



Tao Heung Holdings Limited
稻香控股有限公司*

(Incorporated in the Cayman Islands with Limited Liability)

Stock Code : 573

* For identification purposes only

2025
INTERIM REPORT



CONTENTS

2	Corporate Information
3	Financial Highlights
	Interim Condensed Consolidated Financial Statements
5	Condensed Consolidated Statement of Profit or Loss
6	Condensed Consolidated Statement of Comprehensive Income
7	Condensed Consolidated Statement of Financial Position
9	Condensed Consolidated Statement of Changes in Equity
10	Condensed Consolidated Statement of Cash Flows
12	Notes to the Condensed Consolidated Financial Statements
24	Management Discussion and Analysis
30	Other Information





CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Chung Wai Ping (*Chairman and Chief Executive Officer*)
Mr. Wong Ka Wing
Mr. Ho Yuen Wah
Mr. Chung Chun Fung

Non-executive Directors

Mr. Fong Siu Kwong
Mr. Chan Yue Kwong, Michael

Independent non-executive Directors

Professor Chan Chi Fai, Andrew
Mr. Mak Hing Keung, Thomas
Mr. Ng Yat Cheung
Ms. Wong Fun Ching

COMPANY SECRETARY

Mr. Lai Chi Kin

AUTHORISED REPRESENTATIVES

Mr. Chung Chun Fung
Mr. Lai Chi Kin

MEMBERS OF AUDIT COMMITTEE

Mr. Mak Hing Keung, Thomas (*Chairman*)
Professor Chan Chi Fai, Andrew
Mr. Chan Yue Kwong, Michael
Ms. Wong Fun Ching

MEMBERS OF NOMINATION COMMITTEE

Professor Chan Chi Fai, Andrew (*Chairman*)
Mr. Ng Yat Cheung
Mr. Chan Yue Kwong, Michael
Ms. Wong Fun Ching (Appointed with effective from
1 July 2025)

MEMBERS OF REMUNERATION COMMITTEE

Mr. Ng Yat Cheung (*Chairman*)
Mr. Fong Siu Kwong
Mr. Mak Hing Keung, Thomas

REGISTERED OFFICE

Cricket Square, Hutchins Drive
P.O. Box 2681, Grand Cayman
KY1-1111, Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

No. 18 Dai Fat Street, Tai Po Industrial Estate
Tai Po, New Territories, Hong Kong

PRINCIPAL SHARE REGISTRAR

Suntera (Cayman) Limited
Suite 3204, Unit 2A, Block 3, Building D
P.O. Box 1586, Gardenia Court, Camana Bay
Grand Cayman KY1-1100, Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
Shops 1712–16, 17th Floor, Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
BNP Paribas, Hong Kong Branch
China CITIC Bank Corporation Limited
Hang Seng Bank Limited
Industrial and Commercial Bank of China Limited
Standard Chartered Bank (Hong Kong) Limited
The Hongkong and Shanghai Banking Corporation Limited

PRINCIPAL AUDITORS

Ernst & Young
Certified Public Accountants
Registered Public Interest Entity Auditor

STOCK CODE

573

WEBSITE

www.taoheung.com.hk



FINANCIAL HIGHLIGHTS

		Six months ended 30 June		
	Notes	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000	% Change Decrease
Performance				
Revenue		1,139,706	1,285,575	(11.3%)
(Loss)/profit attributable to equity holders of the Company		(36,957)	4,022	(1,018.9%)
Gross profit margin		6.1%	7.4%	(17.6%)
Net (loss)/profit margin	1	(3.2%)	0.3%	(1,166.7%)
Per Share Data		HK cents	HK cents	
(Loss)/earnings per share				
— Basic		(3.64)	0.40	(1,010.0%)
— Diluted		(3.64)	0.40	(1,010.0%)
		30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000	% Change Increase/ (Decrease)
Total assets		1,852,142	1,874,536	(1.2%)
Net assets		1,120,195	1,154,163	(2.9%)
Cash and cash equivalents		206,888	213,316	(3.0%)
Net cash	2	161,412	158,223	2.0%
Liquidity and Gearing				
Current ratio	3	1.0	1.0	—
Quick ratio	4	0.8	0.8	—
Gearing ratio	5	4.1%	4.8%	(14.6%)
Per Share Data		HK cents	HK cents	
Net assets per share	6	110.43	113.78	(2.9%)
Net cash per share	7	15.91	15.60	2.0%



FINANCIAL HIGHLIGHTS

Notes:

1. Net (loss)/profit margin is calculated as net (loss)/profit attributable to equity holders of the Company divided by revenue.
2. Net cash is cash and cash equivalents less interest-bearing bank borrowings.
3. Current ratio is calculated as current assets divided by current liabilities.
4. Quick ratio is calculated as current assets less inventories divided by current liabilities.
5. Gearing ratio is calculated as interest-bearing bank borrowings divided by total equity attributable to equity holders of the Company.
6. Net assets per share is calculated based on the number of 1,014,348,000 issued shares (31 December 2024: 1,014,348,000 issued shares).
7. Net cash per share is calculated based on the number of 1,014,348,000 issued shares (31 December 2024: 1,014,348,000 issued shares).



CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2025

INTERIM RESULTS (UNAUDITED)

The board of directors (the “Board”) of Tao Heung Holdings Limited (the “Company”), together with its subsidiaries (collectively the “Group”), hereby announces the unaudited condensed consolidated interim results of the Group for the six months ended 30 June 2025 together with comparative figures for the corresponding period in 2024. These interim condensed consolidated financial statements for the six months ended 30 June 2025 have not been audited, but have been reviewed by the Audit Committee of the Company.

