



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

Tai Hing Group Announces 2021 Annual Results Revenue up 13.4% to HK\$3,173 million

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“Men Wah Bing Teng” and “Asam Chicken Rice” Continue to Drive the Group’s Business Growth
Significant improvement in Performance with Optimising Internal Management and Adopting Flexible Business Strategies

RESULTS HIGHLIGHTS

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- The Group’s revenue increased by 13.4% to HK\$3,173.0 million (FY2020: HK\$2,797.9 million), turning around the decline last year by strengthening resilience of its businesses as well as reducing costs and increasing profits
 - Gross profit and gross profit margin were HK\$2,294.7 million (FY2020: HK\$1,976.3 million) and 72.3% (FY2020: 70.6%), respectively
 - Profit attributable to owners of the Company amounted to HK\$99.7 million (FY2020: HK\$119.0 million)
 - The Board recommended a final dividend of HK4.95 cents per share; hence total dividend for FY2021 was HK7.45 cents per share, representing a dividend payout ratio of 75%
 - “Men Wah Bing Teng” recorded a significant revenue growth of 54.2% to HK\$760.5 million; “Asam Chicken Rice” also achieved an impressive revenue growth of 414.9% to HK\$145.2 million
 - Excluding the allowances from the Hong Kong Government’s “Employment Support Scheme”, other government subsidies and rent reduction, the Group’s performance saw significant improvement against FY2020, showing clearly the greater resilience of the Group’s business model
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(Hong Kong, 29 March 2022) – **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 around 220 restaurants in Hong Kong, Mainland China, Macau, and Taiwan, has just announced its annual results for the year ended 31 December 2021 (the “Review Year” or “FY2021”).

Amid the pandemic, the Group proactively optimised internal and restaurant management, strived to maintain stable business operations as well as reduced costs and increased profits in order to strengthen its resiliency, which consequently enabled the Group to achieve satisfactory overall results during the Review Year. The Group recorded overall revenue growth of 13.4% to HK\$3,173.0 million (FY2020: HK\$2,797.9 million). Gross profit and gross profit margin were HK\$2,294.7 million (FY2020: HK\$1,976.3 million) and 72.3% (FY2020: 70.6%), respectively. Profit attributable to owners of the Company amounted to HK\$99.7 million (FY2020: HK\$119.0 million). Excluding the allowances from the Hong Kong Government’s “Employment Support Scheme”, other government subsidies and rent reduction, the Group’s performance for FY2021 saw significant improvement against FY2020. Basic earnings per share were HK9.94 cents (FY2020: HK11.89 cents).

In addition, implementing prudent financial management policies, the Group managed to maintain a healthy financial position with sufficient cash on hand and steady operating cash flow, allowing it to weather ongoing adversities as well as drive business growth. As at 31 December 2021, the Group had fully repaid

all bank loans, and had cash and cash equivalents of HK\$452.6 million (as at 31 December 2020: HK\$562.1 million).

The Board has resolved to propose a final dividend of HK4.95 cents per ordinary share for the year ended 31 December 2021. Together with the interim dividend of HK2.50 cents already paid, the total dividend for FY2021 will be HK7.45 cents.

Business Review

As at 31 December 2021, the Group had a network of 217 restaurants in Hong Kong, Mainland China, Macau and Taiwan, under casual dining brands.

“Men Wah Bing Teng” continued to be a key revenue growth driver and the second largest revenue source of the Group, recording a significant revenue growth of 54.2% to HK\$760.5 million (FY2020: HK\$493.2 million) during the Review Year, accounting for 24.0% (FY2020: 17.6%) of total revenue. That shows to the resilience of this brand amid the pandemic. The brand had the most restaurants added during the Review Year. The Group strategically added 7 and 13 new restaurants in Hong Kong and Mainland China respectively, bringing the total number to 58, to optimise the performance of this brand.

During the Review Year, in terms of revenue growth, the Southeast Asian gourmet brand “Asam Chicken Rice” stood out among the different brands, with impressive growth of 414.9% year-on-year, to HK\$145.2 million (FY2020: HK\$28.2 million). Offering generic menu options, relatively less manpower is required to operate “Asam Chicken Rice”. The Group believes the development prospect and competitiveness of the operation model are not to be underestimated. Heeding the enthusiastic market response to the brand, the Group took the opportune time to open 7 additional restaurants in core business and residential areas in Hong Kong. The Group opened the first “Asam Chicken Rice” in Mainland China in September, a move reflective its hope to build a restaurant network for the brand in the Mainland market.

