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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)

VOLUNTARY ANNOUNCEMENT BUSINESS UPDATE

The board of directors (the “**Board**”) of Tai Hing Group Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) would like to provide a business update in respect of the three months ended 31 March 2020 (the “**1Q2020**”) to the shareholders (the “**Shareholders**”) and potential investors of the Company on a voluntary basis, based on the latest information available to the Board.

The outbreak of the novel coronavirus disease (“**COVID-19**”) has led to a challenging business environment for the Group to operate, and its business performance during 1Q2020 has been inevitably impacted. To combat the difficult conditions faced by the catering service market, during the 1Q2020, the Group proactively adjusted its business strategies and adopted new measures aiming to ensure safety of its customers and employees, and to minimize the negative impact which COVID-19 might have brought to its business operations and financial results.

In Hong Kong, following the requirements and directions in relation to catering business, all employees are provided with face masks and gloves for working, all employees and customers are required to measure their body temperatures before being allowed to enter the Group’s business premises, and alcohol hand sanitizer is provided for the customers and employees to use. Moreover, the Group has increased its efforts to boost sales from take-away and home delivery service.

In addition, the Company implemented various cost-saving initiatives on rental, food costs and other operating expenses. The Company has been actively managing its working capital level, to ensure the Group remains in a good liquidity position. The Company has also been closely monitoring the availability of government assistance for the catering service industry in Hong Kong.

The Group's revenue for 1Q2020 in all key geographical areas had been significantly impacted by the combination of regulatory restrictions against social gatherings, poor market conditions and weak consumer sentiment. The operating hours of many of the Group's restaurants in Hong Kong have been adjusted according to the changes in customer traffic. In Mainland China, many of the Group's restaurants have suspended operations temporarily due to the measures introduced by the local governments to curb COVID-19. As a result, the Group's revenue for 1Q2020 was approximately HK\$640 million, representing a decrease of approximately 20% to 25% when compared with the same period in 2019.

The Group's results and performance for the six months ending 30 June 2020 continue to be subject to changes in market conditions, consumer sentiment and other factors such as the receipt of the assistance from the government schemes and the relaxation of the COVID-19 prevention measures. Therefore, the results of the Group for the six months ending 30 June 2020 could differ from the information contained in this announcement.

The information contained in this announcement is based on the latest information available to the Board. This information has not been confirmed, reviewed, audited or verified by the auditors or the audit committee of the Company. As such, the Company shall not be held liable for the accuracy of the information which may be subject to adjustment or amendment subsequently and is for reference only.

Shareholders and potential investors 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, 8 May 2020

As at the date of this announcement, the directors of the Company 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