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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)

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 profit attributable to shareholders in the range of HK\$105 million to HK\$115 million for the year ended 31 March 2023 (the “**Review Year**”) as compared to that of HK\$21.2 million for the year ended 31 March 2022 (the “**Previous Year**”). The Group recorded government’s COVID-19 subsidies of HK\$40.9 million during the Review Year (Previous Year: HK\$127.8 million).

Compared to the results of the Previous Year, which were severely hit by the fifth wave of the COVID-19 pandemic in Hong Kong, the Group’s results improved as the Hong Kong business performance started to pick up from the second quarter of the Review Year. However, business results for the second half year were affected by the following key factors:

1. The pace of economic recovery in Hong Kong was slower than anticipated following the relaxation of pandemic restrictions in the fourth quarter of the Review Year;
2. The Group’s business in Mainland China was seriously impacted by a nation-wide COVID-19 outbreak during the third quarter of the Review Year; and

3. A fair value loss of investment properties as well as an impairment loss on property, plant and equipment and right-of-use assets were recorded.

Navigating the challenging environment, the Group's Hong Kong business maintained diligent focus on cost controls during the Review Year. Successful brand and product marketing campaigns also helped to boost sales, coupled with multiple initiatives in digitalisation and automation to enhance productivity and efficiency. The Mainland China business, on the other hand, saw a V-shaped recovery in sales during the last quarter when COVID-19 control measures were relaxed. Overall, the Group's Mainland China business remained healthy, and good progress was made in network expansion amidst adverse market conditions during the Review Year.

The Company is still in the process of finalising the Group's results for the Review Year. Information contained in this announcement is based on unaudited consolidated management accounts of the Group for the Review Year, which have not been reviewed or audited by the Company's auditor. Details of the Group's results for the Review Year shall be provided in the annual results announcement of the Company which is expected to be published around mid of June 2023.

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, 2 May 2023

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, Mr Au Siu Cheung, Albert and Ms Fang Suk Kwan, Katherine 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