

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



TAO HEUNG HOLDINGS LIMITED

稻香控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 573)

CONNECTED TRANSACTION AND CONTINUING CONNECTED TRANSACTION

On 5 June 2026, the Company, as Tenant, and Dongguan Tin Yao, as Landlord, entered into a new Master Tenancy Agreement in respect of the Premises for a further term of two years commencing on 6 June 2026 and expiring on 5 June 2028 (both days inclusive).

As at the date of this announcement, 35.15% of the issue shares of the Landlord is held by Mr Chung Chun Fung, who is also a Director of the Tenant of which 43.176% of the issued share capital is held by Billion Era International Limited which is wholly owned by Tin Tao Investment Limited (“**Tin Tao**”) which is in turn wholly owned by Sapphire Skye Holdings Limited (“**Sapphire**”). Sapphire is holding the shares in Tin Tao as nominee for Zedra Trust Company (Singapore) Limited (“**Zedra Trust**”) which is trustee for a discretionary trust, the discretionary objects of which include Mr Chung Wai Ping and certain members of his family and Mr Chung Chun Fung is one of the sons of Mr Chung Wai Ping who, for the purpose of the Securities and Future Ordinance, is the settlor of the discretionary trust. Hence, Dongguan Tin Yao is a connected person of the Company pursuant to Rule 14A.07 of the Listing Rules, and the tenancy as contemplated under the 2026 Master Tenancy Agreement constitute both of **Connected Transaction** and **Continuing Connected Transaction** of the Company.

Under the 2026 Master Tenancy Agreement, (a) the payment of the Basic Rent (fixed lease payment) constitutes one-off **Connected Transaction** of the Company; and (b) the payment of amount of the Turnover Rent that exceeds the Basic Rent (variable lease payment) constitutes a **Continuing Connected Transaction** of the Company.

* For identification purposes only

In accordance with the HKFRS 16 applicable to the Company, the accounting implications and treatment for the lease payment under the 2026 Master Tenancy Agreement are illustrated as follows:

- (a) Under the 2026 Master Tenancy Agreement, the estimated value of the right-of-use asset should be approximately HK\$8,586,000 by reference to the aggregate discounted amount of the Basic Rent, which will be recognized in the statement of financial position and constitutes as a **Connected Transaction** of the Company.

Given that the relevant applicable percentage ratios in respect of the **Connected Transaction** contemplated under the 2026 Master Tenancy Agreement are more than 0.1% but less than 5%, such transaction is subject to the reporting, and announcement requirements but exempt from the circular (including independent financial advice) and Shareholders' approval requirements under Chapter 14A of the Listing Rules.

- (b) Under the 2026 Master Tenancy Agreement, the highest annual cap amount of the aggregate of projected variable lease payment will be approximately HK\$6,500,000. The aggregate of variable lease payment will be recognized as expenses in the Company's profit and loss accounts in the periods in which they are incurred, and the payment of such expenses will be regarded as a **Continuing Connected Transaction** for the Company under Chapter 14A.31 of the Listing Rules.

Given that the relevant applicable percentage ratios in respect of **Continuing Connected Transaction** contemplated under the 2026 Master Tenancy Agreement are more than 0.1% but less than 5%, such transaction is subject to the reporting, announcement requirements and (to the extent constituting **Continuing Connected transaction** for the Company) annual review requirements, but exempt from the circular (including independent financial advice) and Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Background

The Company announced previously on 5 June 2024 and 21 June 2024 regarding the 2024 Master Tenancy Agreement entered into between the Company as the tenant ("**the Tenant**") and Dongguan Tin Yao as the landlord ("**the Landlord**"), in respect of the Premises for a term of two years commencing on 6 June 2024 and expiring on 5 June 2026 (both days inclusive). The Company and Dongguan Tin Yao have agreed to renew the 2024 Master Tenancy Agreement in respect of the Premises and entered into the 2026 Master Tenancy Agreement for a further term of two years from 6 June 2026 to 5 June 2028 (both days inclusive) in respect of the Premises.

2026 Master Tenancy Agreement

Date: 5 June 2026

Landlord: Dongguan Tian Yao Property Management Limited

Tenant: Tao Heung Holdings Limited

Premises: portion of the area of and in 東莞市橫瀝鎮石涌村西城三區創宏廠房
1棟

Term: Two years commencing on 6 June 2026 and expiring on 5 June 2028
(both days inclusive).

