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 ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

The board of directors (the "Board") of Tai Hing Group Holdings Limited (the "Company") announces the consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2024 together with the comparative figures for the year ended 31 December 2023 as set out below:

FINANCIAL HIGHLIGHTS

- Despite the weak economy in 2024, especially the rapid shift in consumption habits of local residents in the first half of the year, the Group recorded an overall revenue growth of 2.5% to approximately HK$3,292.0 million for the year (2023: HK$3,212.0 million).

- As the Group followed through its strict control over costs, profit attributable to owners for the year was HK$62.7 million (2023: HK$93.8 million). Following its continuous efforts to increase revenue and reduce costs, the Group has seen a rebound in the results for the second half of 2024 with a profit attributable to owners of HK$52.0 million, outstripping the profit attributable to owners for the first half of 2024 (HK$10.7 million) and the profit attributable to owners for the second half of 2023 (HK$48.5 million), showing the steady recovery of the Group's business.

- The Group actively integrated its shops and restaurant network according to market conditions during the year. Excluding loss on disposal of items of property, plant and equipment and impairment losses, the profit attributable to owners for the year would be HK$114.8 million (2023: HK$132.5 million).

- The Group has adopted a prudent fund management policy to ensure stable cash flows and healthy cash position, and recorded cash and cash equivalents of HK$330.8 million as at 31 December 2024 (as at 31 December 2023: HK$328.1 million) in the absence of bank borrowings, and recorded positive cash flows from operating activities. Therefore, the Group has sufficient funds for daily operations and future development.

- Although the market condition is still full of challenges, the Board is confident in the future development of the Group. In addition to the share repurchase of approximately HK$30 million completed in January 2025 (with the relevant shares being cancelled in February 2025), the Board will continue its stable dividend policy. Hence, the Board proposed a final dividend of HK2.50 cents per share (2023: HK3.50 cents per share) and also proposed a special dividend of HK7.50 cents per share (2023: HK3.50 cents per share) as the Group celebrated its 35th anniversary and the 5th anniversary of the listing of the Company, to reward all shareholders for their continued support.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2024

	Notes	2024 HK$'000	2023 HK$'000
REVENUE	5	**3,291,954**	3,211,993
Cost of materials consumed		**(858,423)**	(842,637)
Gross profit		**2,433,531**	2,369,356
Other income and gains	5	**17,087**	18,554
Staff costs		**(1,188,782)**	(1,133,596)
Depreciation of items of property, plant and equipment		**(133,959)**	(130,696)
Amortisation of right-of-use assets, rental and related expenses, net		**(504,184)**	(487,258)
Other operating expenses		**(460,638)**	(463,246)
Impairment losses on property, plant and equipment and right-of-use assets, net		**(47,438)**	(27,137)
Finance costs	6	**(37,434)**	(30,019)
PROFIT BEFORE TAX	7	**78,183**	115,958
Income tax expense	8	**(15,492)**	(22,108)
PROFIT FOR THE YEAR		**62,691**	93,850
Profit for the year attributable to:			
Owners of the Company		**62,749**	93,836
Non-controlling interests		**(58)**	14
		62,691	93,850
EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY			
– Basic and diluted	10	**HK6.24 cents**	HK9.33 cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2024

	2024	2023
	HK$'000	*HK$'000*
PROFIT FOR THE YEAR	**62,691**	93,850
OTHER COMPREHENSIVE LOSS		
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**(12,534)**	(5,056)
Reclassification adjustments for foreign operations deregistered or disposed of during the year	**2,319**	(89)
Other comprehensive loss for the year	**(10,215)**	(5,145)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	**52,476**	88,705
Attributable to:		
Owners of the Company	**52,580**	88,721
Non-controlling interests	**(104)**	(16)
	52,476	88,705

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2024

	Notes	2024 HK$'000	2023 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment and right-of-use assets		**1,730,316**	1,801,136
Investment properties		**24,051**	27,507
Intangible assets		**200**	200
Prepayments, deposits and other receivables		**145,695**	156,546
Deferred tax assets		**38,819**	30,065
Total non-current assets		**1,939,081**	2,015,454
CURRENT ASSETS			
Inventories		**79,859**	87,040
Trade receivables	*11*	**28,203**	38,246
Prepayments, deposits and other receivables		**93,010**	111,901
Tax recoverable		**234**	836
Cash and cash equivalents		**330,758**	328,147
Total current assets		**532,064**	566,170
CURRENT LIABILITIES			
Trade payables	*12*	**85,269**	83,107
Other payables and accruals		**233,588**	253,624
Contract liabilities		**61,290**	63,678
Lease liabilities		**367,587**	382,928
Tax payable		**8,818**	17,007
Total current liabilities		**756,552**	800,344
NET CURRENT LIABILITIES		**(224,488)**	(234,174)
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,714,593**	1,781,280

	Note	2024	2023
		HK$'000	*HK$'000*
NON-CURRENT LIABILITIES			
Lease liabilities		**736,221**	753,921
Other payables and accruals		**38,674**	38,618
Deferred tax liabilities		**4,079**	4,189
Total non-current liabilities		**778,974**	796,728
Net assets		**935,619**	984,552
EQUITY			
Equity attributable to owners of the Company			
Issued capital	*13*	**10,054**	10,054
Reserves		**925,565**	973,282
		935,619	983,336
Non-controlling interests		**–**	1,216
Total equity		**935,619**	984,552

NOTES TO FINANCIAL STATEMENTS

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 year, the Group was engaged in the operation of restaurants and sale of food products.

