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## **TAO HEUNG HOLDINGS LIMITED**

**稻香控股有限公司\***

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 573)**

### **PROFIT WARNING SUPPLEMENTARY ANNOUNCEMENT**

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

Reference is made to the Company’s announcement regarding the profit warning of the Company dated on 23 July 2020 (the “**Announcement**”). Unless the context otherwise requires, the terms used in this announcement have the same meaning as defined in the Announcement.

The Board of the Company would like to further inform 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 2020 (the “**Period**”), the Group is expected to record a loss attributable to equity holders of the Company of approximately HK\$100 million to HK\$110 million for the Period as compared to a profit attributable to equity holders of the Company of HK\$72 million for the corresponding period last year. It is mainly attributable to:

- i. a drop in revenue of the Group in the range of 40% to 45% as compared to the period ended 30 June 2019 as mentioned in the Announcement; and
- ii. impairment loss on property, plant and equipment and rights-of-use assets for restaurants of the Group that were underperformed during the Period.

During the Period, following the requirements from local government, all of our restaurants in China had been temporarily closed since late January and reopened gradually from March onwards. In the meantime, the operating hours of some of the restaurants in Hong Kong were adjusted. To cater for the change of the operating environment, we increased our efforts to boost the sales from take-away and home delivery service via the cooperation with the third party e-commerce platforms in Mainland China and Hong Kong. In addition, the Group has taken measures to control rental and other operating cost. Besides, the Group has also applied the subsidy under the first round of Anti-epidemic Fund and the subsidies from the Catering Business (Social Distancing) Subsidy Scheme and Employment Support Scheme under the second round of the Anti-epidemic Fund. The Group has also been actively managing its working capital to ensure the Group remains in a healthy cash position.

In responses to the substantial increase of confirmed cases of COVID-19, the Group decided to suspend the operation of all the restaurants in Hong Kong from 26 July to 4 August 2020. In Mainland China, our restaurants' operating mode and hours have resumed to normal since April 2020.

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 2020 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  
**Tao Heung Holdings Limited**  
**CHUNG Wai Ping**  
*Chairman*

Hong Kong, 29 July 2020

*As at the date of this announcement, the board of the Directors comprised nine 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 three are independent non-executive Directors namely Professor CHAN Chi Fai, Andrew, Mr. MAK Hing Keung, Thomas and Mr. NG Yat Cheung.*

\* *For identification purpose only*