TAI HING GROUP HOLDINGS LIMITED
太 興 集 團 控 股 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6811)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2019

UNAUDITED RESULTS OF THE GROUP

The board of directors (the "Board") of Tai Hing Group Holdings Limited (the "Company") announces the unaudited consolidated interim results of the Company and its subsidiaries (collectively referred to as the "Group") for the six months ended 30 June 2019 together with the comparative figures for the corresponding period in 2018 as follows:

FINANCIAL HIGHLIGHTS

- Revenue increased by approximately 6.5% to HK$1,639.4 million in 1H2019 (1H2018: HK$1,538.8 million).
- Gross profit margin expanded 0.6% to 71.9% (1H2018: 71.3%).
- Profit attributable to owners of the Company for the six months ended 30 June 2019 was HK$50.3 million (1H2018: HK$144.1 million).
- Adjusted profit attributable to owners of the Company[1] increased by 10.0% to HK$82.9 million in 1H2019 (1H2018: HK$75.3 million), adjusted profit margin was 5.1% (1H2018: 4.9%).

(1) Adjusted profit for the period attributable to owners of the Company is a non-HKFRS financial measurement which is calculated by eliminating the effect of the following non-recurring and non-cash items that affect our reported profit attributable to owners of the Company, including (i) Listing expenses (1H2019: HK$18.0 million, 1H2018: HK$3.4 million); (ii) Gain on disposal of non-current assets classified as held for sale recognised in 1H2018 of HK$72.1 million; and (iii) Impact on adoption of HKFRS 16 Leases in 1H2019 of HK$14.6 million. The adjusted profit is solely for reference and does not include the above mentioned items that impact the profit or loss for the relevant periods.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2019

	Notes	Six months ended 30 June 2019 (Unaudited) HK$'000	2018 (Unaudited) HK$'000
REVENUE	*4*	**1,639,447**	1,538,809
Cost of materials consumed		**(459,991)**	(441,201)
Gross profit		**1,179,456**	1,097,608
Other income and gains, net	*4*	**7,812**	12,434
Gain on disposal of non-current assets classified as held for sale		**–**	72,127
Staff costs		**(550,330)**	(506,604)
Depreciation and amortisation		**(76,234)**	(72,912)
Amortisation of right-of-use assets		**(160,323)**	–
Rental and related expenses		**(84,195)**	(233,807)
Other operating expenses, net		**(194,353)**	(183,045)
Finance costs		**(29,188)**	(11,465)
Listing expenses		**(18,016)**	(3,377)
PROFIT BEFORE TAX	*5*	**74,629**	170,959
Income tax expense	*6*	**(24,355)**	(26,871)
PROFIT FOR THE PERIOD		**50,274**	144,088
Profit for the period attributable to:			
Owners of the Company		**50,276**	144,088
Non-controlling interests		**(2)**	–
		50,274	144,088
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY			
Basic	*8*	**HK6.49 cents**	HK19.21 cents
Diluted	*8*	**HK6.48 cents**	HK19.21 cents

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2019

	Six months ended 30 June	
	2019	2018
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
PROFIT FOR THE PERIOD	**50,274**	144,088
OTHER COMPREHENSIVE LOSS		
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**(1,138)**	1,079
Reclassification adjustment for foreign operations deregistered during the period	**(1,093)**	(1,270)
	(2,231)	(191)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	**48,043**	143,897
Attributable to:		
Owners of the Company	**48,045**	143,897
Non-controlling interests	**(2)**	–
	48,043	143,897

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2019

	Notes	30 June 2019 (Unaudited) HK$'000	31 December 2018 (Audited) HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment	9	**818,587**	802,799
Prepaid land lease payments		**–**	12,655
Right-of-use assets		**1,393,110**	–
Investment property		**10,652**	10,655
Intangible assets		**1,066**	400
Prepayments, deposits and other receivables		**140,926**	136,249
Deferred tax assets		**14,345**	19,741
Total non-current assets		**2,378,686**	982,499
CURRENT ASSETS			
Inventories		**51,510**	56,555
Trade receivables	10	**28,476**	18,700
Prepayments, deposits and other receivables		**106,475**	95,353
Due from related companies		**–**	302
Financial assets at fair value through profit or loss		**–**	851
Tax recoverable		**1,274**	2,785
Cash and cash equivalents		**920,920**	242,162
Total current assets		**1,108,655**	416,708
CURRENT LIABILITIES			
Trade payables	11	**129,742**	110,468
Other payables and accruals		**220,535**	216,870
Contract liabilities		**39,771**	75,062
Interest-bearing bank borrowings		**109,772**	112,357
Lease liabilities		**431,861**	–
Tax payable		**31,208**	17,838
Total current liabilities		**962,889**	532,595
NET CURRENT ASSETS/(LIABILITIES)		**145,766**	(115,887)
TOTAL ASSETS LESS CURRENT LIABILITIES		**2,524,452**	866,612

	Note	30 June 2019 (Unaudited) HK$'000	31 December 2018 (Audited) HK$'000
NON-CURRENT LIABILITIES			
Lease liabilities		**1,120,184**	–
Other payables and accruals		**37,070**	68,236
Interest-bearing bank borrowings		**400,146**	424,802
Deferred tax liabilities		**8,309**	7,529
Total non-current liabilities		**1,565,709**	500,567
Net assets		**958,743**	366,045
EQUITY			
Equity attributable to owners of the Company			
Issued capital	*12*	**10,000**	1
Reserves		**946,799**	366,044
		956,799	366,045
Non-controlling interests		**1,944**	–
Total equity		**958,743**	366,045

NOTES TO INTERIM FINANCIAL INFORMATION

1. CORPORATE AND GROUP INFORMATION

The Company is a limited liability company incorporated in the Cayman Islands on 11 December 2017. The registered address of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The principal place of business of the Company is located at 13/F, Chinachem Exchange Square, 1 Hoi Wan Street, Quarry Bay, Hong Kong.

