CAFÉ DE CORAL HOLDINGS LIMITED

大 家 樂 集 團 有 限 公 司*

(Incorporated in Bermuda with limited liability)

Website: www.cafedecoral.com

(Stock Code: 341)

POSITIVE PROFIT ALERT

This announcement is made by Café de Coral Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the "**Board**") wishes to inform shareholders of the Company and potential investors that based on the preliminary assessment of information currently available to the Board, the Group expects to record a profit attributable to shareholders of approximately HK$350 million for the year ended 31 March 2021 (the "**Year**"), as compared to that of HK$73.6 million for the year ended 31 March 2020 ("**FY2019/20**").

During the Year, the mandatory social distancing restrictions on in-restaurant dining and the dampened consumer sentiment amidst the COVID-19 pandemic had severe impact on the Group's business and operations, resulting in a significant decrease in the Group's revenue recorded for the Year. The Group is thankful for government pandemic relief and subsidies, as well as the concerted efforts of our management team and staff under the extremely difficult environment, which enabled the Group to mitigate the adverse impact of the revenue decline and record a substantial increase in profit attributable to shareholders for the Year as compared to FY2019/20.

The increase in the Group's profit for the Year is largely due to the following reasons:

(1) The Group had quickly developed and implemented specific measures to improve productivity and efficiency in different perspectives, including stringent cost control measures, manpower deployment programs and acceleration of technology upgrades to capture more takeaway and delivery business.

(2) The Group received pandemic relief and subsidies from the Hong Kong and PRC governments during the Year, including subsidies under the Employment Support Scheme, which were used in their entirety for paying salaries and wages to our employees.

(3) Some of our landlords, especially the Hong Kong Housing Authority and Hong Kong Housing Society, had granted temporary rental concessions to the Group during the Year. The Group continues to discuss with landlords for more favourable leasing terms, with a view to improving the Group's operating costs amidst the challenging business environment.

(4) The Group recorded a decrease in provision for impairment of property, plant and equipment and right-of-use assets for the Year as compared to FY2019/20.

The Group has cautiously managed working capital to ensure healthy cash flow for the Group's operations during these uncertain times. With all the active steps and measures taken, the Group maintained positive operating cash flow for the Year before government subsidies were taken into account.

The Company is still in the process of finalising the annual results of the Group for the Year. Information contained in this announcement is based on unaudited consolidated management accounts of the Group for the Year, which have not been reviewed or audited by the auditor of the Company. Details of the Group's results for the Year shall be provided in the annual results announcement which is expected to be published around mid of June 2021.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in securities of the Company.

By order of the Board
Lo Hoi Kwong, Sunny
Chairman

Hong Kong, 25 April 2021

As at the date of this announcement, the Board comprises Mr Lo Hoi Kwong, Sunny (Chairman), Ms Lo Pik Ling, Anita, Mr Chan Yue Kwong, Michael and Mr Hui Tung Wah, Samuel as non-executive directors; Mr Choi Ngai Min, Michael, Mr Li Kwok Sing, Aubrey, Mr Kwok Lam Kwong, Larry and Mr Au Siu Cheung, Albert as independent non-executive directors; and Mr Lo Tak Shing, Peter (Chief Executive Officer) and Mr Lo Ming Shing, Ian as executive directors.

* *For identification purposes only*