

[For Immediate Release]



(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 6811)

Tai Hing Group Announces 2023 Interim Results

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Achieves Turnaround with Profit Attributable to Owners of the Company of HK\$45.3 Million

Steps up Digitalisation to Strengthen Multi-Brand Ecosystem

(Hong Kong, 25 August 2023) – **Tai Hing Group Holdings Limited** (“Tai Hing Group” or the “Group”; stock code: 6811), a multi-brand casual dining restaurant group with roots in Hong Kong and a network of more than 200 restaurants in Hong Kong, Mainland China and Macau, today announced its interim results for the 6 months ended 30 June 2023 (the “Review Period” or “1H2023”).

As most of the anti-pandemic measures in Hong Kong were lifted at the end of last year, Hong Kong residents gradually resumed the habit of dining out, the market sentiment of the catering industry began to recover. In the first quarter of 2023, as the border between Hong Kong and Mainland China was fully reopened, the number of visitor arrives to Hong Kong from Mainland China progressively increased, which drove further recovery in the catering industry. Although the macro environment remains challenging, the Group demonstrated its operational resilience by adhering to prudent financial management policies and stringent cost control measures. During the Review Period, the Group recorded revenue of approximately HK\$1,568.2 million, increased by 28.8% over the corresponding period of last year; gross profit was approximately HK\$1,153.0 million, increased by 31.1% over the corresponding period of last year; and gross profit margin was 73.5%, increased by 1.2 percentage points over the corresponding period of last year. During the Review Period, the Group achieved a successful turnaround with profit attributable to owners of the Company of HK\$45.3 million.

The Group maintained a healthy financial position with sufficient cash and steady operating cash flows, which helped to cope with market changes. As at 30 June 2023, the Group had no bank loans and had cash and cash equivalents of HK\$319.0 million, increased by 12.9% over the corresponding period of last year. In view of the Group’s stable dividend policy and its confidence in future business development, the Board has declared an interim dividend of HK3.40 cents per share for the 6 months ended 30 June 2023.

Business Review

As at 30 June 2023, the Group had a network of 207 restaurants (as at 31 December 2022: 209), 159 of which were located in Hong Kong and Macau, and 48 were in Mainland China. As at 31 July 2023, the number of restaurants increased to 213, 163 of which were located in Hong Kong and Macau, and 50 were in Mainland China.

The Group’s flagship brand, “**Tai Hing**” (太興) has maintained a cautious approach in its operations. In an effort to rebrand “Tai Hing”, the Group renovated certain existing restaurants by adding trendy elements

to offer a brand new dining experience while capturing the attention of young consumers. On the products front, “Tai Hing” regularly introduces new seasonal dishes and packaged food to entice customers’ taste buds with “Tai Hing” flavour. During the Review Period, the brand’s revenue increased by 13.4% over the corresponding period of last year to HK\$581.9 million, accounting for 37.1% of the total revenue, maintaining its status as the Group’s largest revenue contributor.

“**Men Wah Bing Teng**” (敏華冰廳) strived to expand its customer base and enriched menus constantly, including the offer of additional dishes at dinner time to cater for the needs of different customers. In early 2023, “Men Wah Bing Teng” further opened its doors in K11 Art Mall, a premium shopping landmark located in the heart of Tsim Sha Tsui, not only expanded the customer base to white-collar workers and tourists, but also enhanced its brand image. In addition, resources were continued to be shared between the Hong Kong and Mainland China teams of “Men Wah Bing Teng”. Mike Tsang, the appointed spokesperson of the brand, starred in advertisements of the new products in the “Golden” (黃金系列) and “Tomato” (番茄系列) series to boost the brand’s popularity in both regions. During the Review Period, the brand’s revenue increased by 28.4% over the corresponding period of last year to HK\$417.1 million, accounting for 26.6% of the total revenue, making the second-largest contribution.

Last year marked the 10th anniversary of “**TeaWood**” (茶木), which was an opportune moment to revamp its 4 stores and set up 2 new thematic stores. It continues to explore more opportunities in Taiwanese leisure style by infusing its stores with various Taiwanese beverage elements, and has been successful in attracting more young customers with a relaxing and harmonious atmosphere. During the Review Period, the brand’s revenue reached HK\$167.2 million, increased by 43.4% over the corresponding period of last year, accounting for 10.7% of the Group’s total revenue.

The Southeast Asian gourmet brand “**Asam Chicken Rice**” (亞參雞飯) continued to be one of the Group’s growth drivers. During the Review Period, the brand focused the development of existing stores. It launched different cuisine categories and adjusted its promotion strategies according to the store locations. To achieve targeted marketing, it also stepped up in tailored advertising in the large residential areas and established partnerships with more shopping malls and third-party platforms. During the Review Period, the brand achieved revenue of HK\$123.4 million, increased by 55.8% over the corresponding period of last year.

It is worth noting that the Vietnamese beef noodle brand “**Phở Lê**” (錦麗) was included in the “MICHELIN Guide 2023 Hanoi & Ho Chi Minh City” as a recommended restaurant, which further enhances the brand influence. In addition, the Group has been actively enhancing the brand image of “Phở Lê”. Its new branches took on a radiant decor with the use of distinctive tableware, bringing new vigour to the brand and expanding the target audience to include younger customers. Meanwhile, all new stores introduced originative Vietnamese-inspired dishes, including signature beef noodles, salad and skewers, offering refreshing dining experience for customer. During the Review Period, the revenue of “Phở Lê” increased by 47.3% over the corresponding period of last year to HK\$56.7 million.

