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TAI HING GROUP HOLDINGS LIMITED

太興集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6811)

PROFIT WARNING

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

The board of directors of the Company (the “Board”) wishes to inform the shareholders of the Company (the “Shareholders”) and potential investors of the Company that based on its preliminary review on the relevant unaudited consolidated management accounts of the Group for the six months ended 30 June 2019 and information currently available, it is expected to record a significant decrease in the profit attributable to the Shareholders for the six months ended 30 June 2019 (the “Period”) as compared to the same period last year. It was mainly due to the following one-off and/or non-cash items: (1) the effects of the application of Hong Kong Financial Reporting Standard 16 “Leases” (effectively from 1 January 2019) (“HKFRS 16”) on the expenditures spent on the leases of the restaurants and other premises, (2) the one-off listing expenses recognized for the Period, and (3) the absence of the one-off gain on disposal of non-current assets classified as held for sale recognized for the same period last year, as disclosed in the Company’s prospectus dated 30 May 2019.

If the above mentioned effects are excluded, the adjusted profit attributable to the Shareholders for the Period is expected to increase as compared to the same period last year.

The application of HKFRS 16 will result in a higher total charge to the statement of profit or loss in the first few years of the lease, and such expenses will decrease during the latter part of the lease terms, therefore there is no impact on the expenses recognized during the lease terms. As the Group currently operates a large restaurant network with over 190 restaurants, the effects of the application of HKFRS 16 are significant.

This profit warning announcement is only based on the preliminary review on the relevant unaudited consolidated management accounts of the Group for the six months ended 30 June 2019 and the information currently available, which have not been confirmed or reviewed by the Company's auditor. The Company is in the process of finalizing the interim results for the six months ended 30 June 2019 and Shareholders and potential investors of the Company are advised to read carefully the interim results announcement of the Company for the six months ended 30 June 2019, which is expected to be released before the end of August 2019.

Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.

By Order of the Board
Tai Hing Group Holdings Limited
Chan Wing On
Chairman

Hong Kong, 23 August 2019

As at the date of this announcement, the Board comprises: –

Executive Directors

Mr. Chan Wing On (Chairman), Mr. Yuen Chi Ming, Mr. Lau Hon Kee and Ms. Chan Shuk Fong

Non-Executive Director

Mr. Ho Ping Kee

Independent Non-Executive Directors

Mr. Mak Ping Leung (alias: Mak Wah Cheung), Mr. Wong Shiu Hoi Peter and Dr. Sat Chui Wan