The Company is an investment holding company. During the reporting periods, the subsidiaries now comprising the Group were engaged in the operation and management of restaurants.

In the opinion of the directors of the Company ("Directors"), Chun Fat Company Limited ("Chun Fat"), a company incorporated in the British Virgin Islands (the "BVI") on 30 November 2017, is the immediate and ultimate holding company of the Company. The controlling shareholders of the Company and its subsidiaries are Mr. Chan Wing On, Mr. Yuen Chi Ming, Mr. Lau Hon Kee and Mr. Ho Ping Kee (the "Controlling Shareholders") immediately before and after the Reorganisation. Details of the Reorganisation are set out in the prospectus dated 30 May 2019 issued by the Company ("Prospectus").

On 13 June 2019, the shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

2. BASIS OF PREPARATION

The unaudited condensed consolidated interim financial information of the Group for the six-month period ended 30 June 2019 has been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") and are in compliance with Hong Kong Accounting Standard ("HKAS") 34 "Interim financial reporting" issued by the Hong Kong Institute of Certified Public Accountants.

(i) Changes in accounting polices and disclosure

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2018, except for the adoption of the new and revised Hong Kong Financial Reporting Standards ("HKFRSs") effective as of 1 January 2019.

Amendments to HKFRS 9	*Prepayment Features with Negative Compensation*
HKFRS 16	*Leases*
Amendments to HKAS 19	*Plan Amendment, Curtailment or Settlement*
Amendments to HKAS 28	*Long-term Interests in Associates and Joint Ventures*
HK(IFRIC)-Int 23	*Uncertainty over Income Tax Treatments*
Annual Improvements 2015-2017 Cycle	Amendments to HKFRS 3, HKFRS 11, HKAS 12 and HKAS 23

Other than as explained below regarding the impact of HKFRS 16 *Leases*, the new and revised standards are not relevant to the preparation of the Group's condensed consolidated interim financial information. The nature and impact of the new and revised HKFRSs are described below:

HKFRS 16 replaces HKAS 17 *Leases*, HK(IFRIC)-Int 4 *Determining whether an Arrangement contains a Lease*, HK(SIC)-Int 15 *Operating Leases – Incentives* and HK(SIC)-Int 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model. Lessor accounting under HKFRS 16 is substantially unchanged from HKAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in HKAS 17. Therefore, HKFRS 16 did not have any financial impact on leases where the Group is the lessor.

The Group adopted HKFRS 16 using the modified retrospective method of adoption with the date of initial application of 1 January 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initial adoption as an adjustment to the opening balance of retained earnings at 1 January 2019, and the comparative information for 2018 was not restated and continues to be reported under HKAS 17.

New definition of a lease

Under HKFRS 16, a contract is, or contains a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to obtain substantially all of the economic benefits from use of the identified asset and the right to direct the use of the identified asset. The Group elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC)-Int 4 at the date of initial application. Contracts that were not identified as leases under HKAS 17 and HK(IFRIC)-Int 4 were not reassessed. Therefore, the definition of a lease under HKFRS 16 has been applied only to contracts entered into or changed on or after 1 January 2019.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their standard-alone prices. A practical expedient is available to a lessee, which the Group has adopted, not to separate non-lease components and to account for the lease and the associated non-lease components (e.g., property management services for leases of properties) as a single lease component.

As a lessee – Leases previously classified as operating leases

Nature of the effect of adoption of HKFRS 16

The Group has lease contracts for various items of properties. As a lessee, the Group previously classified leases as either finance leases or operating leases based on the assessment of whether the lease transferred substantially all the rewards and risks of ownership of assets to the Group. Under HKFRS 16, the Group applies a single approach to recognise and measure right-of-use assets and lease liabilities for all leases, except for two elective exemptions for leases of low value assets (elected on a lease by lease basis) and short-term leases (elected by class of underlying asset). The Group has elected not to recognise right-of-use assets and lease liabilities for (i) leases of low-value assets (e.g., office equipment); and (ii) leases, that at the commencement date, have a lease term of 12 months or less. Instead, the Group recognises the lease payments associated with those leases as an expense on a straight-line basis over the lease term.

Impacts on transition

Lease liabilities at 1 January 2019 were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at 1 January 2019 and included in lease liabilities.

The right-of-use assets were recognised based on the carrying amount as if the standard had always been applied, except for the incremental borrowing rate where the Group applied the incremental borrowing rate at 1 January 2019. All these assets were assessed for any impairment based on HKAS 36 on that date. The Group elected to present the right-of-use assets separately in the statement of financial position.

For the leasehold land and building (that was held to earn rental income and/or for capital appreciation) previously included in investment property and measured at fair value, the Group has continued to include them as investment property at 1 January 2019. It continues to be measured at fair value applying HKAS 40.