		Six months ended 30 June	
	Notes	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
REVENUE	5	1,139,706	1,285,575
Cost of sales		(1,070,051)	(1,190,547)
Gross profit		69,655	95,028
Other income and gains, net	5	10,760	34,048
Selling and distribution expenses		(27,627)	(28,014)
Administrative expenses		(67,189)	(73,814)
Other expenses, net		(10,354)	(10,112)
Finance costs	6	(8,501)	(9,886)
Share of profits/(losses) of associates		1,115	(198)
(LOSS)/PROFIT BEFORE TAX	7	(32,141)	7,052
Income tax (expense)/credit	8	(3,634)	2,378
(LOSS)/PROFIT FOR THE PERIOD		(35,775)	9,430
Attributable to:			
Equity holders of the Company		(36,957)	4,022
Non-controlling interests		1,182	5,408
		(35,775)	9,430
(LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY			
— Basic (HK cents)	10	(3.64)	0.40
— Diluted (HK cents)	10	(3.64)	0.40



CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2025

	Six months ended 30 June	
	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
(LOSS)/PROFIT FOR THE PERIOD	(35,775)	9,430
OTHER COMPREHENSIVE (LOSS)/INCOME		
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	3,035	(8,245)
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD	(32,740)	1,185
Attributable to:		
Equity holders of the Company	(33,647)	(3,864)
Non-controlling interests	907	5,049
	(32,740)	1,185



CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

	Notes	30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment	11	639,776	659,409
Right-of-use assets	11	502,477	452,120
Investment properties	11	23,100	23,100
Goodwill		36,537	36,134
Other intangible asset		—	—
Investments in associates		12,674	11,559
Deferred tax assets		125,632	125,385
Deposits and other receivable		50,789	43,010
Deposits for purchases of items of property, plant and equipment		653	3,579
Total non-current assets		1,391,638	1,354,296
CURRENT ASSETS			
Inventories		100,410	117,655
Trade receivables	12	39,202	45,770
Prepayments, deposits and other receivables		99,683	122,206
Tax recoverable		3,375	6,635
Pledged deposits		10,946	14,658
Cash and cash equivalents		206,888	213,316
Total current assets		460,504	520,240
CURRENT LIABILITIES			
Trade payables	13	72,600	89,828
Other payables and accruals		177,140	188,219
Interest-bearing bank borrowings		19,064	21,342
Lease liabilities		195,992	190,158
Tax payable		6,886	9,732
Total current liabilities		471,682	499,279
NET CURRENT (LIABILITIES)/ASSETS		(11,178)	20,961
TOTAL ASSETS LESS CURRENT LIABILITIES		1,380,460	1,375,257



CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

	30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
NON-CURRENT LIABILITIES		
Other payables and accruals	10,700	8,679
Interest-bearing bank borrowings	26,412	33,751
Lease liabilities	203,200	158,859
Deferred tax liabilities	19,953	19,805
Total non-current liabilities	260,265	221,094
Net assets	1,120,195	1,154,163
EQUITY		
Equity attributable to equity holders of the Company		
Issued capital	101,435	101,435
Reserves	1,001,820	1,035,467
Non-controlling interests	1,103,255 16,940	1,136,902 17,261
Total equity	1,120,195	1,154,163



CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

	Attributable to equity holders of the Company									Non-controlling interests	Total equity
	Issued capital	Share premium	Capital reserve	Other reserve	Share option reserve	Capital redemption reserve	Exchange fluctuation reserve	Retained profits	Total		
	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000		
At 1 January 2024	101,435	324,851	110,748	(21,455)	3,531	509	(60,720)	774,135	1,233,034	21,221	1,254,255
Profit for the period	–	–	–	–	–	–	–	4,022	4,022	5,408	9,430
Other comprehensive loss for the period: Exchange differences on translation of foreign operations	–	–	–	–	–	–	(7,886)	–	(7,886)	(359)	(8,245)
Total comprehensive income/(loss) for the period	–	–	–	–	–	–	(7,886)	4,022	(3,864)	5,049	1,185
Dividends paid to a non-controlling shareholder	–	–	–	–	–	–	–	–	–	(7,178)	(7,178)
Transfer of share option reserve upon the forfeiture of share options	–	–	–	–	(123)	–	–	123	–	–	–
Final 2023 dividend (note 9)	–	–	–	–	–	–	–	(30,430)	(30,430)	–	(30,430)
At 30 June 2024	101,435	324,851*	110,748*	(21,455)*	3,408*	509*	(68,606)*	747,850*	1,198,740	19,092	1,217,832
At 1 January 2025	101,435	324,851	110,748	(21,455)	2,860	509	(73,621)	691,575	1,136,902	17,261	1,154,163
(Loss)/profit for the period	–	–	–	–	–	–	–	(36,957)	(36,957)	1,182	(35,775)
Other comprehensive income/(loss) for the period: Exchange differences on translation of foreign operations	–	–	–	–	–	–	3,310	–	3,310	(275)	3,035
Total comprehensive income/(loss) for the period	–	–	–	–	–	–	3,310	(36,957)	(33,647)	907	(32,740)
Dividends paid to a non-controlling shareholder	–	–	–	–	–	–	–	–	–	(1,228)	(1,228)
Transfer of share option reserve upon the forfeiture of share options	–	–	–	–	(105)	–	–	105	–	–	–
At 30 June 2025	101,435	324,851*	110,748*	(21,455)*	2,755*	509*	(70,311)*	654,723*	1,103,255	16,940	1,120,195

* These reserve accounts comprise the consolidated reserves of HK\$1,001,820,000 (30 June 2024: HK\$1,097,305,000) in the condensed consolidated statement of financial position.



CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025

		Six months ended 30 June	
	Notes	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss)/profit before tax		(32,141)	7,052
Adjustments for:			
Interest income	5	(1,733)	(3,892)
Gain on termination of leases	5	(1,779)	(9,060)
Finance costs	6	8,501	9,886
Write-off of items of property, plant and equipment	7	3,315	14
Impairment of items of property, plant and equipment, net	7	4,223	4,238
Impairment of right-of-use assets, net	7	3,265	6,362
Depreciation of items of property, plant and equipment	7	62,721	70,344
Depreciation of right-of-use assets	7	95,657	96,502
Reversal of impairment of trade receivables, net	7	(449)	(502)
Share of (profits)/losses of associates		(1,115)	198
		140,465	181,142
Decrease in inventories		18,813	27,308
Decrease in trade receivables		7,839	6,380
Decrease in prepayments, deposits and other receivables		15,946	20,227
Decrease in trade payables		(18,579)	(50,509)
Decrease in other payables and accruals		(19,363)	(38,559)
		145,121	145,989
Cash generated from operations		(1,425)	(1,808)
Interest paid		(2,206)	(9,254)
Hong Kong profits tax paid		(749)	4,903
Overseas tax (paid)/refund			
Net cash flows from operating activities		140,741	139,830



CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025

	Six months ended 30 June	
	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of items of property, plant and equipment	(35,473)	(14,680)
Deposits paid for purchases of items of property, plant and equipment	(579)	(4,141)
Interest received	1,733	3,892
Decrease/(increase) in pledged deposits	4,127	(141)
Increase in non-pledged time deposits with original maturity of more than three months when acquired	—	(14,328)
Net cash flows used in investing activities	(30,192)	(29,398)
CASH FLOWS FROM FINANCING ACTIVITIES		
New bank loans	4,500	—
Repayment of bank loans	(14,117)	(30,811)
Principal portion of lease payments	(93,621)	(99,397)
Interest element of lease payments	(7,076)	(8,078)
Dividends paid	—	(30,430)
Dividends paid to non-controlling shareholder of subsidiaries	(1,228)	(7,178)
Net cash flows used in financing activities	(111,542)	(175,894)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(993)	(65,462)
Cash and cash equivalents at beginning of period	213,316	344,598
Effect of foreign exchange rate changes, net	(5,435)	(4,038)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	206,888	275,098
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and cash equivalents as stated in the condensed consolidated statement of cash flows	206,888	275,098
Non-pledged time deposits with original maturity of more than three months when acquired	—	14,876
Cash and cash equivalents as stated in the condensed consolidated statement of financial position	206,888	289,974



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

1. CORPORATE INFORMATION

The Company was incorporated in the Cayman Islands on 29 December 2005 as an exempted company with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The registered office address of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and its principal place of business in Hong Kong is located at No. 18 Dai Fat Street, Tai Po Industrial Estate, Tai Po, New Territories, Hong Kong.

During the period, the Group was involved in the following principal activities:

- restaurant operations and provision of food catering services
- bakery operations
- production, sale and distribution of food products and other items related to restaurant operations
- poultry farm operations

2. BASIS OF PREPARATION

These unaudited interim condensed consolidated financial statements for the six months ended 30 June 2025 (the “Unaudited Interim Financial Statements”) have been prepared in accordance with the Hong Kong Accounting Standard (“HKAS”) 34 *Interim Financial Reporting*.

These Unaudited Interim Financial Statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements for the year ended 31 December 2024.

As at 30 June 2025, the Group had net current liabilities of HK\$11,178,000 which included the current portion of lease liabilities of HK\$195,992,000. The directors believe that the Group has sufficient cash flows from operations and available banking facilities to meet its liabilities as and when they fall due. Therefore, the Unaudited Interim Financial Statements are prepared on a going concern basis.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the Unaudited Interim Financial Statements are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of the following amended HKFRS Accounting Standard for the first time for the current period's financial information.

Amendments to HKAS 21	<i>Lack of Exchangeability</i>
-----------------------	--------------------------------

The nature and impact of the amended HKFRS Accounting Standard are described below:

Amendments to HKAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted with and the functional currencies of group entities for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the interim condensed consolidated financial information.

4. OPERATING SEGMENT INFORMATION

The Group is principally engaged in the provision of food catering services through a chain of restaurants and bakery shops. Information reported to the Group's chief operating decision maker (i.e., the chief executive officer) for the purpose of resources allocation and performance assessment, focuses on the operating results of the Group as a whole as the Group's resources are integrated and no discrete operating segment financial information is available. Accordingly, no operating segment information is presented.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

4. OPERATING SEGMENT INFORMATION (CONTINUED)

Geographical information

The following tables present revenue from external customers for the six months ended 30 June 2025 and 2024 and certain non-current asset information as at 30 June 2025 and 31 December 2024, by geographic area.

(a) Revenue from external customers

	Six months ended 30 June	
	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
Hong Kong	787,036	838,148
Chinese Mainland	352,670	447,427
	1,139,706	1,285,575

The revenue information above is based on the location of the customers.

(b) Non-current assets

	30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
Hong Kong	580,146	506,538
Chinese Mainland	635,071	679,363
	1,215,217	1,185,901

The non-current asset information above is based on the locations of assets and excludes financial assets and deferred tax assets.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

5. REVENUE, OTHER INCOME AND GAINS, NET

An analysis of revenue is as follows:

	Six months ended 30 June	
	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
REVENUE FROM CONTRACTS WITH CUSTOMERS		
Restaurant and bakery operations	1,001,375	1,132,831
Sale of food and other items	83,601	90,850
Poultry farm operations	54,730	61,894
	1,139,706	1,285,575

Disaggregated revenue information

	Six months ended 30 June	
	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
Geographical markets		
Hong Kong	787,036	838,148
Chinese Mainland	352,670	447,427
Total revenue from contracts with customers	1,139,706	1,285,575
Timing of revenue recognition		
At a point in time and total revenue from contracts with customers	1,139,706	1,285,575



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

5. REVENUE, OTHER INCOME AND GAINS, NET (CONTINUED)

An analysis of other income and gains, net is as follows:

	Six months ended 30 June	
	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
Bank interest income	1,733	3,892
Compensation received	966	15,306
Government grants*	346	1,314
Gross rental income	686	567
Sponsorship income	350	81
Gain on termination of leases	1,779	9,060
Others	4,900	3,828
	10,760	34,048

* Government grants mainly included various government grants received by certain subsidiaries in connection with setting up or the closure of certain facilities at a poultry farm and a logistics centre. Certain grants are credited to a deferred income account and are released to the statement of profit or loss over the useful lives of the relevant facilities. There are no unfulfilled conditions or other contingencies attaching to the government grants recognised.

6. FINANCE COSTS

An analysis of finance costs is as follows:

	Six months ended 30 June	
	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
Interest on bank loans	1,425	1,808
Interest on lease liabilities	7,076	8,078
	8,501	9,886

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

7. (LOSS)/PROFIT BEFORE TAX

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

	Six months ended 30 June	
	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
Cost of inventories sold	389,616	426,064
Depreciation of items of property, plant and equipment*	62,721	70,344
Depreciation of right-of-use assets*	95,657	96,502
Employee benefit expense (including directors' remuneration)*:		
Salaries and bonuses	328,963	381,604
Retirement benefit scheme contributions (defined contribution schemes)	22,828	23,779
	351,791	405,383
Lease payments not included in the measurement of lease liabilities*	1,777	6,507
Foreign exchange differences, net	343	(1,322)
Reversal of impairment of trade receivables, net [#]	(449)	(502)
Write-off of items of property, plant and equipment [#]	3,315	14
Impairment of items of property, plant and equipment, net [#]	4,223	4,238
Impairment of right-of-use assets, net [#]	3,265	6,362

* The cost of sales for the six months ended 30 June 2025 amounting to HK\$1,070,051,000 (six months ended 30 June 2024: HK\$1,190,547,000) included depreciation of items of property, plant and equipment of HK\$54,482,000 (six months ended 30 June 2024: HK\$66,248,000), depreciation of right-of-use assets of HK\$95,657,000 (six months ended 30 June 2024: HK\$96,404,000), employee benefit expense of HK\$341,769,000 (six months ended 30 June 2024: HK\$382,647,000), lease payments not included in the measurement of lease liabilities of HK\$1,777,000 (six months ended 30 June 2024: HK\$6,507,000).

