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TAO HEUNG HOLDINGS LIMITED

稻香控股有限公司*

(Incorporated in Cayman Islands with limited liability)

(Stock Code: 573)

POSITIVE PROFIT ALERT

This announcement is made by Tao Heung 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 (the “**Board**”) of the Company would like to inform the shareholders (the “**Shareholders**”) and potential investors of the Company that, based on the preliminary review of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2023 (the “**Period**”), the Group is expecting to record a profit attributable to equity holders of the Company of approximately HK\$30 million to HK\$40 million for the Period as compared to a loss attributable to equity holders of the Company of HK\$101 million for the corresponding period last year. It is mainly attributable to:

- i. an increase in revenue of the Group in the range of 40% to 50% as compared to the period ended 30 June 2022 and
- ii. implemented an effective cost control measures, including but not limited to, negotiating with landlords and vendors for more favourable terms, exercising food cost control and managing operating expenses.

During the period, the COVID-19 pandemic situation began to subside, with border restrictions lifted in many parts of the world. In Hong Kong, the opening of borders resulted in an influx of visitors, particularly from Mainland China. Consequently, consumption sentiment improved, which in turn led to an upturn in economic activity as reflected by year-on-year real GDP growth of 2.7% in the first quarter of 2023. The Group has been able to capitalise on the market recovery by employing aggressive promotion campaigns, complemented by effective cost control measures, placing particular focus on optimising production processes, streamlining operational flows and improving logistics efficiency. As a consequence, the Group was able to achieve a business turnaround during the Period.

* *For identification purpose only*

The information contained in this announcement is only based on the preliminary review of the Group's consolidated management accounts which have not been reviewed or audited by either the audit committee or the auditors of the Company. Therefore, such information is still subject to final review or necessary adjustments. The Company will announce its unaudited interim results for the six months ended 30 June 2023 as soon as practicable in compliance with the Listing Rules.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
CHUNG Wai Ping
Chairman and Chief Executive Officer

Hong Kong, 10 August 2023

As at the date of this announcement, the board of the Directors comprised ten Directors, of which four are executive Directors, namely Mr. CHUNG Wai Ping, Mr. WONG Ka Wing, Mr. HO Yuen Wah and Mr. CHUNG Chun Fung; two are non-executive Directors, namely Mr. FONG Siu Kwong and Mr. CHAN Yue Kwong, Michael and four are independent non-executive Directors namely Professor CHAN Chi Fai, Andrew, Mr. MAK Hing Keung, Thomas, Mr. NG Yat Cheung and Ms. WONG Fun Ching.