The Group has used the following elective practical expedients when applying HKFRS 16 at 1 January 2019:

- Applied the short-term lease exemptions to leases with a lease term that ends within 12 months from the date of initial application

- Used hindsight in determining the lease term where the contract contains options to extend/terminate the lease

The impacts arising from the adoption of HKFRS 16 as at 1 January 2019 are as follows:

	Increase/(decrease) (Unaudited) *HK$'000*
Assets	
Increase in right-of-use assets	1,228,689
Decrease in prepaid land lease payments	(12,655)
Decrease in deferred tax assets	(6,649)
Increase in total assets	1,209,385
Liabilities	
Increase in lease liabilities	1,402,164
Decrease in other payables and accruals	(47,778)
Increase in total liabilities	1,354,386
Equity	
Decrease in retained earnings	(145,001)
Decrease in total equity	(145,001)

The lease liabilities as at 1 January 2019 reconciled to the operating lease commitments as at 31 December 2018 are as follows:

	(Unaudited) *HK$'000*
Operating lease commitments as at 31 December 2018	928,431
Weighted average incremental borrowing rate as at 1 January 2019	2.66%
Discounted operating lease commitments as at 1 January 2019	885,229
Less: Commitments relating to short-term leases and those leases with a remaining lease term ending on or before 31 December 2019	(46,482)
Commitments relating to leases of low-value assets	(1,228)
Add: Payments for optional extension periods not recognised as at 31 December 2018	564,645
Lease liabilities as at 1 January 2019	1,402,164

Summary of new accounting policies

The accounting policy for leases as disclosed in the annual financial statements for the year ended 31 December 2018 is replaced with the following new accounting policies upon adoption of HKFRS 16 from 1 January 2019:

Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated amortisation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are amortised on a straight-line basis over the shorter of the estimated useful life and the lease term. When a right-of-use asset meets the definition of investment property, it is included in investment properties. The corresponding right-of-use asset is initially measured at cost, and subsequently measured at fair value, in accordance with the Group's policy for 'investment properties'.

Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in future lease payments arising from change in an index or rate, a change in the lease term, a change in the in-substance fixed lease payments or a change in assessment to purchase the underlying asset.

Significant judgement in determining the lease term of contracts with renewal options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has the option, under some of its leases, to lease properties for additional terms of one to three years. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. It considers all relevant factors that create an economic incentive for it to exercise the renewal. After the lease commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within the control of the Group and affects its ability to exercise the option to renew.

(ii) Issued but not yet effective HKFRSs

The Group has not early applied any new and revised HKFRSs that have been issued but are not yet effective in the unaudited condensed consolidated interim financial statements. However, the Group is in the process of making an assessment of the impact of the new and revised HKFRSs upon initial application, certain of which may be relevant to the Group's operation and may result in changes in the Group's accounting policies, and changes in presentation and measurement of certain items of the Group's financial statements.

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group has only one reportable operating segment, which is the operation and management of restaurants.

For management purposes, the Group is organised into business units based on geographical areas and has two reportable operating segments as follows:

(i) the Hong Kong, Macau and Taiwan segment is engaged in the operation of restaurants, and sale of food products; and

(ii) the Mainland China segment is engaged in the operation of restaurants.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax. The adjusted profit/loss before tax is measured consistently with the Group's profit before tax except that interest income and unallocated gains, finance costs, corporate and other unallocated expenses are excluded from such measurement.

Segment assets exclude deferred tax assets, tax recoverable, amounts due from related companies, intangible assets and cash and cash equivalents as these assets are managed on a group basis.

Segment liabilities exclude interest-bearing bank borrowings, tax payable and deferred tax liabilities as these liabilities are managed on a group basis.

Geographical information

For the periods ended 30 June 2019 and 2018

	Hong Kong, Macau and Taiwan		Mainland China		Total	
	2019	2018	**2019**	2018	**2019**	2018
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment revenue						
Sales to external customers*	**1,308,096**	1,177,894	**331,351**	360,915	**1,639,447**	1,538,809
Intersegment sales	**–**	–	**16,094**	–	**16,094**	–
Revenue	**1,308,096**	1,177,894	**347,445**	360,915	**1,655,541**	1,538,809
Reconciliation:						
Elimination of intersegment sales					**(16,094)**	–
					1,639,447	1,538,809
Segment results	**121,375**	179,019	**458**	6,306	**121,833**	185,325
Reconciliation:						
Interest income from related companies					**–**	476
Finance costs					**(29,188)**	(11,465)
Listing expenses					**(18,016)**	(3,377)
Profit before tax					**74,629**	170,959

As at 30 June 2019 and 31 December 2018

	Hong Kong, Macau and Taiwan		Mainland China		Total	
	2019	2018	**2019**	2018	**2019**	2018
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment assets	**1,812,126**	759,079	**737,610**	374,738	**2,549,736**	1,133,817
Reconciliation:						
Corporate and other unallocated assets					**937,605**	265,390
Total assets					**3,487,341**	1,399,207
Segment liabilities	**1,463,860**	349,005	**515,303**	121,631	**1,979,163**	470,636
Reconciliation:						
Corporate and other unallocated liabilities					**549,435**	562,526
Total liabilities					**2,528,598**	1,033,162

* The revenue information above is based on the locations of the customers.

Information about major customers

There was no revenue from customers individually contributing over 10% to the total revenue of the Group.

4. REVENUE, OTHER INCOME AND GAINS, NET

An analysis of revenue is as follows:

	Six months ended 30 June	
	2019	2018
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Revenue from contracts with customers		
(i) Disaggregated revenue information		
Type of goods or services		
Revenue from restaurant operations	**1,591,687**	1,494,314
Revenue from the sale of food products	**47,760**	44,495
Total revenue from contracts with customers	**1,639,447**	1,538,809
Geographical markets		
Hong Kong, Macau and Taiwan	**1,308,096**	1,177,894
Mainland China	**331,351**	360,915
Total revenue from contracts with customers	**1,639,447**	1,538,809
Timing of revenue recognition		
At a point in time	**1,639,447**	1,538,809

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period:

	Six months ended 30 June	
	2019	2018
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Revenue recognised that was included in the contract liabilities at the beginning of the period – Restaurant operation	**39,662**	31,625

(ii) Performance obligations

Information about the Group's performance obligations is summarised below:

Restaurant operations

The performance obligation is satisfied when the catering services have been provided to customers. The Group's trading terms with its customers are mainly on cash and credit card settlement. The credit period is generally less than one month.