In the opinion of the directors of the Company (the "Directors"), Chun Fat Company Limited, a company incorporated in the British Virgin Islands (the "BVI") on 30 November 2017, is the immediate and ultimate holding company of the Company.

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. ACCOUNTING POLICIES

2.1 BASIS OF PRESENTATION

As at 31 December 2024, the Group had net current liabilities of HK$224,488,000 which included current portion of lease liabilities of HK$367,587,000 and contract liabilities of HK$61,290,000. The Directors believe that the Group has sufficient cash flows from operations to meet its liabilities as and when they fall due. Therefore, the consolidated financial statements are prepared on a going concern basis.

Should the Group be unable to continue as a going concern, adjustments would have to be made to write down the value of assets to their recoverable amounts and to provide for any further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effect to these adjustments has not been reflected in the consolidated financial statements.

2.2 BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties which have been measured at fair value. These financial statements are presented in Hong Kong dollars ("HK$") and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2024.

A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised HKFRSs for the first time for the current year's financial statements.

Amendments to HKFRS 16	*Lease Liability in a Sale and Leaseback*
Amendments to HKAS 1	*Classification of Liabilities as Current or Non-current* (the "2020 Amendments")
Amendments to HKAS 1	*Non-current Liabilities with Covenants* (the "2022 Amendments")
Amendments to HKAS 7 and HKFRS 7	*Supplier Finance Arrangements*

The nature and the impact of the revised HKFRSs are described below:

(a) Amendments to HKFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of HKFRS 16, the amendments did not have any impact on the financial position or performance of the Group.

(b) The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

The Group has reassessed the terms and conditions of its liabilities as at 1 January 2023 and 2024 and concluded that the classification of its liabilities as current or non-current remained unchanged upon initial application of the amendments. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.

(c) Amendments to HKAS 7 and HKFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. As the Group does not have supplier finance arrangements, the amendments did not have any impact on the Group's financial statements.

4. OPERATING SEGMENT INFORMATION

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

(ii) the Mainland China segment is engaged in the operation of restaurants, and sale of food products in Mainland China.

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 measured consistently with the Group's profit/loss before tax.

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

Segment liabilities exclude tax payable and deferred tax liabilities as these liabilities are managed on a group basis.

Geographical information

For the years ended 31 December 2024 and 2023

	Hong Kong and Macau		Mainland China		Total	
	2024	2023	**2024**	2023	**2024**	2023
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment revenue						
Sales to external customers*	**2,954,684**	2,723,043	**337,270**	488,950	**3,291,954**	3,211,993
Intersegment sales	**–**	–	**111,558**	88,624	**111,558**	88,624
Total segment revenue	**2,954,684**	2,723,043	**448,828**	577,574	**3,403,512**	3,300,617
Reconciliation:						
Elimination of intersegment sales					**(111,558)**	(88,624)
					3,291,954	3,211,993
Segment results	**127,207**	152,226	**(48,056)**	(35,341)	**79,151**	116,885
Reconciliation:						
Elimination of intersegment results					**(968)**	(927)
Profit before tax					**78,183**	115,958

As at 31 December 2024 and 2023

	Hong Kong and Macau		Mainland China		Total	
	2024	2023	**2024**	2023	**2024**	2023
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment assets	**1,812,288**	1,810,972	**288,846**	411,404	**2,101,134**	2,222,376
Reconciliation:						
Corporate and other unallocated assets					**370,011**	359,248
Total assets					**2,471,145**	2,581,624
Segment liabilities	**1,374,116**	1,340,264	**148,513**	235,612	**1,522,629**	1,575,876
Reconciliation:						
Corporate and other unallocated liabilities					**12,897**	21,196
Total liabilities					**1,535,526**	1,597,072

* 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.

5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	Year ended 31 December	
	2024	2023
	HK$'000	*HK$'000*
Revenue from contracts with customers		
(i) Disaggregated revenue information		
Types of goods or services		
Revenue from restaurant operations	**3,223,840**	3,148,252
Revenue from the sale of food products	**68,114**	63,741
Total	**3,291,954**	3,211,993
Geographical markets		
Hong Kong and Macau	**2,954,684**	2,723,043
Mainland China	**337,270**	488,950
Total	**3,291,954**	3,211,993
Timing of revenue recognition		
At a point in time	**3,291,954**	3,211,993

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:

	Year ended 31 December	
	2024	2023
	HK$'000	*HK$'000*
Revenue recognised that was included in the contract liabilities at the beginning of the year – Restaurant operations	**49,813**	56,379

(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, credit card and electronic settlement. The credit period is generally less than one month.