The Group’s other brands such as “**Trusty Congee King**” (靠得住), “**Tommy Yummy**” and “**Sing Kee Seafood Restaurant**” (星記海鮮飯店) also achieved satisfactory results during the Review Period. “Trusty Congee King” and “Sing Kee Seafood Restaurant” were both once again listed as recommended restaurants by MICHELIN. “Tommy Yummy” also won a silver medal in “New Restaurant Category” of “OpenRice Best Restaurants 2023”, gaining critical acclaim and public recognition with its quality products.

Over 33 years with the city through thick and thin, Tai Hing Group has been unswerving in “Tai Hing Care” spirit. The Group lives out this spirit by reaching out to the disadvantaged. Since 2023, the Group has joined hands with a total of 8 social welfare organisations to hand out its own brand products to

schoolchildren, the elderly and underprivileged families in the community to share the joy of the festival with them. In terms of environmental protection, the Group has been investing in equipment such as energy-saving electric hobs, tap flow controllers and patented heat recovery dishwashers to reduce energy consumption. During the Review Period, Mr. Chan Wing On, Chairman of Tai Hing Group, was honoured as one of the “2023 Greater Bay Area Best 30 ESG Entrepreneurs” by a financial media, Forbes China. The Group also received the Bronze Award of “The BOCHK Corporate Low-Carbon Environmental Leadership Awards 2022” from Federation of Hong Kong Industries, demonstrating its fruitful achievement in sustainability.

Prospects

In the wake of the pandemic, both catering and tourism industries saw the dawn of a new beginning. In view of this, the Group has been proactive in expediting the expansion of tourist attractions, for example, opened a store of “Men Wah Bing Teng” in Hong Kong International Airport in July 2023, offering an authentic taste of Hong Kong Bing Sutt (冰室) food for tourists from around the world. It is expected to improve the brand’s international awareness and image by seizing the opportunity from the rebound of tourism. In Mainland China, the consolidation of the branch network was in full swing as the Group gradually shifted its business focus to the Greater Bay Area, expected to further reinforce the leading position of the Group’s brands.

Operating multiple brands is the core strength and key strategy of Tai Hing Group, which aims to satisfy the diverse needs of customers. On the one hand, the Group is committed to creating synergies by promoting crossovers among its existing brands. On the other hand, the Group is keeping abreast of market trends to scout for new brands and in turn fulfil the ever-changing preferences of the market. This July, the Group caught the “Korean” trend by introducing “Bingle Bingle”, the Korean-style restaurant renowned for its “BBQ for one”, presenting the Korean BBQ experience in a unique manner and further optimising the business layout by expanding the brand line-up of the Group. Since its opening, “Bingle Bingle” has been well received by customers and has been widely reported by the media.

Entering the post-pandemic era, digital technology has become the way forward for the catering industry, helping to unleash the potential value of the brands. Tai Hing Group’s first integrated mobile application “FanFanStore” (小火伴) was launched in July and included functions of collection, delivery, online shop and e-vouchers, whereas the remaining functions will come sequentially, aiming to provide one-stop services for customers. With self-processing of orders, the Group’s own application enables it to increase accuracy of order taking and reduce reliance on third-party takeaway platforms to capture all delivery demand, which would in turn enhance the Group’s profitability.

In terms of marketing, the Group followed the e-commerce trend in June this year by partnering with e-commerce platforms to promote products from 7 brands through livestreaming. In view of the satisfactory sales figures, more products will be launched on e-commerce platforms to expand both coverage and revenue streams. In Mainland China, the Group also promoted its brands on popular social media including Douyin (抖音) and Xiaohongshu (小紅書), and organised joint events with movies and hotels, aiming to increase awareness among potential young customers.

Mr. Chan Wing On, Chairman and Executive Director of Tai Hing, said, “After the protracted 3 years of the pandemic, the much-anticipated return to normalcy has finally arrived, bringing new positivity to the catering industry. Leveraging on the insights gained from years of operations, together with the hands-on experience in responding to the pandemic in recent years, Tai Hing Group is confident of overcoming the challenges ahead. It will seize the business opportunities arising from the market recovery to facilitate the steady development of the Group and create higher and long-term value for shareholders.”

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About Tai Hing Group Holdings Limited (stock code: 6811)

Tai Hing Group Holdings Limited is a multi-brand casual dining restaurant group boasting 33 years’ presence in Hong Kong. In addition to its flagship “Tai Hing (太興)” brand, the Group has launched, acquired and being licensed multiple brands, including “Men Wah Bing Teng (敏華冰廳)”, “TeaWood (茶木)”, “Asam Chicken Rice (亞參雞飯)”, “Trusty Congee King (靠得住)”, “Phở Lê (錦麗)”, “Dao Cheng (稻埕飯店)”, “Dimpot (點煲)”, “Dumpling Station (餃子馱)”, “Tommy Yummy”, “Tori Yoichi (鳥世一)”, “Sing Kee Seafood Restaurant (星記海鮮飯店)” and “Bingle Bingle”. Currently, it has a network of more than 200 restaurants in Hong Kong, Mainland China and Macau.

For Press Enquiries

Strategic Financial Relations Limited

Vivienne Leung Tel: (852) 2864 4862
Addison Chu Tel: (852) 2864 4892

Email: vivienne.leung@sprg.com.hk
Email: addison.chu@sprg.com.hk