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1957 & Co. (Hospitality) Limited
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 8495)

**PROFIT WARNING
REDUCTION OF LOSS**

This announcement is made by 1957 & Co. (Hospitality) Limited (the “**Company**” or “**1957 & Co.**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) and the Inside Information Provisions (as defined under GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the Board’s preliminary review of the unaudited consolidated management accounts of the Group for the three months ended 31 March 2023 (the “**Review Period**”) and other information currently available, the Group is expected to record a net loss within the range of approximately HK\$9.0 million to HK\$11.0 million for the Review Period as compared to the net loss of approximately HK\$17.2 million recorded for the corresponding period in 2022.

The Board believes that the expected net loss for the Review Period is mainly attributable to the combined effects of:

1. the increase in revenue in a range of approximately HK\$67.0 million to HK\$69.0 million for the Review Period as compared to the corresponding period in 2022 due to the resumption of economic activities from the epidemic to normalcy and a gradually rebound in inbound tourism;
2. the increase in cost of inventories sold in a range of approximately HK\$16.0 million to HK\$18.0 million for the Review Period as compared to the corresponding period in 2022;

3. the increase in staff costs in a range of approximately HK\$17.0 million to HK\$19.0 million for the Review Period as compared to the corresponding period in 2022 as the Group needs to recruit sufficient number of employees to cope with its business strategy and the expected economic conditions in the first quarter of 2023;
4. the increase in depreciation charge of newly acquired property, plant and equipment in a range of approximately HK\$8.0 million to HK\$9.0 million for the Review Period as compared to the corresponding period in 2022 due to the increase of the right-of-use assets in connection with the new leases entered into by the Group for its new restaurants and relocated restaurants;
5. the increase in other operating expenses in a range of approximately HK\$8.0 million to HK\$9.0 million for the Review Period as compared to the corresponding period in 2022 due to:
 - (a) reinstatement costs of approximately HK\$4.0 million incurred for two relocated restaurants and two closed restaurants; and
 - (b) other expenses in a range of approximately HK\$4.0 million to HK\$5.0 million, including but not limited to approximately HK\$1.0 million of marketing expenses incurred for the opening of two new restaurants and two relocated restaurants, which are one-off and non-recurring in nature; and
6. the increase in finance costs of approximately HK\$2.0 million for the Review Period as compared to the corresponding period in 2022 due to the increase in new bank loans and interest costs for financing the opening of new restaurants.

The Company is still in the process of finalising the results of the Group for the Review Period. The information contained in this announcement is only based on the preliminary assessment made by the Board with reference to the information currently available, including the unaudited consolidated management accounts of the Group for the Review Period, which have not been audited or reviewed by the auditors or the audit committee of the Company. The Group's actual results for the Review Period may differ from the information disclosed in this announcement. Shareholders and potential investors are advised to refer to the details of the Company's first quarterly results announcement for the Review Period, which is expected to be published in mid-May 2023.

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

By order of the Board
1957 & Co. (Hospitality) Limited
Kwok Chi Po
Chief Executive Officer and Executive Director

Hong Kong, 28 April 2023

As of the date of this announcement, the executive directors are Mr. Wong Chi Wing Kinson, Mr. Kwok Chi Po, Mr. Lau Ming Fai, Ms. Tsui Ngan Fun and Ms. Lin Huiqin; the non-executive director is Mr. Chan Wai Fung; and the independent non-executive directors are Mr. Yim Hong Cheuk Foster, Mr. Huen, Felix Ting Cheung and Ms. Cheang Ana.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the “Latest Listed Company Information” page of the website of the Stock Exchange at www.hkexnews.hk for at least 7 days from the date of publication and on the website of the Company at www.1957.com.hk.