Sale of food products

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

	Year ended 31 December	
	2024	2023
	HK$'000	*HK$'000*
Other income and gains		
Bank interest income	**6,311**	5,906
Rental income	**1,900**	1,529
Royalty income	**1,833**	1,159
Subsidies received from utility companies for purchases of items of property, plant and equipment*	**2,700**	2,776
Government grants*	**1,215**	1,379
Gain on deregistration of subsidiaries, net	**–**	89
Foreign exchange gains, net	**512**	–
Others	**2,616**	5,716
Total other income and gains	**17,087**	18,554

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

6. FINANCE COSTS

An analysis of finance costs is as follows:

	Year ended 31 December	
	2024	2023
	HK$'000	*HK$'000*
Interest on lease liabilities	**37,434**	30,019

7. PROFIT BEFORE TAX

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

	Year ended 31 December	
	2024	2023
	HK$'000	*HK$'000*
Cost of materials consumed	**858,423**	842,637
Depreciation of items of property, plant and equipment	**133,959**	130,696
Amortisation of right-of-use assets*	**418,817**	402,559
Lease payments not included in the measurement of lease liabilities*	**7,158**	10,783
Contingent rents*	**10,555**	12,657
Gain on lease modification and termination*	**(17,419)**	(19,700)
Auditor's remuneration	**3,200**	3,500
Employee benefit expenses (including directors' and chief executive's remuneration):		
Salaries, allowances and benefits in kind	**1,122,300**	1,066,020
Pension scheme contributions**	**66,482**	67,576
Total	**1,188,782**	1,133,596
Direct operating expenses (including repairs and maintenance) arising from rental-earning investment properties	**158**	86
Foreign exchange differences, net	**(512)**	1,875
Impairment of items of property, plant and equipment, net	**12,733**	5,607
Impairment of right-of-use assets, net	**34,705**	21,530
Loss on disposal of items of property, plant and equipment and right-of-use assets***	**4,571**	11,520
Loss/(gain) on deregistration or disposal of subsidiaries, net	**2,097**	(89)
Fair value loss on investment properties, net	**2,605**	2,523
Utilities expenses***	**140,735**	135,928
Packing and consumables***	**30,031**	32,454
Cleaning expenses***	**32,756**	33,881
Transportation and logistics expense***	**37,156**	36,042

* These are included in "Amortisation of right-of-use assets, rental and related expenses, net" in profit or loss.

** There are no forfeited contributions that may be used by the Group (as employer) to reduce the existing level of contributions.

*** These items are included in "Other operating expenses" in profit or loss.

8. INCOME TAX

Pursuant to the rules and regulation of the Cayman Islands and the BVI, the Group is not subject to any income tax in the Cayman Islands and the BVI. Hong Kong profits tax has been provided at the rate of 16.5% (2023: 16.5%) on the estimated assessable profits arising in Hong Kong during the year, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime. The first HK$2,000,000 (2023: HK$2,000,000) of assessable profits of this subsidiary are taxed at 8.25% (2023: 8.25%) and the remaining assessable profits are taxed at 16.5% (2023: 16.5%). The PRC tax and Macau tax have been provided at the rates of 25% (2023: 25%) and 12% (2023: 12%), respectively, on the estimated profits arising in the PRC and Macau during the year.

	Year ended 31 December	
	2024	2023
	HK$'000	*HK$'000*
Current – Hong Kong		
Charge for the year	**23,504**	18,434
Underprovision in prior years	**47**	67
Current – Elsewhere	**989**	251
Deferred	**(9,048)**	3,356
Total tax charge for the year	**15,492**	22,108

9. DIVIDENDS

	Year ended 31 December	
	2024	2023
	HK$'000	*HK$'000*
Interim dividend – HK2.50 cents (2023: HK3.40 cents) per ordinary share	**25,135**	34,184
Proposed final dividend – HK2.50 cents (2023: HK3.50 cents) per ordinary share	**24,286**	35,189
Proposed special dividend – HK7.50 cents (2023: HK3.50 cents) per ordinary share	**72,856**	35,189
	122,277	104,562

The proposed final dividend and special dividend for the year are subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

10. EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of the basic earnings per share for the year ended 31 December 2024 is based on the profit for the year attributable to owners of the Company of HK$62,749,000 (31 December 2023: HK$93,836,000) and the weighted average number of ordinary shares of 1,005,302,000 (31 December 2023: 1,005,399,000 ordinary shares) outstanding during the year.

The Group had no potentially dilutive ordinary shares in issue during the years ended 31 December 2024 and 2023.

The calculations of basic and diluted earnings per share are based on:

	2024	2023
	HK$'000	*HK$'000*
Earnings		
Profit attributable to ordinary equity holders of the Company, used in the basic and diluted earnings per share calculation	**62,749**	93,836

	Number of shares	
	2024	2023
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic and diluted earnings per share calculation*	**1,005,302,000**	1,005,399,000

* The weighted average number of ordinary shares has accounted for the effect of treasury shares held.

11. TRADE RECEIVABLES

	2024	2023
	HK$'000	*HK$'000*
Trade receivables	**28,203**	38,246

The Group's trading terms with its customers are mainly on cash, credit card, electronic settlement and on credit. The credit period is generally a few days 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 the reporting period, based on the invoice date, is as follows:

	2024	2023
	HK$'000	*HK$'000*
Within 1 month	**23,655**	32,265
1 to 2 months	**2,985**	5,209
2 to 3 months	**424**	513
Over 3 months	**1,139**	259
Total	**28,203**	38,246

12. 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:

	2024	2023
	HK$'000	*HK$'000*
Within 1 month	**74,796**	69,713
1 to 2 months	**6,301**	8,386
2 to 3 months	**554**	990
Over 3 months	**3,618**	4,018
Total	**85,269**	83,107

13. ISSUED CAPITAL

	Number of shares	**Share capital**
		HK$'000
Authorised:		
Ordinary shares of HK0.01 each as at 1 January 2023, 31 December 2023, 1 January 2024 and 31 December 2024	10,000,000,000	100,000
Issued and fully paid:		
As at 1 January 2023, 31 December 2023, 1 January 2024 and 31 December 2024	1,005,399,000	10,054

Note:

On 17 May 2024, the Company's shareholders granted a general mandate (the "Repurchase Mandate 2024") to the directors of the Company to repurchase shares of the Company at the annual general meeting. Pursuant to the Repurchase Mandate 2024, the Company is allowed to repurchase up to 100,539,900 shares, being 10% of the total number of issued shares of the Company as at the date of the general meeting, on the Hong Kong Stock Exchange.