[#] Included in "Other expenses, net" in the condensed consolidated statement of profit or loss.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

8. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (six months ended 30 June 2024: 16.5%) on the estimated assessable profits arising in Hong Kong during the period, 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 (six months ended 30 June 2024: HK\$2,000,000) of assessable profits of this subsidiary are taxed at 8.25% (six months ended 30 June 2024: 8.25%) and the remaining assessable profits are taxed at 16.5% (six months ended 30 June 2024: 16.5%). Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

	Six months ended 30 June	
	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
Current — Hong Kong		
Charge for the period	2,960	2,959
Overprovision in the prior periods	—	(26)
Current — Chinese Mainland		
Charge for the period	674	3,636
Deferred	—	(8,947)
Total tax expense/(credit) for the period	3,634	(2,378)

9. DIVIDENDS

	Six months ended 30 June	
	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
Dividends recognised as distribution during the reporting period:		
2023 final dividend — HK3.00 cents per ordinary share	—	30,430

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

10. (LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

The calculation of the basic (loss)/earnings per share amount is based on the unaudited (loss)/profit for the six months ended 30 June 2025 and 2024, and the number of ordinary shares of 1,014,348,000 (six months ended 30 June 2024: 1,014,348,000) outstanding during the period.

No adjustment was made to the basic (loss)/earnings per share amount in respect of a dilution as the share options had no dilutive effect on the basic (loss)/earnings per share.

The calculations of basic and diluted (loss)/earnings per share are based on:

	Six months ended 30 June	
	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
(Loss)/profit		
(Loss)/profit attributable to equity holders of the Company, used in the basic and diluted (loss)/earnings per share calculation	(36,957)	4,022
	Number of shares	
	2025	2024
Shares		
Number of ordinary shares outstanding during the period used in the basic and diluted (loss)/earnings per share calculation	1,014,348,000	1,014,348,000

11. PROPERTY, PLANT AND EQUIPMENT, RIGHT-OF-USE ASSETS AND INVESTMENT PROPERTIES

During the six months ended 30 June 2025, additions of items of property, plant and equipment amounted to HK\$39,052,000 (six months ended 30 June 2024: HK\$14,680,000).

As at 30 June 2025, buildings and leasehold land included in right-of-use assets with a net carrying amount of HK\$26,175,000 (31 December 2024: HK\$26,854,000) and HK\$44,910,000 (31 December 2024: HK\$45,305,000), respectively, were pledged to secure banking facilities granted to the Group.

As at 30 June 2025, the Group's investment properties with a total carrying amount of HK\$18,900,000 (31 December 2024: HK\$18,900,000) were pledged to secure banking facilities granted to the Group.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

12. TRADE RECEIVABLES

	30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
Trade receivables	40,295	47,312
Impairment	(1,093)	(1,542)
	39,202	45,770

The Group's trading terms with its customers are mainly on cash and credit card settlement. The Group also grants a credit period between 30 to 90 days to certain customers. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. 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 and net of loss allowance, is as follows:

	30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
Within 1 month	22,852	24,947
1 to 3 months	11,317	14,369
Over 3 months	5,033	6,454
	39,202	45,770



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

12. TRADE RECEIVABLES (CONTINUED)

The movements in the loss allowance for impairment of trade receivables are as follows:

	30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
At beginning of period/year	1,542	1,866
Reversal of impairment losses, net (note 7)	(449)	(324)
At end of period/year	1,093	1,542

13. 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 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
Within 1 month	64,642	84,572
1 to 2 months	2,759	2,165
2 to 3 months	1,056	350
Over 3 months	4,143	2,741
	72,600	89,828

The trade payables are non-interest-bearing and generally have payment terms within 60 days.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

14. CONTINGENT LIABILITIES

At the end of the reporting period, contingent liabilities not provided for in the financial statements were as follows:

	30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
Bank guarantees given in lieu of utility and property rental deposits	28,154	31,094

15. COMMITMENTS

The Group had the following contractual commitments as at the end of the reporting period:

	30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
Leasehold improvements, furniture, fixtures and equipment	1,648	3,433

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

16. RELATED PARTY TRANSACTIONS

Compensation of key management personnel of the Group

	Six months ended 30 June	
	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
Short term employee benefits	3,894	4,396
Post-employment benefits	48	69
	3,942	4,465

17. FAIR VALUE OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of trade receivables, the current portion of financial assets included in prepayments, deposits and other receivables, pledged deposits, cash and cash equivalents, trade payables, current portion of financial liabilities included in other payables and accruals and interest-bearing bank borrowings approximate to their carrying amounts largely due to the short term maturities of these instruments.

The Group's management is responsible for determining the policies and procedures for the fair value measurement of financial instruments. At each reporting date, management analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by management. The valuation process and results are discussed with the audit committee once a year for annual financial reporting.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of the non-current portion of deposits and other receivable and interest-bearing bank borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The changes in fair value as a result of the Group's own non-performance risk for interest-bearing bank borrowings as at 30 June 2025 were assessed to be insignificant. In the opinion of the directors, their carrying amounts are not significantly different from their respective fair values.

18. APPROVAL OF THE UNAUDITED INTERIM FINANCIAL STATEMENTS

These Unaudited Interim Financial Statements were approved and authorised for issue by the Board on 28 August 2025.



MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Board hereby announces the interim results of the Group for the six months ended 30 June 2025 (the “Period”). During the Period, the food and beverage (F&B) industries in Hong Kong and Mainland China continued to face stiff challenges. In Hong Kong, the sector was severely impacted by “outbound travel”, and particularly “northbound consumption”. This exodus has only increased, as according to the Census and Statistics Department, outbound travel rose by approximately 15% year-on-year in the first half of 2025¹. Moreover, a sluggish local economy, weak housing sector, underperforming stock market, and uncertain employment outlook have all contributed to the overall weak consumer sentiment. In Mainland China, the industry has been confronted by a decline in large-scale corporate banquets and celebrations, fierce competition and cut-throat pricing, as well as a general preference for take-away rather than dine-in meals.

