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 WARNING

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 decline of approximately 30% in adjusted EBITDA# for the six months ended 30 September 2025 (the "**Review Period**") as compared to that of HK$343.8 million for the six months ended 30 September 2024 (the "**Previous Period**"). Profit attributable to shareholders for the Review Period is expected to record a decline in the range of 65% to 70% as compared to that of HK$144.0 million for the Previous Period. The expected decrease in profit was mainly due to the following reasons:

(1) an estimated mid-single digit decrease in revenue for the Review Period as compared to the Previous Period which led to the drop in gross profit of the Group; and

(2) the record of fair value loss on investment properties in the Review Period (Previous Period: Nil).

* *For identification purposes only*

\# *Operating profit before fair value changes on investment properties, depreciation and amortization (excluding depreciation for right-of-use asset – properties), impairment loss of property, plant and equipment and right-of-use assets, reversal of impairment loss of property, plant and equipment and right-of-use assets; and including finance cost of lease liabilities*

The Group's operations – having been built over the years for scale and volume with a relatively higher break-even point, experienced greater challenges amidst the changes of consumption patterns and adjustment of the industry. During the Review Period, the restaurant sectors of Hong Kong and the Chinese Mainland were hit by weak consumer sentiment and fierce price competition. Sales volume on weekends, long holidays and traditionally peak summer periods was impacted by the normalisation of outbound spending and weak inbound tourist consumption, which – together with the rise of low-cost operation models – resulted in higher volatility in volume that undermined our business and profit. These changes were indicative of broader structural transformation in the market, which imposed additional pressure and challenges.

However, the Group's strategy of operating a portfolio of businesses confirmed its resilience under these difficult economic conditions. Some of the Group's smaller and nimbler businesses, as well as its institutional catering units, benefitted from simple operational models and stable demand that enabled them to achieve better performance.

Recognising the structural changes in the market, the management team has committed to fundamental restructuring of the Group's business. The CEO and CFO are leading two project teams to revamp existing business models in order to enhance efficiency for growth, whilst controlling overheads to improve margins. We are focusing primarily on exploring and transforming to more flexible and agile formats; consolidating underperforming outlets; simplifying operations and rationalising menus while prioritising high standards of quality, as well as accelerating integration and enhancement of the Group's supply chains in Hong Kong and the Chinese Mainland. Building on the legacy and strength of its brand in Hong Kong and the Chinese Mainland, the breadth of its business portfolio, as well as the overall strength of its financial position and cashflow, the Group has consistently overcome significant challenges and successfully transformed its operating models to adapt to market changes over the past decades. Although this transformation will take some time, the Group believes it is making the necessary changes to restructure its business for sustainable, long-term success.

The Company is still in the process of finalising the Group's results for the Review Period. Information contained in this announcement is based on unaudited consolidated management accounts of the Group for the Review Period, which have not been reviewed or audited by the Company's auditor. Details of the Group's results for the Review Period shall be provided in the Company's interim results announcement, which is expected to be published in late November 2025.

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, 6 November 2025

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 Kwok Lam Kwong, Larry, Mr Au Siu Cheung, Albert, Ms Fang Suk Kwan, Katherine and Mr Lee Sai Yin, Patrick as independent non-executive directors; and Mr Lo Tak Shing, Peter and Mr Lo Ming Shing, Ian as executive directors.