



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

## Tai Hing Group Announces 2024 Interim Results

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### **Moderate Revenue Growth to HK\$1.61 Billion *Reallocating Resources to Strengthen Restaurant Network and Enhance Brand Competitiveness***

(Hong Kong, 22 August 2024) – **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 has 210 restaurants in Hong Kong, Chinese Mainland and Macau, today announced its interim results for the 6 months ended 30 June 2024 (the “Review Period” or “1H2024”).

Together with growing uncertainties in the external environment, Hong Kong’s economic recovery has been weaker than expected, both local residents and tourists were more cautious in their spending than ever before and demanded higher value for services and products. Coupled with the continued enthusiasm of Hong Kong residents for northbound consumption, the prospects of the catering industry are facing significant challenges due to changes in the business environment. During the Review Period, the Group grasped the nettle, the total revenue increased by 2.8% over the corresponding period last year to HK\$1,612.5 million, gross profit increased by 3.1% over the corresponding period last year to HK\$1,188.2 million, with a gross profit margin increase of 0.2 percentage points to 73.7%, which showed that the Group’s measures were effective in optimising its product mix and supply chain management.

Faced with the dual pressures of rising labour and rental costs, coupled with the consumption downgrade in Chinese Mainland and the continued contraction of its catering market, the Group reallocated its resources and implemented integration strategies for brands and offices in relevant cities, which led to an increase in the Group’s closure-related expenses and impairment provisions for restaurant assets during the first half of the year as compared with the corresponding period last year. All of the aforesaid factors created some difficulties on the Group’s profitability. The Group’s profit attributable to owners of the Company was HK\$10.7 million in the first half of 2024.

The Group adopted a prudent fund management policy to ensure stable cash flow and healthy cash position, which enabled it to maintain a stable financial position. As at 30 June 2024, the Group had no bank borrowings and had cash and cash equivalents of HK\$268.0 million. The Group remained cautiously optimistic about its future business development and maintained a stable dividend policy. The Board has declared an interim dividend of HK2.5 cents per share for the 6 months ended 30 June 2024.

**Ms. Chan Shuk Fong, Executive Director of Tai Hing Group**, said, “In the first half of 2024, the slow recovery of the economy and the travel industry, as well as the northbound spending trend and the shift in consumption habits of local residents, resulted in the Group’s revenue growth being restrained. Nonetheless, the Group forged ahead with a prudent management approach, implemented a series of stringent cost management measures while making timely menu adjustments, elevating the brand image of the restaurants, consolidating the restaurant network and utilising the ‘Tai Hing Group App’ mobile application. These actions enabled the Group to achieve moderate revenue growth in this operating environment, fully demonstrating its resilience and agility.”

As at 30 June 2024, the Group had a network of 210 restaurants (as at 31 December 2023: 211 restaurants), of which 167 were located in Hong Kong and Macau and 43 were in Chinese Mainland, with a total of 23 restaurants in the Greater Bay Area (excluding Hong Kong and Macau).

The Group's flagship brand "**Tai Hing**" maintained steady growth, with revenue increased by 4.0% over the corresponding period last year to HK\$605.4 million, accounting for 37.5% of the Group's total revenue during the Review Period, which maintained its status as the Group's largest revenue contributor. In 1H2024, most of "**Tai Hing**" restaurants were redecorated to align the brand image with the preferences of the younger generations. Meanwhile, "**Tai Hing**" also diversified its product offerings and optimised its pricing, providing customers with a diverse range of product options. During the Review Period, the Group opened "**Tai Hing**" restaurant at key transportation hub, Shenzhen Bao'an International Airport, fully capitalising on their high customer flow to further expand the market.

Revenue from the "**Men Wah Bing Teng**" brand was HK\$438.9 million, showing an increase of 0.9% over the corresponding period last year, accounting for 27.2% of total revenue during the Review Period. "**Men Wah Bing Teng**" adjusted its operating strategies based on the market characteristics and consumption power of different regions and offered competitive price advantages, committed to stimulating customer consumption sentiment for driving business growth. During the Review Period, the Group opened a new restaurant of "**Men Wah Bing Teng**" at Hangzhou East Railway Station to attract more travellers and local residents, enhance brand influence, and improve profitability.

Revenue from "**TeaWood**" amounted to approximately HK\$184.8 million, showing an increase of 10.5% over the corresponding period last year, accounting for 11.5% of the Group's total revenue. In order to enhance the customer experience and strengthen its market competitiveness, "**TeaWood**" continued to upgrade the decoration of its existing restaurants, creating a relaxing and comfortable dining environment, and launched value-for-money meal deals at restaurants during off-peak hours, so as to increase customer flow at different dining hours.

During the Review Period, "**Asam Chicken Rice**" took active measures to create a sense of novelty for customers by enriching its Southeast Asian menus, presenting more affordable dining options to the market. It also launched upgraded advertisement to enhance "**Asam Chicken Rice**" brand image, establishing it as the Number One Hainanese chicken rice restaurant.

**Mr. Chan Wing On, Chairman and Executive Director of Tai Hing Group**, said, "Faced with customers' preference for value-for-money dining experiences, the Group has actively adapted its strategies to the circumstances. In addition to optimising product pricing and improving customer experience, the Group has launched a variety of innovative products under different brands to consolidate the influence of existing brands, so as to cater for the preferences and demands of different customers in the market. Meanwhile, the Group will prudently and continuously optimise its restaurant network, and concentrate its resources on restaurants with potential and outstanding operational performance, thereby enhancing its overall operational efficiency and market competitiveness. The Group will actively explore next-generation business models and collaborate with multimedia partners to promote its branded products, with the aim of further facilitating profit growth and achieving a win-win situation for brands and businesses. In the ever-changing business environment, the Group will plan its future development in a pragmatic manner, focusing on sustainable development and long-term profitability in order to create greater value for its 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 with root in Hong Kong. In addition to its flagship “Tai Hing (太興)” brand, the Group has acquired and been licensed a numbers of brands, including “Trusty Congee King (靠得住)”, “Phở Lê (錦麗)”, “Men Wah Bing Teng (敏華冰廳)”, “Sing Kee Seafood Restaurant (星記海鮮飯店)”, self-developed and launched “TeaWood (茶木)”, “Dao Cheng (稻埕飯店)”, “Asam Chicken Rice (亞參雞飯)”, “Dimpot (點煲)”, “Dumpling Station (餃子駅)”, “Tommy Yummy”, “Tori Yoichi (鳥世一)” and “Bingle Bingle”. Currently, Tai Hing Group has a network of 210 restaurants in Hong Kong, Chinese Mainland and Macau.

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