Amid such harsh conditions, the Group implemented various marketing strategies to boost customer traffic. Store renovations were undertaken as well to enhance the dining ambience. Additionally, value-for-money products and discounts were offered throughout the Period. Consequently, the Group was able to maintain relatively stable revenue, with only a slight decline experienced in Hong Kong. To address operating costs, continuous efforts were made to boost efficiency and control rental, staff and food costs, all of which remained at reasonable levels.

In view of structural changes underway in the Hong Kong market and evolving consumption patterns in Mainland China, the second half year is bound to be difficult as well. The management will therefore continue to dedicate effort towards strengthening the three core quality values (三優) of product quality, service quality and dining environment, as well as ramp up digitalisation and productivity enhancements, to increase competitiveness and achieve sustainable development.

Financial Results

The Group reported total revenue of approximately HK\$1,139.7 million (2024: HK\$1,285.6 million) for the Period, a contraction of approximately 11.3%. Gross profit margin (defined as total revenue less cost of inventories sold divided by total revenue) slipped to 65.8% (2024: 66.9%). Also, the Group recorded a loss attributable to equity holders of the Company of HK\$37.0 million (2024: Profit of HK\$4.0 million). Excluding one-off income items, such as compensation received, government grants and gains on termination of leases, recognised during the Period and the same period last year, net loss attributable to equity holders of the Company for the Period would have been HK\$40.0 million, compared with an net loss attributable to equity holders of the Company of HK\$21.7 million recorded for the same period last year.

Hong Kong Operations

The Hong Kong operations contributed revenue of HK\$787.0 million (2024: HK\$838.1 million) for the Period, which was down by approximately 6.1%. Earnings before interest, tax, depreciation and amortisation (EBITDA) totalled HK\$112.1 million (2024: HK\$118.3 million), slipping by 5.3%. Also, a loss attributable to equity holders of the Company of HK\$6.4 million (2024: Profit of HK\$5.5 million) was recorded.

¹ https://www.censtatd.gov.hk/en/data/stat_report/product/B1010002/att/B10100022025MM07B0100.pdf



MANAGEMENT DISCUSSION AND ANALYSIS

The retail and F&B sectors of Hong Kong have continued to face stiff headwinds in 2025. The general public has been travelling out of the city in greater frequency and numbers on weekends, long weekend and public holidays, while during weeknights, many prefer dining at home. Restaurant operators have continued to suffer as a consequence. The management has been closely observing customer preferences and monitoring market trends, and has introduced several product initiatives that proved popular among customers, helping drive sales during the Period. This has included the launch of the two-dish menu (兩餸飯) sets at selected restaurants for take-away. Enabling customers to enjoy restaurant-quality food at very reasonable prices, the sets were extremely well accepted. The Group is planning to expand the offer to more restaurants to capture high demand among local communities. Already, Fanling, Shatin, Hang Hau, Ho Man Tin and Tuen Mun restaurants have been renovated during the Period, for this purpose in mind. As for dine-in customers, early dining discounts (早啲開飯) were introduced specifically to encourage early dining, hence allowing restaurants to have more rounds of dinner business each day. Other promotions in place include the HK\$9.9 pigeon and lamb pots, and special dim sum offers priced at seven, eight and nine Hong Kong dollars (\$7/8/9 點心), to attract customers looking for greater value-for-money offerings, increase footfall and promote spending at the restaurants throughout the day.

As part of its 35th anniversary celebration, Tao Heung also collaborated with The Project Futurus in developing soft meal dishes to cater for the elderly and patients with swallowing difficulties. During the Period, a total of nine soft meal dishes were developed that met IDDSI standards, including such premium items as abalone and lobster, specialties like shrimp roe pomelo peel and lion's head (stewed meatballs), and popular items like barbeque pork and dim sums. The soft meal dishes have been available at the Group's premium F&B-style outlet, "Chung's Tea House" (鍾菜館) for dine-in consumption since May 2025. The initiative was in response to customers' desire to bring elderly family members with swallowing difficulties along when dining out, enabling them to enjoy tasty dishes and participate in celebrations, festive occasions and family gatherings.

With regard to operating costs, various expenses have remained relatively stable during the Period. Cost for food ingredients have been consistent with past financial periods due to effective global sourcing, menu planning and efforts to minimise wastage. Rent has declined modestly in line with market trends. As for labour, it has also been well controlled through automation and enhanced staff productivity. While the aforementioned costs have been managed, the combination of a decline in the top line and use of promotions to drive sales and customer traffic has inevitably impacted margins and bottom-line results quite significantly. The management has always been, and will continue to invest in technologies and management systems to enhance productivity and control costs.

Regarding the Group's Hong Kong restaurant portfolio, two new outlets were opened during the Period, while certain restaurants underwent renovation and rebranding to attract more target customers. The Group's brand "Chung's Kitchen" (鍾廚), which targets the customers who seek quality, yet also appreciate good value, was recognised as among Dining City's Best Restaurants during the Period. As at 30 June 2025, the Group had a total of 43 restaurants in Hong Kong (2024: 43). With respect to Tai Cheong bakeries, there were a total of 5 in Hong Kong (2024: 6) and 11 in Singapore (2024: 11).



MANAGEMENT DISCUSSION AND ANALYSIS

The OEM operation in Hong Kong grew healthily during the Period. With the Group's Hong Kong logistics centre securing the Food Safety System Certification ("FSSC") 22000 in 2024, customer type has expanded from restaurants, hotels, private clubs, canteens, theme park resorts and retail chain stores, to organisers of large-scale events in Hong Kong. In terms of product portfolio, the operation now encompasses Chinese-style products such as dim sum, siu mei (Chinese-style roast meats) and baked goods. With more international and large-scale events coming to Hong Kong on the back of support from the HKSAR Government, prospects for this segment, especially in terms of supplying to event organisers, look set to improve significantly going forward.

Mainland China Operations

The Mainland China operations generated HK\$352.7 million in revenue for the Period (2024: HK\$447.4 million), down by approximately 21.2%. EBITDA totalled approximately HK\$22.7 million (2024: HK\$65.5 million), down 65.3%, and a loss attributable to equity holders of the Company of HK\$30.5 million (2024: HK\$1.5 million) was recorded.

