

[For immediate release]



Taste•Gourmet Group Announces the Formation of a JV Company with Shuanghui F&B in Shanghai

Set the First Step for Developing Group's Business Outside Hong Kong Further Strengthen its Market Competitiveness

(30 June 2020 – Hong Kong) **Taste•Gourmet Group Limited** (“Taste•Gourmet Group” or the “Company”, together with its subsidiaries, the “Group”; GEM stock code: 8371) is pleased to announce that Taste•Gourmet China Investment Limited, a wholly owned subsidiary of the Company, entered into a joint venture agreement (“JV Agreement”) with Shuanghui Food and Beverage Investment Management Company Limited (“Shuanghui F&B”) for the formation of a JV Company. Shuanghui F&B is a subsidiary of Henan Shuanghui Investment and Development Company Limited (“Shuanghui Development”) which is a listed company (SZSE stock code: 000895) on the Shenzhen Stock Exchange, established in 2020 in the PRC for the purpose of investing in the F&B sector in the PRC. In the meantime, Shuanghui Development is a subsidiary of the WH Group Limited (“WH Group”; HKEX stock code: 288).

Pursuant to the JV Agreement, the JV Company shall be owned as to 60% by Taste•Gourmet China and 40% by Shuanghui F&B, after its formation. The registered capital of the JV Company is RMB50 million. Taste•Gourmet China and Shuanghui F&B will contribute a total of RMB30 million and RMB20 million in cash respectively. The JV company will set up in Shanghai and will mainly engage in the operation of restaurants in the PRC. The JV Company has the right to use all brands owned by the Group free of charge (with the exception of brands franchised by the Group).

Mr. Wong Ngai Shan, Chairman and Executive Director of Taste•Gourmet Group, said, “We are so excited to have an opportunity to co-operate with such industrial giants, Shuanghui Development and the WH Group. We believe that the formation of this JV Company opens the door for us to expand our business outside Hong Kong, laying an important first step for our long-term business development. With the support of these strong partners, we can maintain a steady and quality of food ingredients in the PRC and gain local knowledge in respect of the PRC market as well as legal and financial advice on recruitments, lease negotiations, accounting systems integration and so forth. More importantly, riding on the extensive coverage of Shuanghui Development in PRC, we can enjoy a nationwide logistic network which enable us to achieve next-day delivery for any products within the PRC (except Xinjiang and Tibet). In addition, we can share our professional experience in the restaurant operation in return. We firmly believe the formation of this JV Company will create synergies and achieve win-win situation for all parties.”

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To be headquartered in Shanghai, the JV Company will look for suitable locations for the opening of the Group's existing branded restaurants such as Nabe Urawa, Takano Ramen, Parkview, Rakuraku Ramen, and so forth. With the majority of the supply of food ingredients and related logistics taken care of by Shuanghui F&B, the Group will just need to focus on the other aspects of the restaurant operations in order to maintain the quality of the dishes as well as controlling costs. This will become critical to the success of the Group to expand in the PRC. In addition, with similarity between the Shanghai F&B sector and the Hong Kong F&B sector, the Group believes that it will be able to replicate its successful strategy from Hong Kong by opening restaurants in high footfall traffic shopping malls and creating a value-for-money dining experience.

For Shuanghui Development, it is the largest meat processing company in the PRC and currently owns and operates 30 meat processing plants in 18 provinces in the PRC that includes hog production, hog slaughtering and the processing and distribution of packaged meats and fresh pork. For the year ended 31 December 2019, Shuanghui Development recorded revenue of approximately RMB60.3 billion and net profit of approximately RMB5.7 billion. Annual sale of meat related products amounts to approximately three million tonnes.

The WH Group is the largest pork processing company in the world. In addition to Shuanghui Development being the largest meat processing company in the PRC, the WH Group also own Smithfield Foods, Inc. a global food company domiciled in the United States. The WH Group has sales to customers of more than 40 countries. It stands above the rest with global market leadership in all key segments of the pork value chain, including packaged meats, fresh pork and hog production and achieved remarkable results. For the year ended 31 December 2019, the WH Group recorded revenue of approximately US\$24.1 billion and net profit of approximately US\$1.7 billion. Annual sales of packaged meat products and fresh pork amount to approximately 3.5 million tonnes and 4.2 million tonnes, respectively.

On 12 June 2020, Taste•Gourmet Group announced its annual results for the year ended 31 March 2020. Supporting by its strong local management team and adopting comprehensive measures of increasing revenue and reducing expenditure, the Group was able to achieve a more profitable results than its peers. For the year ended on 31 March 2020, the Group's revenue grew 20.4% to approximately HK\$370.5 million. Profit attributable to Owners of the Company increased 10.3% to HK\$30.1 million. Due to the overwhelming annual results, the board of the directors recommended a final dividend of HK\$0.015 per share, together with the interim dividend of HK\$0.015 per share, the total dividend for the Year reached HK\$0.030 per share.

Talking about the prospects, **Mr. Wong** concluded, "With our promising results in the past financial year, we are confident in our business in Hong Kong in the long run. The successful formation of the JV company is in line with the business strategy of the Group and further build our growth momentum in the future. Recently, the Group has appointed professional parties to evaluate the possibility of transferring the listing of the Company's shares from GEM to the Main Board of the Stock Exchange. We believe that the transfer of listing will enhance the trading liquidity of our shares and promote the Group's corporate image to public investors. We also consider that the listing of our shares on the Main Board will be beneficial to the Group's future growth and business development as well as its financing flexibility. Looking ahead, we will continue to fully seize the opportunities of development and strive to maximize the interests of our shareholders and the Company."

About Taste•Gourmet Group

Taste•Gourmet Group is a Hong Kong restaurant group serving a variety of cuisines, mainly Vietnamese, Chinese, Japanese and Western cuisines targeting mid-to-high-end customer segments. Since the opening of its first restaurant, Urawa Japanese restaurant, in December 2007, the Group has been expanding its restaurant network in Hong Kong through its multi-brand business model. Currently, the Group owns and operates a total of 28 full service restaurants under various brands (comprising 10 self-owned brands such as La'taste Vietnamese Cuisine, Dab-Pa Peking & Szechuan Cuisine, Dab-Pa Peking & Szechuan Bistro, Dab-pa Modern Chinese Cuisine, Urawa Japanese Restaurant, Nabe Urawa, Say Cheese, Sweet-o-logy, Rakuraku Ramen, Wasyohuya Yamaichi; three licensed brands known as Parkview, Takano Ramen and Tirpse; and one joint venture brand known as Xianghui) and two kiosks strategically located in first tier and/or premium shopping malls or on street levels in prime areas and business districts, covering Hong Kong Island, Kowloon and New Territories.

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