The Group's flagship brand “Tai Hing” has continued to deliver strong and steady performance. During the Review Year, “Tai Hing” recorded revenue of HK\$1,464.0 million (FY2020: HK\$1,472.1 million), accounting for 46.1% of total revenue, and continued to be the largest revenue source of the Group. In the second half year of 2021, the Group launched marketing and promotional activities for the brand, including the new “Excellent BBQ Pork, Excellent Taste” (「太好叉燒 太好味道」) TV commercial and the new limited-time upgraded version of BBQ pork dish called “Golden Foil BBQ Pork”, which attracted consumer attention as well as enhanced the image of the brand. The marketing initiatives were highly effective at low costs.

“TeaWood” remained the Group's third largest revenue contributor, with revenue amounting to HK\$364.6 million (FY2020: HK\$398.2 million), accounting for 11.5% (FY2020: 14.2%) of total revenue. During the Review Year, the Group actively mounted online and offline marketing activities to boost promotion of the “Teawood” brand. To ensure the brand is in sync with market trend, the Group will design for it a new menu and adjust related marketing strategy, with the aim of presenting a brand new image of “Teawood” to customers.

During the Review Year, the first and second restaurant of the new brand “Dumpling Station” opened in Hong Kong and, in one short year, they started contributing revenue to the Group. For “Dimpot”, which performance exceeded expectations, the Group will strive to realise its market potential with the aim of nurturing it into another new “star brand”.

Prospects

The Group, via its multi-brand business model and adopting heedful marketing strategy, is well-geared to maintain and seize opportunities to expand its market share. In Hong Kong, drawing on its outstanding experience in creating such high-return and high-growth brands as “Men Wah Bing Teng” and “Asam Chicken Rice”, the Group will nurture more unique and potential-rich brands to widen its customer base. In addition, the Group will optimise its restaurant network, thereby increase market penetration. In Mainland China, to meet new consumer demands amid the pandemic, the Group will gradually improve and consolidate its restaurant network, with a focus on the Greater Bay Area. To capitalise on the booming fast food trend, the Group will strategically develop its own model of restaurant network, targeting high customer traffic locations and choosing smaller shop spaces to provide takeaway services which are in rising demand.

Well-aware of technology trends in the catering industry such as digitalisation and integrating innovative technologies into different operations, the Group will invest more resources in introducing advanced technology systems and equipment to upgrade its existing information technology systems. It will also enhance big data application, so as to identify potential business opportunities, enhance operational efficiency and efficiently control costs, all conducive to maintaining its leadership and competitiveness in the casual dining industry in the region. In particular, the Group's first integrated mobile application will be launched shortly, which will not only be a platform that provides customers with one-stop takeaway ordering service, but one that can also help foster customer loyalty to the Group and strengthen customer relations management. It can also allow the Group to swiftly deliver latest news of its different brands directly to customers, thus help build up their image.

Mr. Chan Wing On, Chairman and Executive Director of Tai Hing, said, “With prudence and a pragmatic attitude, we will continue to enhance internal operation and management, re-examine restaurant network strategy as well as stringently control costs to strengthen the Group’s resilience. In addition, we will closely watch the impacts of the pandemic on the Group’s operations and changes in consumers’ catering patterns. That will allow us to seize opportunities to steadily consolidate and expand business, and be ready to achieve brilliant results post-pandemic.”

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

Tai Hing Group Holdings Limited (“Tai Hing Group”) is a multi-brand casual dining restaurant group with roots in Hong Kong. In addition to its flagship “Tai Hing” brand, the Group has a growing brand portfolio comprising of self-developed brands, and acquired and licensed brands, including “TeaWood”, “Trusty Congee King”, “Men Wah Bing Teng”, “Phở Lê”, “Rice Rule”, “King Fong Bing Teng”, “Asam Chicken Rice”, “Dao Cheng”, “Dimpot”, “Dumpling Station”, “Hing Ye Dai Pai Dong”, “Lu Bistro” and “Yung Fong Café”. Currently, it has a network of around 220 restaurants in Hong Kong, Mainland China, Macau and Taiwan.

For Press Enquiries

Strategic Financial Relations Limited

Iris Lee Tel: (852) 2864 4829
Heidi So Tel: (852) 2864 4826
Vivienne Leung Tel: (852) 2864 4862

Email: iris.lee@sprg.com.hk
Email: heidi.so@sprg.com.hk
Email: vivienne.leung@sprg.com.hk