As in the recent past, competition in the Mainland China F&B market has remained fierce. This is particularly acute in the premium and middle-tier segments that the Group's restaurants operate in, which target relatively affluent customers and business organisations. Given the change in consumption pattern on the Mainland China, with substantially less demand for luxurious banquets for weddings, celebrations and corporate dinners, Tao Heung's restaurant operation has been severely impacted. Furthermore, with the closure of more than 10 restaurants in the previous financial year, and compounded by a decline in same-store sales at existing restaurants due to the aforementioned factors, segment revenue inevitably experienced an appreciable decline. Additionally, restoration costs associated with restaurant closures also led to one-off asset write-offs and other relevant expenses, leading to wider segment losses during the Period. Given the current business climate, the management has sought to consolidate the Mainland China operation through streamlining and re-examining overall strategies, as well as taking a prudent approach towards business development.

On the frontline, the Group has continued to take a multifaceted approach to attract patrons, offering competitive in-store promotions, supported by digital marketing strategies that appeal to a broad spectrum of customers. The latter has leveraged popular social media platforms such as *Xiao Hong Shu* (小紅書), WeChat and Dianping.com (大眾點評) to relay restaurant promotions, leading to encouraging results. It has also been observed that by consistently strengthening Tao Heung's three core quality values of *product*, *service* and *dining environment*, more favourable reviews have been received and rankings of the Group's restaurants on popular F&B platforms have risen substantially. The Group will therefore further invest in digital and social marketing to align with the consumption behaviour of Mainland customers and drive sales.

As at 30 June 2025, the Group had a total of 24 restaurants (2024: 30) in Mainland China. Two outlets were closed during the Period due to its relatively weaker performance. The management will continue to consolidate its operation and maintain a prudent strategy for the Mainland market.



MANAGEMENT DISCUSSION AND ANALYSIS

With respect to the chilled and packaged food operation, which supplies food to the Group's Mainland China restaurants as well as sells packaged items to end users through distributors, it has remained profitable during the Period. The Group has been continuously developing new products and collaborating with brands to create interesting items for driving sales. To ensure that such items reach a wide audience, the Group has not only tapped conventional distribution partners, but also social media and e-commerce platforms such as TikTok (抖音), Tmall (天貓), JD.com (京東), and Ping Duo Duo (拼多多). The management will continue to examine opportunities to both expand the segment's product portfolio and broaden its distribution channels.

Financial resources and liquidity

As at 30 June 2025, the total assets decreased by 1.2% to approximately HK\$1,852.1 million (31 December 2024: approximately HK\$1,874.5 million) while the total equity decreased by 2.9% to approximately HK\$1,120.2 million (31 December 2024: approximately HK\$1,154.2 million).

As at 30 June 2025, the Group's total current assets and current liabilities were approximately HK\$460.5 million (31 December 2024: approximately HK\$520.2 million) and approximately HK\$471.7 million (31 December 2024: approximately HK\$499.3 million), respectively, while the current ratio calculated by dividing the total current assets over the total current liabilities was approximately 0.98 (31 December 2024: approximately 1.04).

Funding for the Group's operation was sourced mainly from internally generated cash flows, with flexibility through the use of bank loans.

As at 30 June 2025, the Group had cash and cash equivalents amounted to approximately HK\$206.9 million (31 December 2024: approximately HK\$213.3 million). After deducting the total interest-bearing bank borrowings of approximately HK\$45.5 million (31 December 2024: approximately HK\$55.1 million), the Group had a net cash surplus position of approximately HK\$161.4 million (31 December 2024: approximately HK\$158.2 million).

As at 30 June 2025, the Group's total interest-bearing bank borrowings were decreased to approximately HK\$45.5 million (31 December 2024: approximately HK\$55.1 million) during the period under review. The gearing ratio (defined as the total of interest-bearing bank borrowings divided by the total equity attributable to the equity holders of the Company) was 4.1% (31 December 2024: 4.8%).

The Group maintains prudent funding and treasury policies towards its overall business operations and continues to apply measure to control costs, enhance cash flow and operational efficiency.

Capital expenditure

Capital expenditure for the six months ended 30 June 2025 amounted to approximately HK\$36.1 million (six months ended 30 June 2024: approximately HK\$18.8 million) and the capital commitments as at 30 June 2025 amounted to approximately HK\$1.6 million (31 December 2024: approximately HK\$3.4 million). The capital expenditure and the capital commitments were mainly for the renovation of the Group's new and existing restaurants and logistics centres.



MANAGEMENT DISCUSSION AND ANALYSIS

Pledge of assets

As at 30 June 2025, the Group pledged its bank deposits of approximately HK\$10.9 million (31 December 2024: approximately HK\$14.7 million), right-of-use assets of approximately HK\$44.9 million (31 December 2024: approximately HK\$45.3 million), buildings of approximately HK\$26.2 million (31 December 2024: approximately HK\$26.9 million) and investment properties of approximately HK\$18.9 million (31 December 2024: approximately HK\$18.9 million) to secure the banking facilities granted to the Group.

Contingent liabilities

As at 30 June 2025, the Group had contingent liabilities in respect of bank guarantees given in lieu of rental and utility deposits amounting to approximately HK\$28.2 million (31 December 2024: approximately HK\$31.1 million).

Foreign exchange risk management

The Group's sales and purchases for the six months ended 30 June 2025 were mostly denominated in Hong Kong Dollars ("HK\$") and Renminbi ("RMB").

The RMB is not a freely convertible currency. Future exchange rates of the RMB could vary significantly from the current or historical exchange rates as a result of the controls that could be imposed by the PRC government. The exchange rates may also be affected by economic developments and political changes domestically and internationally, and the demand and supply of the RMB. The appreciation or devaluation of the RMB against HK\$ may have impact on the Group results.

The Group currently does not maintain a foreign currency hedging policy. However, the management monitors the foreign exchange exposure and arranges foreign exchange forward contracts to minimise foreign currency exposure when appropriate.

Human resources

As at 30 June 2025, the Group had 3,777 employees. In order to attract and retain the high quality staff and to enable smooth operation within the Group, the Group offered competitive remuneration packages (with reference to market conditions and individual qualifications and experience) and various in-house training courses. The remuneration packages are subject to review on a regular basis.