Sale of food products

The performance obligation is satisfied upon acceptance of the products by the customers with immediate payment. The Group's trading terms with its customers are mainly on cash, credit card settlement and on credit. The credit period is generally one to two months.

	Six months ended 30 June	
	2019	2018
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Other income and gains, net		
Interest income from related companies	**–**	476
Bank interest income	**455**	755
Rental income	**180**	2,004
Royalty income	**2,750**	2,713
Subsidies received from utility companies for purchases of items of property, plant and equipment*	**1,384**	1,337
Government grant*	**175**	169
Fair value gain on equity investments at fair value through profit or loss	**104**	–
Gain on deregistration of a subsidiary	**1,093**	1,270
Others	**1,671**	3,710
	7,812	12,434

* As at the end of the reporting periods, there were no unfulfilled conditions or other contingencies attaching to the subsidies and government grant that had been recognised by the Group.

5. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	Six months ended 30 June	
	2019	2018
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Cost of materials consumed	**459,991**	441,201
Depreciation of items of property, plant and equipment	**76,157**	72,587
Amortisation of land lease payments	**–**	247
Amortisation of intangible assets	**77**	78
Amortisation for right-of-use assets	**160,323**	–
Minimum lease payments under operating leases	**37,924**	187,590
Contingent rents under operating leases*	**6,384**	5,722
Auditor's remuneration	**1,100**	1,200
Employee benefit expenses (including directors' and chief executive's remuneration):		
Salaries, allowances and benefits in kind	**511,565**	475,485
Equity-settled share option expense	**4,223**	–
Pension scheme contributions	**34,542**	31,119
	550,330	506,604
Direct operating expenses (including repairs and maintenance) arising from rental-earning investment properties	**67**	28
Foreign exchange differences, net**	**593**	(109)
Loss on disposal of items of property, plant and equipment	**333**	2,124
Gain on disposal of non-current assets classified as held for sale	**–**	(72,127)
Fair value loss/(gain) on financial assets at fair value through profit or loss	**(104)**	33
Listing expenses	**18,016**	3,377

* Contingent rents under operating leases are included in "Rental and related expenses" in profit or loss.

** Foreign exchange differences, net are included in "Other income and gains, net" in profit or loss.

6. INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits arising in Hong Kong during the six months ended 30 June 2019 (2018: 16.5%). Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the locations in which the Group operates.

	Six months ended 30 June	
	2019	2018
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Current – Hong Kong		
Charge for the period	**22,725**	18,927
Underprovision in prior years	**–**	198
Current – Elsewhere		
Charge for the period	**2,125**	6,245
Deferred tax	**(495)**	1,501
Total tax charge for the period	**24,355**	26,871

7. DIVIDENDS

	Six months ended 30 June	
	2019	2018
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Interim dividend declared after the end of the reporting period – HK3.24 cents (2018: Nil) per ordinary share	**32,428**	–

During the six months ended 30 June 2019, in April 2019 and May 2019, special dividends of HK$20,000,000 and HK$20,000,000 were declared and paid by our Company to the then shareholders, respectively. During the six months ended 30 June 2018, in June 2018, an interim dividend of HK$20,000,000 were declared and paid by our Company to the then shareholders. Investors becoming shareholders of our Company after the listing of the Company on the Stock Exchange are not entitled to such special and interim dividends.

8. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic earnings per share amount for the period ended 30 June 2019 is based on the profit for the period attributable to ordinary equity holders of the Company of HK$50,276,000 (2018: HK$144,088,000) and the weighted average number of ordinary shares in issue of 774,861,878 (2018: 750,000,000), on the assumption that the Reorganisation and the capitalisation issue (note 12(c) and (d)) had been completed on 1 January 2018.

The calculation of diluted earnings per share amount for the period ended 30 June 2019 is based on the profit for the period attributable to ordinary equity holders of the Company of HK$50,276,000, the weighted average number of ordinary shares used in the calculation is 774,861,878 ordinary shares in issue during the period, as used in the basic earnings per share calculation, and the weighted average number of 1,175,831 ordinary shares assumed to have been issued at no consideration on the deemed exercise of all dilutive potential ordinary shares into ordinary shares.

No adjustment has been made to the basic earnings per share amount for the period ended 30 June 2018 as the Group had no potentially dilutive ordinary shares in issue during that period.

9. PROPERTY, PLANT AND EQUIPMENT

For the six months ended 30 June 2019, the Group acquired property, plant and equipment of approximately HK$93 million (six-month period ended 30 June 2018: approximately HK$118 million).

As at 30 June 2019, the Group had certain property, plant and equipment with an aggregate net carrying amount of approximately HK$267.4 million (31 December 2018: HK$272.2 million) which were pledged to secure bank borrowings granted to the Group.