Rental: Basic Rent of RMB35 per square meter per month for total area of or
exceeding 1,000 square meter under one tenancy agreement and
RMB60 per square meter per month for total area less than 1,000
square meter under one tenancy agreement OR turnover rent at the
rate of 8% of the gross receipt (“**Gross Receipt**”) per month of
business and/or operation carrying on at the Premises of the tenancy
agreement for the restaurant operations and supermarket operations
before tax, whichever is higher and turnover rent at the rate of 4% of
the Gross Receipt per month of business and/or operation carrying on
at the Premises of the tenancy agreement for the operation of the
peripheral business other than associated with restaurant operations
and supermarket operations before tax, whichever is higher. Rental
payable is exclusive of management fee and government rates or land
tax. Reference of the Rental value of the Premises was made to the
Rental Valuation Report.

Car parking space: No additional rent is payable

Management fee: RMB96,840 per month (RMB8 per square meter per month)

Manner of payment: Basic Rent or the Turnover Rent of the month which is the higher
shall be paid together with management fee not later than 10th day of
the following month.

Deposit: A deposit in the sum of RMB2,222,424 (equivalent to the aggregate of the rent and management fee currently payable in respect of the Premises for three months and subject to review by the Landlord when there is any increase in the aforesaid charges during the lease term) is payable by the Tenant to the Landlord and subject to the terms of the 2026 Master Tenancy Agreement, and is refundable to the Tenant without interest within two months after the expiration or sooner determination of the 2026 Master Tenancy Agreement.

Historical Rentals

The historical variable lease payment under the 2024 Master Tenancy Agreement, excluding management fee, government rates and land tax, for each of the relevant periods or financial years of the Company are as follows:

The relevant periods/financial years	Variable lease payment
For the period from 6 June 2024 to 31 December 2024	Approximately HK\$2,828,000
For the financial year ending 31 December 2025	Approximately HK\$5,208,000
For the period from 1 January 2026 to 5 June 2026	Approximately HK\$2,300,000

Annual Caps

The relevant cap amounts of projected variable lease payment under the 2026 Master Tenancy Agreement in respect of the relevant periods or financial years are stated below:

The relevant periods/financial years	Annual caps amount
For the period from 6 June 2026 to 31 December 2026	Approximately HK\$3,300,000
For the financial year ending 31 December 2027	Approximately HK\$6,500,000
For the period from 1 January 2028 to 5 June 2028	Approximately HK\$3,300,000

The relevant cap amounts of projected variable lease payment are based on the sales forecast with reference to the Company's past two years sales performance and expected growth rate.

Reasons for and Benefits of Entering into the 2026 Master Tenancy Agreement

The 2026 Master Tenancy Agreement was entered into between Dongguan Tin Yao and the Company after arm's length negotiations with reference to the market rental of the Premises endorsed by a Valuation Certificate dated 29 May 2026 by the Valuer (the "**Rental Valuation Report**"). The Directors believe that the Premises is one of a kind locate next to our Food and Processing logistic centre in Dongguan. The Premises have been designated "National AAA level tourist attraction" by the Chinese Government. The location and

transportation access is of great convenience to our customers and can further strengthen the branding and presence of the Group. Therefore, the Company considers it beneficial to enter into the 2026 Master Tenancy Agreement.

The Directors, including the independent non-executive Directors consider that the 2026 Master Tenancy Agreement has been entered into in the ordinary and usual course of business of the Company, on normal commercial terms which are fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

Principal business activities of the Company and Dongguan Tin Yao

The principal business activity of the Company is investment holding of operation of restaurants and food and processing logistic centre in Hong Kong and Mainland China through its subsidiaries.

Dongguan Tin Yao is principally engaged in property investment in Mainland China.

Details of the connected relationship and implications under the Listing Rules

As at the date of this announcement, 35.15% of the issue shares of the Landlord is held by Mr Chung Chun Fung, who is also a Director of the Tenant of which 43.176% of the issued share capital is held by Billion Era International Limited which is wholly owned by Tin Tao Investment Limited (“**Tin Tao**”) which is in turn wholly owned by Sapphire Skye Holdings Limited (“**Sapphire**”). Sapphire is holding the shares in Tin Tao as nominee for Zedra Trust Company (Singapore) Limited (“**Zedra Trust**”) which is a trustee for a discretionary trust, the discretionary objects of which include Mr Chung Wai Ping and certain members of his family and Mr Chung Chun Fung is one of the sons of Mr Chung Wai Ping who, for the purpose of the Securities and Future Ordinance, is the settlor of the discretionary trust. Hence, Dongguan Tin Yao is a connected person of the Company pursuant to Rule 14A.07 of the Listing Rules, and the tenancy as contemplated under the 2026 Master Tenancy Agreement constitute both of **Connected Transaction** and **Continuing Connected Transaction** of the Company.