During the year ended 31 December 2024, the Company repurchased 6,440,000 of its ordinary shares on the Stock Exchange at a total consideration of HK$4,784,000. As of 31 December 2024, these shares were yet to be cancelled but would be cancelled subsequently and were included in "Reserves" in the consolidated statement of financial position.

14. 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 (the "Shareholders") 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.

There were no outstanding share options under the Pre-IPO Share Option Scheme as at 31 December 2024 and 2023.

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

(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 on 22 May 2019 (the "Adoption Date") 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.

Since the Adoption Date and up to 31 December 2024, no share options of the Company were granted, exercised, cancelled or lapsed under the Post-IPO Share Option Scheme.

MANAGEMENT DISCUSSION AND ANALYSIS

Overall Performance

The Board of the Company announces the annual results of the Group for the year ended 31 December 2024 (the "Review Year" or "FY2024"), together with the comparative figures of 2023 ("FY2023").

In FY2024, endeavouring to present Hong Kong as Events Capital of Asia, the HKSAR Government introduced a raft of measures to boost the tourism, which has been a powerhouse for overall economic growth of the city. The market environment, however, has been complex and volatile, while visitor arrivals have increased, the enthusiasm of Hong Kong residents travelling to northbound to spend has continued. Meanwhile, in Mainland China, the catering market was shattered by sluggish economic recovery, weak consumption and high operating costs.

To tackle these market and economic challenges, the Group took targeted steps aiming at consolidating its foundation. It integrated internal and external resources and actively adopted cost control. Moreover, it has explored and restructured its operating model and restaurant network, as well as implemented a multi-brand strategy to satisfy the demand of different consumer bases. With such initiatives, the Group's business demonstrated resilience in the market. In FY2024, driven by its core brands, the Group's revenue increased by 2.5% to approximately HK$3,292.0 million (FY2023: HK$3,212.0 million). Its gross profit was approximately HK$2,433.5 million (FY2023: HK$2,369.4 million) and gross profit margin was 73.9% (FY2023: 73.8%). Following its continuous efforts to increase revenue and reduce costs, the Group saw a rebound in the results for the second half of 2024 with profit attributable to owners reaching HK$52.0 million, outstripping the profit attributable to owners for the first half of 2024 (HK$10.7 million) and for the second half of 2023 (HK$48.5 million), evidencing the steady recovery of its business. Profit attributable to owners of the Company for the year was HK$62.7 million (FY2023: HK$93.8 million). Excluding loss on disposal of items of property, plant and equipment and impairment losses, profit attributable to owners for the year would be HK$114.8 million (FY2023: HK$132.5 million). Basic earnings per share attributable to owners of the Company was HK6.24 cents (FY2023: HK9.33 cents).

The Group maintained a healthy financial position with sufficient cash and steady operating cash flows, allowing it to promptly respond to market changes and promote long-term development. As at 31 December 2024, the Group had no bank borrowings and had cash and cash equivalents of HK$330.8 million (as at 31 December 2023: HK$328.1 million), and recorded positive cash flows from operating activities.

Although the market condition is still full of challenges, the Board is confident in the future development of the Group. In addition to repurchasing of shares of approximately HK$30 million completed in January 2025 (with the relevant shares being cancelled in February 2025), the Board will continue its stable dividend policy. Hence, apart from proposing a final dividend of HK2.50 cents per share (2023: HK3.50 cents per share), it has also proposed a special dividend of HK7.50 cents per share (2023: HK3.50 cents per share) as the Group celebrated its 35th anniversary and the 5th anniversary of the listing of the Company, to reward all shareholders for their continued support.

Other Income and Gains

Other income and gains consist mainly of bank interest income, subsidies received from utility companies for the purchase of equipment and rental income. During the Review Year, other income and gains decreased slightly to HK$17.1 million (FY2023: HK$18.6 million).

Operating Costs

Cost of Materials Consumed

During the Review Year, the cost of materials consumed amounted to HK$858.4 million (FY2023: HK$842.6 million) and, as expressed as a percentage of revenue, decreased marginally by 0.1 percentage point to 26.1% (FY2023: 26.2%). The Group continued to implement the strategy of procurement at source and identify quality suppliers to ensure premium materials are procured at controllable cost. At the same time, the Group strived to coordinate its operations in Hong Kong and Mainland China. By shifting the production of competitive food products to factories in Mainland China, the Group was able to take advantage of regional price difference. In FY2024, the Group shifted back the majority of the outsourced processing and production of food ingredients to its own plants, where standardised production processes were put in place to further enhance quality and save cost. In addition, the Group kept introducing automated equipment and intensified staff training to improve production capacity and quality control.

Staff Costs

Confronted with a tight labour market, the Group adopted a multi-pronged approach to maintain its service quality and operational efficiency. During the Review Year, it actively recruited talents and, through the Talent Admission Schemes, added new blood to its manpower to raise service standards. Also, through bringing in automated machines, the Group has upgraded its self-ordering and self-checkout systems to alleviate staff workload, which has in turn raised operational efficiency. Furthermore, training programmes and outbound training activities were provided to help enhance employees' service awareness and professional knowledge as well as team spirit. In FY2024, staff costs amounted to HK$1,188.8 million (FY2023: HK$1,133.6 million), and staff cost as a percentage of revenue was 36.1% (FY2023: 35.3%).