10. TRADE RECEIVABLES

	30 June 2019 (Unaudited) ***HK$'000***	31 December 2018 (Audited) *HK$'000*
Trade receivables	**28,476**	18,700

The Group's trading terms with its customers are mainly on cash and credit card settlement. The credit period is generally one to two months. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

An ageing analysis of the trade receivables as at the end of each of the reporting period, based on the invoice date, is as follows:

	30 June 2019 (Unaudited) ***HK$'000***	31 December 2018 (Audited) *HK$'000*
Within 1 month	**21,751**	11,924
1 to 2 months	**4,439**	5,764
2 to 3 months	**811**	286
Over 3 months	**1,475**	726
	28,476	18,700

11. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	30 June 2019 (Unaudited) ***HK$'000***	31 December 2018 (Audited) *HK$'000*
Within 1 month	**91,180**	88,346
1 to 2 months	**22,462**	14,103
2 to 3 months	**5,822**	1,427
Over 3 months	**10,278**	6,592
	129,742	110,468

12. ISSUED CAPITAL

	Number of shares	Share capital
		HK$'000
Authorised:		
At 11 December 2017 (date of incorporation) with par value of HK$0.01 each and as at 31 December 2018 *(note a)*	38,000,000	380
Increase of authorised share capital with par value of HK$0.01 each on 22 May 2019 *(note b)*	9,962,000,000	99,620
As at 30 June 2019	10,000,000,000	100,000

	Number of shares	Share capital
		HK$'000
Issued and fully paid:		
At 11 December 2017 (date of incorporation) with par value of HK$0.01 each *(note a)*	1	–*
Issue of shares with par value of HK$0.01 each on 18 December 2017 *(note c)*	99,999	1
As at 31 December 2017, 1 January 2018 and 31 December 2018	100,000	1
Capitalisation of shares *(note d)*	749,900,000	7,499
Shares issued pursuant to the share offer *(note e)*	250,000,000	2,500
As at 30 June 2019	1,000,000,000	10,000

* Amount less than HK$1,000

Notes

(a) The Company was incorporated on 11 December 2017 with an initial authorised share capital of HK$380,000 divided into 38,000,000 shares of a par value of HK$0.01 each. On the date of incorporation, 1 ordinary share of HK$0.01 was allotted and issued by the Company.

(b) On 22 May 2019, the shareholders of the Company resolved to increase the authorised share capital of the Company from HK$380,000 to HK$100,000,000 by the creation of 9,962,000,000 additional shares, each ranking pari passu in all aspects with the Company's shares then in issue.

(c) On 18 December 2017, as part of the Reorganisation, the Company further allotted and issued 99,999 shares, at HK$0.01 each, credited as fully paid.

(d) Pursuant to the written resolutions passed on 22 May 2019, the directors were authorised to capitalise a sum of HK$7,499,000 from the amount standing to the credit of the share premium account of the Company and apply such amount to pay up in full at par of 749,900,000 ordinary shares of the Company upon the listing of the Company on the Main Board of the Stock Exchange on 13 June 2019.

(e) The Company's shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited on 13 June 2019, and 250,000,000 ordinary shares were issued at HK$3.0 per share on 13 June 2019 in connection with the listing of the Company.

13. SHARE OPTION SCHEMES

(a) Pre-IPO share option scheme

The Company operates a pre-IPO share option scheme (the "Pre-IPO Share Option Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants of the Pre-IPO Share Option Scheme include senior management and employees of the Group. The Pre-IPO Share Option Scheme was approved and conditionally adopted by the shareholders of the Company on 22 May 2019 and, unless otherwise cancelled or amended, will remain in force for 10 years from the effective date of the Pre-IPO Share Option Scheme.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings of the Company.

There were 6,375,000 outstanding share options under the Pre-IPO Share Option Scheme as at 30 June 2019. During the six months ended 30 June 2019, the Group recognised equity-settled share option expense of approximately HK$4,223,000, which is included in staff costs in the profit or loss.

(b) Post-IPO share option scheme

The Company operates a post-IPO share option scheme (the "Post-IPO Share Option Scheme") for the purpose of motivating eligible persons to optimise their performance and efficiency for the benefit of the Group and to attract and retain or otherwise maintain ongoing relationships with such eligible persons whose contributions are expected to be/will be beneficial to the Group. The Post-IPO Share Option Scheme was approved and conditionally adopted by the shareholders of the Company on 22 May 2019 and, unless otherwise cancelled or amended, will remain in force for 10 years commencing on the effective date of the Post-IPO Share Option Scheme.

No share options have been granted under the Post-IPO Share Option Scheme since it became effective. Therefore, no share options were exercised or cancelled or lapsed during the current period and no share options were outstanding under the Post-IPO Share Option Scheme as at 30 June 2019.

MANAGEMENT DISCUSSION AND ANALYSIS

Overall Performance

The Board of Directors ("Board") of Tai Hing Group Holdings Limited, together with its subsidiaries ("Tai Hing Group" or the "Group"), is pleased to announce its first interim results for the six months ended 30 June 2019 (the "Review Period" or "1H2019"), since the Group's successful listing on the Main Board of the Stock Exchange on 13 June 2019 ("Listing").

In 1H2019, the Group's revenue recorded growth of 6.5% to HK$1,639.4 million (1H2018: HK$1,538.8 million). The increase in revenue was mainly attributable to the steady expansion of the Group's restaurants network in the region, along with the steady performance from its flagship "Tai Hing (太興)" brand, coupled with the embracive response towards some newly introduced brands, such as "Phở Lệ" (錦麗), "Men Wah Bing Teng" (敏華冰廳) and "Trusty Congee King" (靠得住), with the latter three brands achieved satisfactory same-store sales growth ("SSSG") of 5.7%, 4.8% and 4.7% respectively.