Under the 2026 Master Tenancy Agreement, (a) the payment of the Basic Rent (fixed lease payment) constitutes one-off **Connected Transactions** of the Company; and (b) the payment of amount of the Turnover Rent that exceeds the Basic Rent (variable lease payment) constitutes a **Continuing Connected Transaction** of the Company.

In accordance with the HKFRS 16 applicable to the Company, the accounting implications and treatment for the lease payment under the 2026 Master Tenancy Agreement are illustrated as follows:

- (a) Under the 2026 Master Tenancy Agreement, the estimated value of the right-of-use asset should be approximately HK\$8,586,000 by reference to the aggregate discounted amount of the Basic Rent, which will be recognized in the statement of financial position and constitutes as a **Connected Transaction** of the Company.

Given that the relevant applicable percentage ratios in respect of the **Connected Transaction** contemplated under the 2026 Master Tenancy Agreement are more than 0.1% but less than 5%, such transaction is subject to the reporting, and announcement requirements but exempt from the circular (including independent financial advice) and Shareholders' approval requirements under Chapter 14A of the Listing Rules.

- (b) Under the 2026 Master Tenancy Agreement, the highest annual cap amount of the aggregate of projected variable lease payment will be approximately HK\$6,500,000. The aggregate of variable lease payment will be recognized as expenses in the Company's profit and loss accounts in the periods in which they are incurred, and the payment of such expenses will be regarded as a **Continuing Connected Transaction** for the Company under Chapter 14A.31 of the Listing Rules.

Given that the relevant applicable percentage ratios in respect of **Continuing Connected Transaction** contemplated under the 2026 Master Tenancy Agreement are more than 0.1% but less than 5%, such transaction is subject to the reporting, announcement requirements and (to the extent constituting **Continuing Connected transaction** for the Company) annual review requirements, but exempt from the circular (including independent financial advice) and Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Definitions

“Board”	the board of Directors;
“Company”	Tao Heung Holdings Limited, a company incorporated in Cayman Islands with limited liability, whose shares are listed on the Main Board of the Stock Exchange;
“connected person”	has the meaning ascribed thereto under the Listing Rules;
“Directors”	the directors of the Company;
“2024 Master Tenancy Agreement”	Master Tenancy Agreement dated 5 June 2024 entered into between the Company and Dongguan Tin Yao in respect of the Premises;

“Gross Receipt”	the total amount of all sums received in the course of the business conducted at the Renewal Premises;
“Group”	the Company and its subsidiaries;
“Dongguan Tian Yao”	Dongguan Tian Yao Property Management Limited, a company incorporated in Mainland China with limited liability, which is partially-owned (holding 35.15% of the issue shares) by Mr Chung Chun Fung;
“HKFRS”	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Mainland China”	The People’s Republic of China (excluding Hong Kong and Macau Special Administrative Region);
“Mr Chung Chun Fung”	Mr Chung Chun Fung, an Executive Director of the Company;
“2026 Master Tenancy Agreement”	Master Tenancy Agreement dated 5 June 2026 entered into between the Company and Dongguan Tin Yao in respect of the Premises;
“percentage ratios”	the percentage ratios under rule 14.07 of the Listing Rules;
“Premises”	the leased premises under the 2024 Master Tenancy Agreement and 2026 Master Tenancy Agreement and known as portion of the area of and in 東莞市橫瀝鎮石涌村西城三區創宏廠房1棟;
“Rental Valuation Report”	has the meaning as defined under the section headed “Reason for and Benefits of Entering into the 2026 Master Tenancy Agreement” in this announcement;
“Valuer”	Knight Frank Petty Limited, an independent property valuer engaged by the Company;
“Shareholder(s)”	holder(s) of the shares of the Company;

“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Turnover Rent”	the amount payable as rent of the Premises calculated at the rate of 8% of the Gross Receipt for the month before tax for tenancy agreement(s) of the Premises for restaurant operation and supermarket operation and at the rate of 4% of the Gross Receipt for the month before tax for tenancy agreement(s) of the Premises for peripheral businesses other than restaurant operation and supermarket operation;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong; and
“RMB”	The lawful currency of Mainland China.

By Order of the Board
Lai Chi Kin
Company Secretary

Hong Kong, 5 June 2026

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

Website: www.taoheung.com.hk