Amortisation of Right-of-Use Assets, Rental and Related Expenses

The Group mainly focuses on its business layout in Hong Kong retail spaces in shopping malls, supplemented by street-front stores to cater for different customer groups. In FY2024, there was a steady growth in respect of high-street shop rents on the strength of sustained leasing demand and a relatively healthy vacancy rate. In view of this new market landscape, the Group's internal team proactively conducted detailed in-house analyses of the lease arrangements and the locations of restaurant network. Meanwhile, the Group took the initiative in the negotiations with the landlords for renewals of existing, and signing of new, tenancy agreements, with the aim of leasing retail spaces in prime locations on the most favourable terms for the Group's long-term business development. During the Review Year, the Group's amortisation of right-of use assets, rental and related expenses of HK$504.2 million remained at a similar level as last year (FY2023: HK$487.3 million), and the ratio of lease-related expenses to revenue was 15.3% (FY2023: 15.2%).

Other Operating Expenses

In addition to the aforementioned costs, the Group's other operating expenses for the Review Year was HK$460.6 million (FY2023: HK$463.2 million). The downtick compared with same period last year was mainly due to loss on disposal of items of property, plant and equipment being approximately HK$7 million less than that of the same period last year notwithstanding the higher revenue and operating expenses necessitated by increased businesses, as well as lower maintenance costs since more than 30 branches had completed refurbishment in the past two years. On the operational front, the demand for takeaway tableware and related expenses fell as a result of strict observance of the new regulation on disposable plastic products at the restaurants and by diners. The total unit cost of electricity also dropped slightly as compared with last year, resulting in the lower electricity expenses of the branches. In addition, at its effective internal control measures, the Group also managed to trim operating and administrative expenses.

Impairment Losses on Property, Plant and Equipment and Right-of-Use Assets

Coping with the challenging business environment in Hong Kong and the intensifying competition in the catering market in Mainland China, the Group revisited some of its under-performing branches and made provision for impairment. During the Review Year, the impairment losses on property, plant and equipment and right-of-use assets increased to HK$47.4 million from HK$27.1 million last year.

Industry and Geographical Analysis

The HKSAR Government places great importance on the development of the tourism economy. Through organising various mega events, the HKSAR Government seeks to enhance the experience of tourists to Hong Kong, so as to create higher tourism benefits while promoting at the same time development of peripheral industries. According to Hong Kong Tourism Board statistics, the provisional full-year visitor arrivals for 2024 were close to 45 million, up 31% year-on-year[1]. The Group actively responded to the promotional campaigns organised by government departments, large corporations and organisations, and therefore it was able to increase its brand influence and through event promotions such as visitor consumption vouchers, drive growth of restaurant turnover with higher footfall and visitor spending as well as greater brand awareness. Moreover, regarding business layout, the Group is committed to expanding its presence in Kai Tak, Tsim Sha Tsui, Central and other promising areas with development potential. During the Review Year, some of the Group's brands achieved same store growth and overall revenue exceeding that of last year.

As a result of the challenges of downgrade and intensifying competition in the Mainland China consumer market, consumers have been more inclined to spend on "necessary" food and beverage services that have good value for money. The current excess supply in the market has also weakened brand loyalty. During the Review Year, the Group carefully assessed market conditions and adjusted its operating and management strategies accordingly. To optimise resource allocation, the Group consolidated its strategic store network, including closing some less profitable stores so as to bolster overall resilience of its business.

[1] HKTB: https://partnernet.hktb.com/en/industry_news/hktb_updates/index.html?id=7507

Business Segment Analysis

With roots and presence in Hong Kong for over 35 years, in addition to its flagship “Tai Hing (太興)” brand, Tai Hing Group has acquired and been licensed a number of brands, including “Men Wah Bing Teng (敏華冰廳)”, “Trusty Congee King (靠得住)”, “Phở Lê (錦麗)”, “Sing Kee Seafood Restaurant (星記海鮮飯店)”, self-developed and launched “TeaWood (茶木)”, “Asam Chicken Rice (亞參雞飯)”, “Dimpot (點煲)”, “Dumpling Station (餃子駅)”, “TommyYummy”, “Tori Yoichi (鳥世一)”, “Bingle Bingle”, “ManShan Taipei (滿山 • 台北)”, “On Kim Pot Rice (安金稻)” and “Bashi Ramen (一橋拉麵)”, to suit the diverse preferences of diners.

As at 31 December 2024, the Group had a network of 211 restaurants (as at 31 December 2023: 211 restaurants), of which 180 were in Hong Kong and Macau, 31 were in Mainland China, and 17 out of the 31 were in the Greater Bay Area, excluding Hong Kong and Macau.

As the Group’s flagship brand, “Tai Hing” has remained the Group’s largest revenue contributor. Its revenue increased by 4.3% year-on-year to HK$1,258.6 million (FY2023: HK$1,206.3 million), accounting for 38.2% (FY2023: 37.6%) of the total revenue of the Group. During the Review Year, Tai Hing took the opportunity of its 35th anniversary to launch a comprehensive brand enhancement programme. A series of cross-media advertising and sales promotions were created to deepen Hong Kong resident’s emotional resonance with “Tai Hing Home Delicacies (太興家嚐飯)”. Close to half of the brand’s shops were redecorated to align with the brand image appealing to the younger generations. At the same time, the Group continued to refine its product mix and pricing strategy, introducing a variety of attractive sets at dinner hours to boost customer traffic and turnover.

