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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)

POSITIVE PROFIT ALERT

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 year ended 31 December 2023 (the “**Year**”), the Group is expecting to record a profit attributable to equity holders of the Company of approximately HK\$70 million to HK\$80 million for the Year as compared to a loss attributable to equity holders of the Company of HK\$143 million for the year ended 31 December 2022. It is mainly attributable to:

- i. an increase in revenue of the Group in the range of 20% to 30% as compared to the year ended 31 December 2022 and
- ii. implemented an effective cost control measures, including but not limited to, negotiating with landlords and vendors for more favourable terms, exercising food cost control and managing operating expenses;

During the latest financial year, the global economy grew by approximately 3.1%, according to Organisation for Economic Co-operation and Development (OECD). At the same time, Hong Kong’s gross domestic product (GDP) increased by 3.2% in real terms over 2022, based on advance estimates by the Census and Statistics Department, driven by the rise in visitors from around the world, rise in exports and personal expenditure, and increase in overall investment expenditure. Meanwhile, the National Bureau of Statistics reported GDP growth of 5.2% in Mainland China. The aforementioned

* *For identification purpose only*

figures therefore suggest that economic growth in Hong Kong and Mainland China outperformed other regions. During the year, the Group duly devised strategies in step with market trends. This has included leveraging its competitive advantages in the markets, such as effective marketing campaigns, stringent cost control and comprehensive logistics support, to successfully convert opportunities into profits.

The Company is still in the process of preparing and finalizing the Group's annual results for the Year. The information contained in this announcement is only based on the preliminary review of the information currently available and the unaudited consolidated management accounts of the Group for the Year, which have not been reviewed or audited by the auditors of the Company. Therefore, such information is still subject to final review or necessary adjustments. Shareholders and potential investors are advised to read carefully the Company's annual results announcement for the Year, which is expected to be published by the end of March 2024.

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
CHUNG Wai Ping
Chairman and Chief Executive Officer

Hong Kong, 20 March 2024

As at the date of this announcement, the board of the Directors comprised ten 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 four are independent non-executive Directors namely Professor CHAN Chi Fai, Andrew, Mr. MAK Hing Keung, Thomas, Mr. NG Yat Cheung and Ms. WONG Fun Ching.