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TAO HEUNG HOLDINGS LIMITED

稻香控股有限公司*

(Incorporated in 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 year ended 31 December 2024 (the “**Year**”), the Group is expecting to record a loss attributable to equity holders of the Company of approximately HK\$48 million to HK\$58 million for the Year as compared to a profit attributable to equity holders of the Company of HK\$74 million for the last year. It is mainly attributable to a decrease in revenue of the Group in the range of 10% to 20% as compared to the year ended 31 December 2023.

During the Year, the global economy continued to be hampered by geopolitical unrest, interest rate hikes and inflation, resulting in a deceleration of economic growth. As for the Hong Kong F&B market, the general operating environment remained challenging, influenced by local consumers flocking north to spend, evolving spending habits by Mainland China visitors and escalating operational costs. In Mainland China, although revenue of the F&B sector saw a modest increase on a year-on-year basis, yet with fierce market competition, aggressive pricing strategies and customers looking for exceedingly

* For identification purpose only

value-for-money options, the sector's profitability shrank. Operating in such challenging market environment, the Group introduced more appealing menus and promoted products that aligned with market trends and customer preferences. It also implemented stringent cost control measures for food and operations, leveraging technology to improve product and service quality. Moreover, the Group endeavoured to strengthen its brand presence through both online and offline marketing channels, aiming to improve its market competitiveness and foster long-term business development.

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 and are subject to 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 in late March 2025.

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 2025

As at the date of this announcement, the Board comprises Mr. CHUNG Wai Ping, Mr. WONG Ka Wing, Mr. HO Yuen Wah and Mr. CHUNG Chun Fung as executive directors; Mr. FONG Siu Kwong and Mr. CHAN Yue Kwong, Michael as non-executive directors; and Professor CHAN Chi Fai, Andrew, Mr. MAK Hing Keung, Thomas, Mr. NG Yat Cheung and Ms. WONG Fun Ching as independent non-executive directors.