Revenue from the “Men Wah Bing Teng” brand, the Group’s second largest revenue source, slightly decreased by 0.7% year-on-year to HK$886.3 million (FY2023: HK$893.0 million), accounting for 26.9% (FY2023: 27.8%) of total revenue of the Group. Such decline was mainly due to the strategic consolidation of stores in the Mainland China, which resulted in closure of some underperforming branches. Revenue from the “Men Wah Bing Teng” in Hong Kong increased by 11.7% year-on-year to HK$644.3 million (FY2023: HK$576.6 million). At the end of the year, the brand officially set foot in Kai Tak Sports Park, a new landmark venue in Hong Kong, to attract specific customer segments such as show-goers, nearby residents and the white collars. In addition, “Men Wah Bing Teng” continued to enrich its menu and launched seasonal specialties to boost customer traffic and the store’s operational capacity during different times of the day.

During the Review Year, revenue from “TeaWood” increased by 5.8% year-on-year to HK$365.7 million (FY2023: HK$345.7 million), accounting for 11.1% (FY2023: 10.8%) of the Group’s total revenue. In FY2024, “TeaWood” completed renovating some of its shops and continued to promote its branch image revitalisation programme, as well as having introduced meal deals and upsized meals in response to market demand to meet diversified consumer needs. “TeaWood” also organised a number of regional events, including interactive games, tasting sessions and coupon distribution, to create a buzz in the market.

"Asam Chicken Rice", the Group's Southeast Asian gourmet brand, continued to be one of its key brands. It delivered a steady performance that generated revenue of HK$249.5 million (FY2023: HK$247.0 million), representing a year-on-year growth of 1.0%. During the Review Year, the brand launched its first large-scale advertising campaign, "Look for the perfect Hainanese Chicken Rice", to build the image of preferred Singaporean and Malaysian delicacies. Apart from diversifying its menu, "Asam Chicken Rice" introduced limited-time takeaway offers and set menus, which were well received by the market.

During the Review Year, the Group's other brands also pushed to enhance their market penetration and competitiveness through diversified operating strategies and expansion plans. Among them, "Phở Lê"'s flagship restaurant in Vietnam, was included in the "MICHELIN Guide 2024 – Hanoi, Ho Chi Minh City & Da Nang" as a recommended restaurant, which presented the Group a golden opportunity to actively promote Vietnamese cuisine of Michelin quality that can be enjoyed in Hong Kong, so as to enhance brand awareness. Bagging the Michelin's Recommended Restaurant Award again, "Trusty Congee King" reached out to new customer segments through different channels with innovative dish ideas, which boosted same-store revenue growth of the store. "Sing Kee Seafood Restaurant" continued to maintain its high-quality and excellent service, earning for itself good market reputation.

Furthermore, the Group launched three new brands, "On Kim Pot Rice", "Bashi Ramen" and "ManShan Taipei" in the fourth quarter. "On Kim Pot Rice" attracted customers by offering Korean bibimbap that has good value for money, and was welcomed by the market. "Bashi Ramen" is dedicated to providing customers with high-quality Japanese ramen at an affordable price, and has drawn many patrons with its signature "one-thousand-yen ramen". Positioned as a healthy and natural restaurant, "ManShan Taipei", styled like a cozy cave and with rustic decoration, is dedicated to creating for customers a peaceful and relaxing dining ambience, and its unique ambience has indeed gained customers' fancy.

During the Review Year, the Group extended its marketing efforts to the Japanese market for the first time. Leveraging the popularity of Hong Kong movies there, the Group cooperated with Japanese television stations, media, as well as tourism-related enterprises and organisations to promote "Tai Hing", the "King of the Roast", and its signature barbecued pork, a representative delicacy of Hong Kong, to locals and enhance its brand awareness overseas. At the same time, the Group actively participated in events organised by organisations such as the Hong Kong Tourism Board and made full use of the resources to showcase Hong Kong's rich culinary culture and increase brand exposure among overseas visitors, thereby enhancing its brand awareness internationally and driving business growth.

Sustainable Development

In keeping with its "Tai Hing Care" spirit, Tai Hing Group actively promotes sustainable development and is committed to contributing to society. The Group strives to incorporate environmental, social and corporate governance ("ESG") philosophies into its daily operations and strategic planning, optimise sustainable development and promote green operations with best efforts, as well as actively introduce green technologies and adopt sustainable ingredients to reduce carbon emissions. In addition, in FY2024, the corporate volunteer team of the Group together with 21 social welfare organisations mounted 22 community and fundraising projects to benefit people in need. The Group also actively participated in sustainable development related forums to share with the public its strategy to promote green life and encourage the practice of low-carbon living. During the Review Year, the Group was recognised by the industry for its outstanding performance in ESG and received a number of important awards, including "BOCHK Corporate Low-carbon Environmental Leadership Awards" from the Federation of Hong Kong Industries, and was recognised as an EcoPioneer for the eighth consecutive year. The Group was also awarded the title of "2024 Sustainable Restaurant of the Year" and received the "Employee Sustainability Engagement Award" from the Hong Kong Smart Catering Association and Hong Kong Retail Technology Industry Association, plus the "Hong Kong Awards for Environmental Excellence Restaurants – Gold Award" from the Environmental Campaign Committee for the collaboration with an eco-friendly living APP – Zero2 by which over 2,000 employees participated in the decarbonisation campaign and 35,000 cups of milk tea were given away.

