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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, 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 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) wishes to inform shareholders of the Company (the “**Shareholders**”) and potential investors that based on the assessment of the latest information currently available to the Board and its preliminary review of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2022 (the “**Review Period**”), the Group is expected to record a loss attributable to the Shareholders in the range of approximately HK\$45 million to HK\$55 million for the Review Period, as compared to profit attributable to the Shareholders of approximately HK\$33 million for the six months ended 30 June 2021.

Based on the information currently available, the Board is of the view that the expected loss attributable to the Shareholders for the Review Period was mainly due to the following:

- (1) The outbreak of the fifth wave of the novel coronavirus (the “**Pandemic**”) in Hong Kong during the Review Period, and the HKSAR Government’s implementation of dine-in restrictions and stricter social distancing policies had a negative impact on the Group’s operations and business. Temporary suspension of business of some restaurants due to the Pandemic and the weak market sentiment led to a drop in the Group’s revenue and profits;
- (2) Due to the raging Pandemic in the Mainland China in the Review Period, government authorities in some regions such as Shenzhen, Guangzhou, Shanghai and Beijing implemented a series of measures to curb the Pandemic, including city lockdown, closed-loop management and dine-in restrictions, and thus the operation and performance of the Group’s restaurants in these regions were adversely affected; and
- (3) Provision for impairment of property, plant and equipment and right-of-use assets was made for the Review Period.

During the Review Period, the Group closely monitored the market condition, adjusted its business strategy from time to time, and implemented various constructive cost-control measures to maintain business stability. Such measures included but were not limited to, adopting a more cautious approach when choosing new store location, negotiating with landlords and vendors for the most favorable terms in relation to contracts, exercising reasonable control on food costs and optimising organizational structure. Also, the Group strived to sharpen the competitive edge by continuously strengthening multi-brands image, enhancing product offering and boosting takeaway food business.

The Company is still in the process of preparing and finalising the Group's interim results for the Review Period. All information contained in this announcement are only based on a preliminary review of the information currently available and the unaudited consolidated management accounts of the Group for the Review Period, which have not been confirmed or reviewed by the Company's auditors or the audit committee of the Company, and are subject to adjustments. Shareholders and potential investors are advised to read carefully the Company's interim results announcement for the Review Period, which is expected to be published by the end of August 2022.

Shareholders and potential investors are reminded not to place undue reliance on such information and to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 12 August 2022

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