In addition, the Group also adopted share option schemes, where eligible employees are entitled to various share options to subscribe for the ordinary shares in the Company for their past and potential contribution to the growth of the Group. As at 30 June 2025, there are 5,790,000 outstanding options granted under the Share Option Scheme which have not been exercised yet.



MANAGEMENT DISCUSSION AND ANALYSIS

Prospects

According to findings by the National Bureau of Statistics of China, GDP growth in Mainland China reached 5.3% in the first half of 2025², exceeding the 5% annual target. However, such growth was mainly derived from industrial production and exports, corresponding with the US tariff exemption period in the first half year. Domestic consumption actually remained weak, with growth expected to decelerate in the second half year; hence, the economic outlook will be uncertain and consumer confidence will likely be depressed in the immediate future. Besides the aforesaid developments, the Group will be further affected by structural changes in F&B spending patterns in both Hong Kong and Mainland China; consequently, its restaurants will continue to face stiff headwinds.

To contend with the challenging environment ahead, the management has been continuously developing innovative marketing strategies to boost customer traffic and increase the profitability of the restaurant operations. Subsequent to the review period, the Group collaborated with Octopus Cards Limited involving its JoyYou Card (樂悠咭), which is a personalised Octopus card for Hong Kong residents aged 60 or above. JoyYou Card holders are eligible for special promotions at selected Tao Heung restaurants starting from late August onwards. The collaborative effort reflects the Group's intention to proactively seize opportunities from the silver economy going forward. As always, the Group has been capitalising on festive occasions through collaborations with different brands and celebrities. This year, the Group has introduced specialty mooncakes together with celebrity chef 三姐, which are now available for sale until Mid-Autumn Festival in early October. Separately, given the popularity of the Group's Hakka-style restaurants, a new 'HAKKA Bistro' (客館) was opened in eastern Kowloon in July. The restaurant aligns with the Group's plan to develop more popular brands within its portfolio. Similarly, the management will explore network expansion opportunities in the second half year, as they arise.

As already outlined, there will be various factors that cloud the business outlook for the remainder of the financial year. Besides macro-developments, however, the industry as a whole must also grapple with city-specific difficulties, all of which will continue to hinder both top-line and bottom-line performance. The management understands that there is no quick fix for the challenges ahead, but rather, the need for prudence, determination and perseverance. These attributes will underpin efforts at network expansion, cost control, cash flow management and other endeavours by the Group to promote business sustainability and long-term value creation. The management remains adamant that the demand for quality dining establishments is undiminished, just as the love for Chinese cuisine by customers in Hong Kong and Mainland China is unrelenting. It is therefore confident that Tao Heung will continue to develop and achieve progress over the long term.

² https://www.stats.gov.cn/english/PressRelease/202507/t20250715_1960408.html



OTHER INFORMATION

Dividend

The Board has resolved not to declare the payment of an interim dividend for the six months ended 30 June 2025.

Directors' Interests and Short Positions in Shares and Underlying Shares

As at 30 June 2025, the interests and short positions of the Directors in the share capital and underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") were as follows:

Long positions in ordinary shares of the Company:

		Number of shares held, capacity and nature of interest						
		Directly	Through	Through	Beneficiary	Equity		Percentage
Name of Directors	Notes	beneficially	spouse	controlled	of a trust	derivatives	Total	of the
		owned	or minor	corporation				Company's
			children					share
								capital
Executive Directors								
Mr. Chung Wai Ping	(a) and (b)	12,219,000	12,174,222	–	423,434,689	–	447,827,911	44.15
Mr. Wong Ka Wing	(c)	5,522,679	–	103,283,124	–	–	108,805,803	10.73
Mr. Chung Chun Fung		3,000,000	–	–	–	–	3,000,000	0.30
Mr. Ho Yuen Wah	(d)	2,000,000	–	–	–	400,000	2,400,000	0.24
Non-executive Director								
Mr. Fong Siu Kwong		180,000	–	–	–	–	180,000	0.02
Independent Non-executive Director								
Ms. Wong Fun Ching		800,000	–	–	–	–	800,000	0.08

Notes:

- (a) Billion Era International Limited is wholly-owned by Tin Tao Investments Limited ("Tin Tao") which in turn is wholly-owned by Sapphire Skye Holdings Limited ("Sapphire"). Sapphire is holding the shares in Tin Tao as nominee for Zedra Trustees (Singapore) Limited ("Zedra Trustee") as trustees for a discretionary trust, the discretionary objects of which include Mr. Chung Wai Ping and certain members of his family. For the purposes of the SFO, Mr. Chung is the settlor of this trust.
- (b) 12,174,222 shares were held by Ms. Chan Sai Ying, spouse of Mr. Chung Wai Ping.
- (c) Of these shares, 5,522,679 shares were held by Mr. Wong Ka Wing personally and 103,283,124 shares were held by Joy Mount Investments Limited, which is wholly-owned by Mr. Wong Ka Wing.
- (d) These represented outstanding options granted to Directors under the Share Option Scheme to subscribe for shares of the Company, further details of which are set forth under the section headed "Share Option Schemes" to this report.

OTHER INFORMATION

Directors' Interests and Short Positions in Shares and Underlying Shares (Continued)

Long positions in ordinary shares of the Company: (Continued)

Saved as disclosed above, as at 30 June 2025, none of the directors and chief executive had registered an interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations that was required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Substantial Shareholders' Interests and Short Positions in Shares and Underlying Shares

As at 30 June 2025, the interests and short positions of every persons, other than Directors or chief executive of the Company, in the shares and underlying shares of the Company, being 5% or more of the Company's issued share capital, as recorded in the register kept by the Company under Section 336 of the SFO were as follows:

Name of Shareholder	Notes	Number of ordinary shares (long position)		Total	% of total issued shares
		Directly beneficially owned	Through controlled corporation		
Billion Era International Limited	(a)	423,434,689	–	423,434,689	41.74
Tin Tao Investments Limited	(a)	–	423,434,689	423,434,689	41.74
Sapphire Skye Holdings Limited	(a)	–	423,434,689	423,434,689	41.74
Zedra Trustees (Singapore) Limited	(a)	–	423,434,689	423,434,689	41.74
Joy Mount Investments Limited	(b)	103,283,124	–	103,283,124	10.18
Perfect Plan International Limited	(c)	102,053,976	–	102,053,976	10.06
Whole Gain Holdings Limited		56,795,068	–	56,795,068	5.60

Notes:

- (a) Billion Era International Limited is wholly-owned by Tin Tao Investments Limited ("Tin Tao") which in turn is wholly-owned by Sapphire Skye Holdings Limited ("Sapphire"). Sapphire is holding the shares in Tin Tao as nominee for Zedra Trustees (Singapore) Limited ("Zedra Trustee") as trustees for a discretionary trust, the discretionary objects of which include Mr. Chung Wai Ping and certain members of his family. For the purposes of the SFO, Mr. Chung is the settlor of this trust.
- (b) These shares were wholly-owned by Joy Mount Investments Limited, which is beneficially owned by Mr. Wong Ka Wing.
- (c) These shares were wholly-owned by Perfect Plan International Limited, which is an indirect wholly-owned subsidiary of Café de Coral Holdings Limited whose shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited.