PROSPECTS

The PRC government resuming since December 2024 the multiple-entry Individual Visit Scheme (IVS) for permanent residents of Shenzhen and non-permanent residents of Shenzhen with residence permits, and the HKSAR Government publishing the Development Blueprint for Hong Kong's Tourism Industry 2.0 embracing the concept of "Tourism is everywhere in Hong Kong", have undoubtedly injected new impetus into Hong Kong's tourism, catering, retail, and other industries.

The Group has integrated traditional and innovative business philosophies and adopted a multi-brand strategy to seize the new opportunities bred by favourable government policies. "Tai Hing" will rebuild its brand image as "King of the Roast" focusing on siu mei products. "Men Wah Bing Teng" will launch nostalgic meal deals at dinner hours to spur sales. "TeaWood" targets to attract young customers by improving existing cuisine quality, developing new dishes and offering prepackaged by-products. "Asam Chicken Rice" will continue to please customers with creativity, rolling out brand new dishes, fresh summer snacks and special drinks. "Trusty Congee King" will increase brand exposure and e-commerce channels by opening more restaurants and re-tapping into e-commerce platforms and social media. In January 2025, the Group introduced "TOKENYO Korean BBQ Cuisine", a new brand spotlighting "Eatertainment" from Korea, to present customers with novel and interesting dining experiences.

In terms of marketing, the Group will ride on current market trends when promoting its brands, and join hands with major organizations and tourism boards, in a bid to expand its customer base, boost business presence and brand influence. Additionally, through diversified publicity channels, the Group will highlight the authentic food culture of its brands to increase brand exposure across various markets and consolidate its market position.

"Tai Hing App" is the Group's core platform for innovative marketing. To increase its influence and usage, the Group will actively explore cross-discipline and cross-company cooperation to strengthen its functions and service scope. It is developed with an eye to drawing in more customers with multiple member-exclusive e-coupons and in turn improving member experience and loyalty as well as restaurant turnover. As at end of the year, the "Tai Hing App" had close to 240,000 members. The warm reception from the market to e-coupons for dining introduced in March 2025 by the Group through "Tai Hing App" speaks volumes about the customer attachment and the influence it boasts.

Embracing the digital era, the Group will dig deeper into the e-commerce sector by employing e-commerce platforms such as "Neigbuy" to sell products through their online live streaming channel, and launching TV shows about food specials with Television Broadcasts Limited to buttress brand influence. In addition, the Group will carry out in-depth cooperation with Alipay, BoC Pay and other electronic payment platforms to offer more convenient payment experience to customers to help increase sales.

Going forward, to ensure its steady development while matching consumers' ever-changing consumption patterns, the Group will stay innovative and flexible. It will stay pragmatic and careful when planning future development, focusing on sustainable development and long-term profitability of its business, so as to create greater value for shareholders.

FINAL AND SPECIAL DIVIDENDS

The Board has proposed the payment of a final dividend of HK2.50 cents per share (2023: HK3.50 cents) and a special dividend of HK7.50 cents per share (2023: 3.50 cents) for the year ended 31 December 2024 payable to the shareholders of the Company (the "Shareholders") whose names appear on the register of members of the Company on Friday, 30 May 2025, subject to the approval of the Shareholders at the forthcoming annual general meeting of the Company (the "Annual General Meeting"). Subject to the proposed final and special dividends being approved by the Shareholders, the dividend warrants of the proposed final and special dividend are expected to be despatched to the Shareholders on or before Friday, 13 June 2025.

CLOSURE OF REGISTER OF MEMBERS

(1) For determining the eligibility of the Shareholders to attend and vote at the Annual General Meeting or any adjournment of such meeting:

    The Annual General Meeting is scheduled to be held on Friday, 23 May 2025. For determining the eligibility to attend and vote at the Annual General Meeting, the register of members of the Company will be closed from Tuesday, 20 May 2025 to Friday, 23 May 2025, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to be eligible to attend and vote at the Annual General Meeting, 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 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Monday, 19 May 2025.

(2) For determining the entitlement of the Shareholders to the proposed final and special dividends:

For determining the entitlement to the proposed final and special dividends for the year ended 31 December 2024, the register of members of the Company will be closed from Thursday, 29 May 2025 to Friday, 30 May 2025, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to qualify for the proposed final and special dividends for the year ended 31 December 2024, 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 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Wednesday, 28 May 2025.

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 and proceeds received from listing of shares of the Company on the Stock Exchange on 13 June 2019 ("Listing"). As at 31 December 2024, the Group's cash and cash equivalents were approximately HK$330.8 million (as at 31 December 2023: approximately HK$328.1 million), representing an increase of approximately 0.8%, which mainly came from the positive operating cash flow from restaurant operation and sale of food products. Such fund was used for the purposes of opening new restaurants, enhancement and expansion of food factories in Hong Kong and Mainland China, renovation of existing restaurants, and shares repurchase during the Review Year. The majority of the bank deposits and cash were denominated in Hong Kong dollars and Renminbi.