Gross profit increased to HK$1,179.5 million (1H2018: HK$1,097.6 million) and the gross profit margin rose modestly to 71.9% (1H2018: 71.3%) in 1H2019. Despite recording a profit for the period of HK$50.3 million (1H2018: HK$144.1 million), if the impacts from one-off listing expenses, one-off gain on disposal of non-current assets classified as held for sale in 1H2018 and the adoption of HKFRS 16 Leases which became effective on or after 1 January 2019 were excluded, the Group's adjusted profit for the period would have increased by 10.0% to HK$82.9 million (1H2018: HK$75.3 million). Basic earnings per share were HK6.49 cents (1H2018: HK19.21 cents).

To share the Group's achievements with Shareholders, the Board has resolved to propose an interim dividend of HK3.24 cents per ordinary share for the six months ended 30 June 2019, which is consistent with the Group's dividend policy of distributing not less than 30% of its net profit for the financial year.

Operating Cost

Cost of Materials Consumed

The cost of materials consumed amounted to HK$460.0 million (1H2018: HK$441.2 million), and its percentage to revenue decreased by 0.6% to 28.1% (1H2018: 28.7%) despite the continuing rise in price of pork, which is one of the principal ingredients used by the Group. The ability to maintain food cost at a reasonable level was mainly due to the Group's ongoing efforts to refine its menu portfolio, which include increasing the price of certain food items, as well as the establishment of the Mainland China Food Factory, which commenced operation in October 2018. Such developments, coupled with ongoing contributions from the Hong Kong Food Factory, and centralised purchasing and food processing functions enabled the Group to mitigate fluctuations in the cost of different food ingredients and effectively control food costs.

Staff Cost

During the Review Period, the staff cost to revenue ratio remained relatively stable at 33.6% (1H2018: 32.9%). Staff cost, excluding the impact of non-cash equity-settled share option expense, increased by 7.8% from HK$506.6 million in 1H2018 to HK$546.1 million in 1H2019, owing to the opening of more stores during the Review Period and additional hirings for the Mainland China Food Factory which commenced operation in October 2018. Also, salaries were increased to retain certain skilled staff members.

Rental and related expenses/Amortisation of right-of-use assets

As a result of the adoption of the new accounting policy – HKFRS 16 Leases, lease expenses in the consolidated income statement have been reflected by amortisation of right-of-use assets and related finance cost starting from 1 January 2019, with higher expenses to be incurred in the early years of the lease terms, diminishing over the lease's duration and eventually resulting in lower expenses in the latter part of the terms. During the Review Period, the Group's amortisation of right-of-use assets amounted to HK$160.3 million (1H2018: Nil) with related finance costs and tax impact of HK$20.1 million (1H2018: Nil) and its rental and related expenses were HK$84.2 million (1H2018: HK$233.8 million). If the impact from the adoption of HKFRS 16 Leases was excluded, rental and related expenses in 1H2019 were HK$250.0 million and accounted for approximately 15.3% (1H2018: 15.2%) of the Group's revenue.

Industry Review

Hong Kong's economic situation has become lacklustre, though it managed to achieve modest GDP growth in the first quarter, expanding marginally by 0.6% in real terms over the corresponding period of last year. This slowdown can be attributable to weak global performance and domestic demand, as consumption sentiment became more cautious amid political tensions and rising consumer prices. Non-discretionary spending, however, proved to be more resilient supported by a tight job market and rising income. In particular, the value of total receipts of the restaurant sector in the first quarter of 2019, provisionally estimated at HK$31.5 billion, increased by 3.0% year-on-year. Despite the current political and economic development causing a downturn within the region, real GDP growth is still expected to increase by the end of this year.

In Mainland China, the local economy recorded growth of 6.3% in the first quarter while the catering sector continued to perform in a stable manner, with income from the catering industry rising by 9.4% year-on-year – underscoring the resilience of the industry even in the face of international pressure.

Geographical Analysis

Tai Hing Group is a multi-brand casual dining restaurant group rooted in Hong Kong. In addition to its flagship "Tai Hing" brand, the Group has a growing brand portfolio comprising self-developed brands and acquired and licensed brands, including "TeaWood (茶木)", "Trusty Congee King (靠得住)", "Men Wah Bing Teng (敏華冰廳)", "Phở Lệ (錦麗)", "Tokyo Tsukiji (東京築地食堂)", "Fisher & Farmer (漁牧)", "Rice Rule (飯規)" and "Hot Pot Couple (夫妻沸片)". During 1H2019, the Group continued to grow its brands in the region, with 12 store openings in Hong Kong and Mainland China and the Group marked a major milestone with the opening of its first "Tai Hing" restaurant in Taiwan, at the Breeze Taipei Station (微風台北車站), in May 2019. Currently, the Group has a network of 198 restaurants (as at 31 December 2018: 185 restaurants) in Hong Kong, Mainland China, Macau and Taiwan.

Business Segment Analysis

The "Tai Hing" signature brand has continued to be the principal revenue contributor of the Group. During the Review Period, revenue derived from "Tai Hing" amounted to HK$986.8 million, and accounted for 62.0% of the Group's total revenue from restaurant operations. Furthermore, the Tai Hing brand achieved SSSG of 0.5%, the result of various promotional campaigns that increased average spending per guest. The Group has been expanding the "Tai Hing" restaurant network both in Hong Kong and Mainland China. Such expansion subsequently included the first "Tai Hing" restaurant in Taiwan, which opened in May 2019. The establishment received overwhelmingly favourable response, thus quickly becoming one of the most popular restaurants at Breeze Taipei Station, a food hub in Zhongzheng District, Taipei City (台北市中正區).