Save as disclosed above, as at 30 June 2025, no person, other than the Directors and chief executive of the Company, whose interests are set out in the section "Directors' Interests and Short Positions in Shares and Underlying Shares" above, had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.



OTHER INFORMATION

Share Option Schemes

(a) Share Option Scheme

Pursuant to a share option scheme adopted by the Company on 9 June 2007 (the “Share Option Scheme”), the Company has granted 20,130,000 options to eligible directors, senior management and employees of the Group to subscribe for ordinary shares in the Company subject to the terms and conditions stipulated under the Share Option Scheme. Share options granted under the Share Option Scheme shall vest in 2 tranches, as to 50% and 50% on 1 December 2017 and 1 December 2018, respectively, subject to the fulfilment of certain vesting conditions and are exercisable at HK\$2.08 per share and the holders of the said share options may exercise the share options during the period from 2 December 2017 to 1 December 2026, both days inclusive.

Share Option Scheme expired on 8 June 2017 and no further options could be granted under the Share Option Scheme thereafter. However, the share options granted under the Share Option Scheme which have not been fully exercised remain valid until such time when such share options are fully exercised or have lapsed and will continue to be administered under the rules of the Share Option Scheme.

Details of the share options outstanding as at 30 June 2025 which have been granted under the Share Option Scheme are as follows:

Name	Date of grant	Number of share options					Outstanding at 30 June 2025
		Outstanding at 1 January 2025	Granted during the year	Exercised during the year	Lapsed on expiry	Forfeited upon termination of employment	
Executive Director							
Mr. Ho Yuen Wah	2 December 2016	400,000	–	–	–	–	400,000
Connected Person							
Mr. Chung Wai Leung	2 December 2016	300,000	–	–	–	–	300,000
Other employees	2 December 2016	5,330,000	–	–	(240,000)	–	5,090,000
Total		6,030,000	–	–	(240,000)	–	5,790,000



OTHER INFORMATION

Share Option Schemes (Continued)

(b) 2017 Share Option Scheme

On 25 May 2017, the Company adopted a new share option scheme (the “2017 Share Option Scheme”). Pursuant to the 2017 Share Option Scheme, the Directors may invite participants to take up options at a price determined by the Board of Directors but in any event shall not be less than the highest of (i) the closing price of the shares as stated in the daily quotations sheets issued by the Stock Exchange on the date of grant which must be a business day; (ii) the average closing price of the shares as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding the date of grant and; (iii) the nominal value of the shares. The option may be exercised in accordance with the terms of the 2017 Share Option Scheme at any time during the option period which may be determined and notified by the Board to the grantee at the time of making an offer which shall not expire later than 10 years from the grant date. As at the date of this report, no options have been granted or agreed to be granted pursuant to the 2017 Share Option Scheme.

Corporate Governance

The Board is committed to maintaining high standard of corporate governance practices to safeguard the interests of the Company’s shareholders and to enhance corporate value and accountability. These can be achieved by an effective Board, segregation of duties with clear accountability, sound internal control, appropriate risk assessment procedures and transparency to all the shareholders.

During the six months ended 30 June 2025, the Company has adopted the Corporate Governance Code (the “Code”) as set out in Appendix C1 of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) and complied with all applicable code provisions under the Code, save and except for the deviation from the code provision C.2.1 of the Code. Under the code provision C.2.1, the roles of Chairman and Chief Executive Officer (“CEO”) should be separate and should not be performed by the same individual. Currently, the Company does not comply with code provision C.2.1, i.e., the roles of the Chairman and CEO have not been separated. Considering that Mr. Chung Wai Ping has been operating and managing the Group since its incorporation, the Board believes that it is in the best interest of the Group to have Mr. Chung Wai Ping taking up both roles for effective management and business development. Therefore, the Board considers that the deviation from code provision C.2.1 is appropriate in such circumstance.

Model Code of Securities Transactions by Directors

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as its own code of conduct for dealing in securities by the Directors of the Company. Based on specific enquiry with the Directors, all the Directors have complied with the required standards as set out in the Code throughout the six months ended 30 June 2025.

Purchase, Redemption or Sale of Listed Securities of the Company

During the six months ended 30 June 2025, neither the Company nor any of its subsidiaries had purchased, sold or redeemed the Company’s listed securities.



OTHER INFORMATION

Audit Committee Review and Review of Interim Results

The Company established the audit committee (the “Audit Committee”) on 9 June 2007 with written terms of reference in compliance with the Code on Corporate Governance Practices as set forth in Appendix C1 to the Listing Rules. The primary duties of the Audit Committee include the review and supervision of the financial reporting processes, the internal control systems and licensing issues of the Group. Currently, Mr. Mak Hing Keung, Thomas, Professor Chan Chi Fai, Andrew and Ms. Wong Fun Ching, all being Independent Non-executive Directors and Mr. Chan Yue Kwong, Michael, a Non-executive Director, are members of the Audit Committee with Mr. Mak Hing Keung, Thomas, being the chairman.

The unaudited condensed consolidated interim financial statements of the Group’s for the six months ended 30 June 2025 have not been audited, but have reviewed by the Audit Committee, which is of the view that the applicable accounting standards and requirements have been complied with and that adequate disclosures have been made.

Publication of interim results

The electronic version of this report will be published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.taoheung.com.hk).

Appreciation

The Board would like to thank the management of the Group and all the staff for their hard work and dedication, as well as its shareholders, business partners and associates, bankers and auditors for their support to the Group throughout the period.

By order of the Board

Chung Wai Ping

Chairman and Chief Executive Officer

Hong Kong, 28 August 2025