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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

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.

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 2017 (the “**Period**”), it is expected to record a significant decrease of approximately more than 50% in the amount of profit attributable to equity holders of the Company for the Period as compared to that for the corresponding period in 2016. The decreases are mainly attributable to:

- (i) the decline in turnover due to weak consumption sentiment in Mainland China and Hong Kong;
- (ii) the increase in staff costs to support the Group’s operation;
- (iii) the increase in monthly rental of the Group’s leased properties upon renewal of the relevant leases; and
- (iv) the close down of underperformed shops

As the Company is in the process of finalising the consolidated results of the Group for the six months ended 30 June 2017, the information contained in this announcement is only based on the preliminary review of the Company’s management accounts which have not been reviewed or audited by either the audit committee or the auditors of the Company. Actual financial results of the Group may be different from what is contained in this announcement. The Company will announce its unaudited interim results for the six months ended 30 June 2017 as soon as practicable in compliance with the Listing Rules.

* For identification purpose only

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, 17 July 2017

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. LEUNG Yiu Chun and Mr. HO Yuen Wah; 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.