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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)

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 profit attributable to shareholders of approximately HK\$330 million for the year ended 31 March 2024 (the “**Review Year**”) as compared to that of HK\$110.4 million for the year ended 31 March 2023 (the “**Previous Year**”). The Group did not receive any government COVID-19 subsidies during the Review Year (Previous Year: HK\$40.9 million). If excluding the pandemic subsidies, it is expected that the Group’s profit attributable to shareholders for the Review Year would be approximately 4.7 times that of the Previous Year.

The Group’s business continued to perform well amidst the challenging operating environment during the Review Year. Both our Hong Kong and Mainland China businesses achieved higher profit with notable profit margin improvement, attributable to the following key factors:

1. All business segments in Hong Kong – Quick Service Restaurants (QSR), Casual Dining and Institutional Catering improved during the Review Year and expect to record better results than the Previous Year amid a slower-than-expected economic recovery and net tourist outflows. QSR has put significant effort in its product design and promotional offerings, branding campaigns and marketing promotions. Effective cost control, enhanced manpower productivity, digitalisation and automation also contributed to its profit margin improvement during the Review Year. During the Review Year, a higher property valuation loss compared to the Previous Year would likely affect the Group’s segment results in Hong Kong.

2. The Mainland China business recovered significantly, with strong same store sales growth and healthy operating margins. Continuous efforts in network expansion delivered a record high number of new shops opened during the Review Year. The Group has succeeded in establishing a solid platform for the sustainable growth of its business throughout the Greater Bay Area.

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 2024.

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 2024

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 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 and Mr Lo Ming Shing, Ian as executive directors.

** For identification purposes only*