The Group's other subsidiary brands have also performed encouragingly. In particular, "Men Wah Bing Teng" lead an upsurge in revenue; rising by 185.1% to HK$113.8 million and SSSG of 4.8%. The restaurant chain also achieved an outstanding seat turnover rate of 17.2, being the highest among the Group's brands during the Review Period, which can be attributable to its clear market position as a traditional "bing teng". To sustain growth momentum during the Review Period, the Group opened three new restaurants in Hong Kong as well as the first "Men Wah Bing Teng" in Guangzhou in July 2019. The newest entrant represents the fifth brand of the Group to penetrate the Mainland China market, following the footsteps of "Tai Hing", "TeaWood", "Trusty Congee King" and "Phở Lệ".

Yet another solid performer is "Phở Lệ", a restaurant chain introduced by the Group in 2017 that specialises in Vietnam beef noodles. During the Review Period, one new Phở Lệ restaurant opened in Mainland China. In addition, an upgraded menu was introduced, offering a wider range of food options to customers. The combination of such efforts led to an increase in revenue of 84.2% to HK$67.9 million and SSSG of 5.7%.

With respect to the "Trusty Congee King" brand, the Group opened two new restaurants in Mainland China during the Review Period. At the same time, a more comprehensive menu was launched along with the introduction of promotional campaigns aimed at raising consumption during dinner hours. The "Trusty Congee King" operation consequently achieved revenue growth of 24.8% to HK$119.0 million and SSSG of 4.7%.

Another popular member of the Group's subsidiary brands is "TeaWood", which continued to perform satisfactorily, contributing HK$274.7 million in revenue in 1H2019 and accounting for 17.3% of the Group's total revenue from restaurant operations. During the Review Period, a more sophisticated member of this brand, known as "TeaWood Deluxe", was introduced in February 2019. Located at K11 in Tsim Sha Tsui, it offers premium food combined with a more relaxing ambience.

Yet another milestone by the Group was the introduction of the "Hot Pot Couple" brand during the Review Period. Offering Taiwanese hotpot cuisine, the first restaurant opened in Mongkok in January 2019.

Aside from its restaurant operation, the Group's production capabilities have also been bolstered. Since the commencement of operation in October 2018, the Mainland China Food Factory has steadily increased production output, mainly cured meat, frozen products and canned milk tea for the Group's restaurants in Mainland China and Hong Kong, as well as semi-finished products to northern parts of the country. As production efficiency rises, the factory's benefits will be more clearly reflected in the Group's financial performance.

Prospects

The Group believes its multi-brand strategy is crucial to its success. Also it considers network expansion is essential for deepening market penetration. The Group will therefore persist in expansion efforts while abiding by the blueprints established for each of its existing brands and this includes exploring opportunities to expand into overseas markets, other than the geographical locations where the Group currently operates. In Mainland China, the Group will focus on bolstering the presence of "Men Wah Bing Teng" in the Greater Bay Area, by leveraging the Group's strong capability in formulating and implementing standardised production processes and replicating its operation model. As regards the "Tai Hing" flagship brand, the Group plans to open a second restaurant in Taiwan during the second half of 2019, capitalising on the momentum gained from the first restaurant opened at Breeze Taipei Station.

The Group will also seek to introduce new brands to the market including an entrant that offers a somewhat more sophisticated type of "*cha chaan teng (茶餐廳)*", which will be welcoming customers in the fourth quarter of this year. In this way, the Group will be able to attract a wider spectrum of food lovers, especially those seeking to broaden their cuisine horizons.

Concurrent with the Group's expansion efforts will be the adoption of automated food processing machinery at the restaurant level. Leveraging on technologies that the Group has already proved effective at restaurants in Hong Kong, the Group will introduce these same technologies to Mainland China, leading to the automation of certain food preparation procedures and deriving similar benefits, such as consistency, greater efficiency and less reliance on skilled labour. The Group will also continue to direct resources towards the research and development of automated food processing machines to further raise operational efficiency.

With the Group marking its 30th anniversary this year, it is even more determined to drive its business growth. Among the means of achieving this will include collaborating with the online food order platforms in Hong Kong to broaden its business and profit sources. In addition, the Group will initiate more cross-brand marketing campaigns and promotions, and will utilise both traditional and innovative multimedia channels to enhance its corporate image. As for the latter, this will involve the use of social media as well as the Group's mobile application, "T-Factory". And to gain traction, the Group will employ a marketing campaign that specifically highlights its 30th anniversary, thus further drawing attention to the Group and its dynamic portfolio of brands.

Despite the difficult market environment lately, the management believes the Group is in a strong position and will continue to expand its restaurant network and brands portfolio going forward.

INTERIM DIVIDEND

The Board has declared an interim dividend of HK3.24 cents per share for the six months ended 30 June 2019 payable to the shareholders of the Company (the "Shareholders") whose names appear on the register of members of the Company on Friday, 4 October 2019. Dividend warrants are expected to be despatched to the Shareholders on or before Friday, 25 October 2019.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to the interim dividend for the six months ended 30 June 2019, the register of members of the Company will be closed from Wednesday, 2 October 2019 to Friday, 4 October 2019, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to qualify for the interim dividend for the six months ended 30 June 2019, all transfer forms duly accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Monday, 30 September 2019.

USE OF NET PROCEEDS FROM LISTING

The Company successfully listed its shares on the Stock Exchange on 13 June 2019 and issued a total of 250,000,000 ordinary shares of the Company by way of share offer at the offer price of HK$3.00 on Listing. The net proceeds from the share offer in association with the Listing amounted to HK$694.5 million.

As of the date of this announcement, the Directors are not aware of any material change to the planned use of the proceeds as disclosed in the section under "Future Plans and Use of Proceeds" in the Prospectus.

