and its exposure to the risks in connection therewith and will be more cautious in the allocation of resources. By adhering to its prudent and risk management approach and its lean operation capability, the group will swiftly adjust its business strategies in response to the complicated external environment. Having a strong balance sheet and with ample cash on hand, the group is able to remain resilient, adaptative and competitive in the face of uncertain economic environment ahead.

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 consolidated financial statements for the year ended 31st March 2025, including the accounting principles and practices adopted by the group, in conjunction with the company's internal auditor.

SCOPE OF WORK OF PRICEWATERHOUSECOOPERS

The figures in respect of the group's consolidated balance sheet, consolidated income statement and consolidated statement of comprehensive income, and the related notes thereto for the year ended 31st March 2025 as set out in the preliminary announcement have been agreed by the group's auditor, PricewaterhouseCoopers, to the amounts set out in the group's draft 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 CORPORATE GOVERNANCE CODE

The company's corporate governance practices are based on all those principles of good corporate governance and code provisions as set out in the Corporate Governance Code (the "CG Code") contained in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. During the Year, the company has complied with the code provisions of the CG Code except in relation to the followings:

- (1) Under code provision C.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. The board believes that the balance of power and authority under such arrangement would not be impaired and would continue to be adequately ensured by the current board which comprises experienced and high calibre individuals with sufficient number thereof being independent non-executive directors of the company.

- (2) Under code provision B.2.2 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. The board believes that the continuity of the office of chairman and managing director provides the group with strong and consistent leadership and allows more effective planning and execution of long-term business strategies. The board is of the view that the present arrangement is most beneficial to the company and the shareholders as a whole.

The board will continue to review and monitor the corporate governance practices of the company for the purpose of maintaining high corporate governance standards.

Detailed information of the company's compliance of the CG Code will be set out in the Corporate Governance Report contained in the 2025 Annual Report.

ANNUAL GENERAL MEETING

The 2025 Annual General Meeting of the company will be held on 27th August 2025. The Notice of Annual General Meeting will be published and dispatched to the shareholders in due course.

CLOSURE OF REGISTER OF MEMBERS

- (1) The record date for ascertaining shareholders' entitlement to attend and vote at the Annual General Meeting will be Wednesday, 27th August 2025. The register of members of the Company will be closed from Friday, 22nd August 2025 to Wednesday, 27th August 2025, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for attending and voting at the Annual General Meeting, all transfer documents accompanied by the relevant share certificates (together the "Share Transfer Documents") must be lodged for registration not later than 4:30 p.m. on Thursday, 21st August 2025.
- (2) The record date for ascertaining shareholders' entitlement to the proposed final dividend will be Tuesday, 9th September 2025. The register of members of the Company will be closed from Thursday, 4th September 2025 to Tuesday, 9th September 2025, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the proposed final dividend, all Share Transfer Documents must be lodged for registration not later than 4:30 p.m. on Wednesday, 3rd September 2025.
- (3) The Share Transfer Documents shall be lodged for registration with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, Shops 1712–16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

By Order of the Board
David Pun Chan
Chairman

Hong Kong, 26th June 2025

As at the date of this announcement, 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, Mr. Man Sing Kwong and Mr. Patrick Chi Kwong Wong as independent non-executive directors.