As at 31 December 2024, the Group's total current assets and current liabilities were approximately HK$532.1 million (as at 31 December 2023: approximately HK$566.2 million) and approximately HK$756.6 million (as at 31 December 2023: approximately HK$800.3 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 0.7 times (as at 31 December 2023: approximately 0.7 times). After excluding current portion of lease liabilities and contract liabilities, the adjusted net current assets were approximately HK$204.4 million as at 31 December 2024 (as at 31 December 2023: HK$212.4 million), while the adjusted current ratio (calculated by dividing total current assets by total current liabilities excluding current portion of lease liabilities and contract liabilities at the end of respective periods) was approximately 1.6 times (as at 31 December 2023: approximately 1.6 times).

The Group did not have any interest-bearing bank borrowings as at 31 December 2024 (as at 31 December 2023: Nil). During the year ended 31 December 2024, there were no financial instruments used for hedging purposes.

As at 31 December 2024, the gearing ratio of the Group was 56.0% (as at 31 December 2023: 55.9%). The gearing ratio is calculated by dividing net debt by capital plus net debt. Net debt includes contract liabilities, lease liabilities, trade payables, other payables and accruals, less cash and cash equivalents. Capital represents the equity attributable to owners of the Company.

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.

Capital Expenditure and Commitment

During the Review Year, the Group's capital expenditure (excluding right-of-use assets) was HK$127.4 million (FY2023: HK$142.8 million). As at 31 December 2024, the Group's outstanding contractual commitments were HK$3.5 million (as at 31 December 2023: HK$10.4 million). The outstanding contractual commitments consist of leasehold improvements and equipment which are contracted, but not provided for, and will be fulfilled by the operating cash flow generated from ordinary business of the Group.

Contingent Liabilities

As at 31 December 2024, the Group had contingent liabilities of approximately HK$62.1 million (as at 31 December 2023: approximately HK$54.0 million) in respect of bank guarantees given in favour of the landlords and utility companies in lieu of deposits.

CHARGE ON GROUP ASSETS

As at 31 December 2024, the Group had certain property, plant and equipment and right-of-use assets with an aggregate net carrying value of approximately HK$205.9 million (as at 31 December 2023: HK$218.1 million) which were pledged to secure the bank facilities granted to the Group.

MATERIAL ACQUISITIONS AND DISPOSAL

Save as disclosed herein, for the year ended 31 December 2024, the Group did not have any other material acquisitions and disposals of subsidiaries, associates, joint ventures, significant investments nor contractual commitment. Apart from those disclosed herein, there was no plan for other material investments or additions of capital assets at the date of this announcement.

HUMAN RESOURCES

The Group had approximately 6,200 employees as at 31 December 2024 (as at 31 December 2023: approximately 6,300). The emolument policy of the employees of the Group is set up by the senior management of the Group on the basis of their merit, qualifications and competence. The emoluments of the Directors and senior management of the Company are decided by the Remuneration Committee, having regard to the Company's operating results, individual performance and prevailing market conditions.

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 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 of the Company dated 30 May 2019. During the year ended 31 December 2024, no share options were exercised, cancelled or lapsed. There was no outstanding share option of the Company under the Pre-IPO Share Option Scheme as at 31 December 2024. No share options were granted under the Post-IPO Share Option Scheme from the date of listing of the shares of the Company on the Stock Exchange on 13 June 2019 and up to 31 December 2024.

PURCHASE, SALE AND REDEMPTION OF LISTED SECURITIES

During the year ended 31 December 2024, the Company repurchased a total of 6,440,000 shares on the Stock Exchange for an aggregate amount (excluding trading expenses) of approximately HK$4,784,000 in December 2024. The highest and lowest price paid per share for such purchases were HK$0.78 and HK$0.70 respectively. Such repurchased shares were subsequently cancelled on 28 February 2025. The Board believes that the share repurchase is able to show the Company's confidence in the long-term prospect of its business and will bring benefits to the Company and value to its Shareholders in the long run, and therefore is in the best interests of the Company and its Shareholders as a whole.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

After the year ended 31 December 2024, the Company repurchased 27,540,000 of its ordinary shares on the Stock Exchange at a total consideration of HK$25,120,320. All these shares together with those purchased during December 2024 were cancelled on 28 February 2025.

AUDIT COMMITTEE REVIEW

The audit committee of the Company has reviewed with the management of the Company the accounting principles and practices adopted by the Group and discussed with the management regarding matters on risk management and internal control system and financial reporting, including review of the consolidated financial statements for the year ended 31 December 2024.

SCOPE OF WORK OF THE COMPANY'S AUDITOR

The figures in respect of the Group's consolidated statement of financial position as at 31 December 2024, consolidated statement of profit or loss, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2024 as set out in this announcement have been agreed by the Company's auditor, Ernst & Young, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by Ernst & Young in this respect did not constitute an assurance engagement and consequently no assurance has been expressed by Ernst & Young on this announcement.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company has complied with the code provisions of the Corporate Governance Code as set out in Part 2 of Appendix C1 of the Rules Governing the listing of Securities on the Stock Exchange (the "Listing Rules") throughout the year ended 31 December 2024.

COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix C3 of the Listing Rules as its own code of conduct regarding securities transactions by the Directors. Having made specific enquiries with all Directors, they have confirmed their compliance with the required standard set out in the Model Code throughout the year ended 31 December 2024.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This annual results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.taihing.com). The annual report of the Company for the year ended 31 December 2024 containing all the information required by the Listing Rules will be disseminated to the Shareholders and published on the respective 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, 26 March 2025

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

Executive Directors
Mr. Chan Wing On (Chairman), Mr. Yuen Chi Ming 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