FINANCIAL RESOURCES, BORROWINGS, CAPITAL STRUCTURE, EXPOSURES TO FLUCTUATIONS IN EXCHANGE RATES AND OTHERS

Liquidity and Financial Resources

The principal sources of funds for the Group are through a combination of internally generated cash flows, bank borrowings and proceeds received from Listing. As at 30 June 2019, the Group's cash and cash equivalents were approximately HK$920.9 million (31 December 2018: approximately HK$242.2 million), representing an increase of approximately 280.3% from 31 December 2018. Majority of the bank deposits and cash were denominated in Hong Kong dollars and Renminbi. The additional funds raised from Listing would be used for implementing the future expansion plan.

As at 30 June 2019, the Group's total current assets and current liabilities were approximately HK$1,108.7 million (31 December 2018: approximately HK$416.7 million) and approximately HK$962.9 million (31 December 2018: approximately HK$532.6 million), respectively, while the current ratio of the Group (calculated by dividing total current assets by total current liabilities at the end of respective periods) was approximately 1.2 times (31 December 2018: approximately 0.8 times).

The Group had interest-bearing bank borrowings of approximately HK$509.9 million as at 30 June 2019 (31 December 2018: approximately HK$537.2 million). The interest-bearing bank borrowings were secured, denominated in Hong Kong dollars and subject to floating rate basis. During the six-month period ended 30 June 2019, there were no financial instruments used for hedging purposes.

As at 30 June 2019, the gearing ratio of the Group (calculated by dividing the interest-bearing bank borrowings by equity attributable to owners of the Company) was approximately 53.3% (31 December 2018: approximately 146.7%).

Foreign Currency Risk

The Group's revenue and costs are mostly denominated in Hong Kong dollars and Renminbi. The change in value of the Renminbi against the Hong Kong dollars may fluctuate and is affected by changes in China's political and economic conditions. The appreciation or devaluation of the Renminbi against Hong Kong dollars may affect the Group's results. The Group does not have any currency hedging policy and has not entered into any hedging or other instrument to reduce currency risks. The Group will continue to closely monitor the foreign currency exposure and take appropriate measures to minimize the risk when necessary.

Contingent Liabilities

As at 30 June 2019, the Group had contingent liabilities of approximately HK$22.0 million (31 December 2018: approximately HK$19.2 million) in respect of bank guarantees given in favour of the landlords in lieu of rental deposits.

CHARGE ON GROUP ASSETS

As at 30 June 2019, the Group had certain property, plant and equipment with an aggregate net carrying value of approximately HK$267.4 million (31 December 2018: HK$272.2 million) was pledged to secure the bank borrowings granted to the Group.

MATERIAL ACQUISITIONS AND DISPOSAL

Save as disclosed herein, for the six months ended 30 June 2019, the Group did not make any material acquisitions and disposal of subsidiaries, significant investments nor capital commitment.

EMPLOYEES

The Group had approximately 7,500 employees as at 30 June 2019 (31 December 2018: approximately 6,900). The Group ensures that its employees are remunerated in line with market conditions and individual performance and the remuneration policies are reviewed on a regular basis.

SHARE OPTION SCHEMES

The Pre-IPO Share Option Scheme and Post-IPO Share Option Scheme of the Company (the "Share Option Schemes") were approved and conditionally adopted pursuant to the resolutions passed by the Shareholders on 22 May 2019 (the "Adoption Date") for the purpose of providing incentives and rewards to eligible participants for their contributions to the Group. The principal terms of the Share Option Schemes are set out in "Appendix V (Statutory and General Information – D. Share Option Schemes)" to the Prospectus. Since the Adoption Date and up to 30 June 2019, no share options of the Company were granted, exercised, cancelled or lapsed under the Post-IPO Share Option Scheme, and there were 6,375,000 outstanding share options of the Company under the Pre-IPO Share Option Scheme as at 30 June 2019.

PURCHASE, SALE AND REDEMPTION OF LISTED SECURITIES

Throughout the period from Listing to 30 June 2019, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

AUDIT COMMITTEE REVIEW

The audit committee of the Company (the "Audit Committee") has reviewed with the management of the Company (the "Management") the accounting principles and practices adopted by the Group and discussed with the Management regarding the risk management and internal controls systems and financial reporting matters including a general review of the interim report (including unaudited interim condensed consolidated financial statements for the six months ended 30 June 2019). In carrying out this review, the Audit Committee has relied on a review conducted by the Group's external auditor, Ernst & Young, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants as well as reports obtained from the Management. The Audit Committee has not undertaken detailed independent audit checks.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company has complied with the applicable code provisions of the Corporate Governance Code and Corporate Governance Report as set out in Appendix 14 of the Listing Rules throughout the period from Listing to 30 June 2019.

COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules as its code of conduct regarding securities transactions by the Directors. Having made specific enquiry with all Directors, they have confirmed their compliance with the required standard as set out in the Model Code throughout the period from Listing to 30 June 2019.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.taihing.com). The interim report of the Company for the six months ended 30 June 2019 will be despatched to the Shareholders and published on the websites of the Stock Exchange and the Company in due course.

By Order of the Board
Tai Hing Group Holdings Limited
Chan Wing On
Chairman

Hong Kong, 29 August 2019

As at the date of this announcement, the Board comprises:

Executive Directors
Mr. Chan Wing On (Chairman), Mr. Yuen Chi Ming, Mr. Lau Hon Kee and Ms. Chan Shuk Fong

Non-Executive Director
Mr. Ho Ping Kee

Independent Non-Executive Directors
Mr. Mak Ping Leung (alias: Mak Wah Cheung), Mr. Wong Shiu Hoi Peter and Dr. Sat Chui Wan