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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 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 not more than 30% of profit attributable to shareholders for the six months ended 30 September 2024 (the “**Review Period**”) as compared to that of HK\$200.6 million for the six months ended 30 September 2023.

In the backdrop of the weakened economy with outbound spending behavior, the decline in the Group’s profit during the Review Period was impacted by a severe and unexpected downturn in the restaurant business in the first quarter of the financial year, in addition to a high base effect following strong sales recovery resulting from the lifting of pandemic-related restrictions in the corresponding period last year.

Braving the headwinds, the Company took swift action and stepped up our proactive and effective measures to mitigate the adverse market impact on the Group’s operating results, leveraging on our core edge of catering to the community’s essential needs:

1. In Hong Kong, agile and robust execution focusing on value offers, menu mix, hero product promotions as well as membership loyalty strategies, creating demand, have partially off-set sales decline. Digitalisation and process simplification remained our priority to enhance manpower productivity and work efficiency, and relentless cost control efforts continued to safeguard margins.

2. In Mainland China, we emphasised value-for-money through quick menu adjustments, and well-received promotional offers and brand campaigns that enabled the Group to maintain stable performance and profit margins during this difficult period. The Group's network expansion in the Greater Bay Area continued to progress well during the Review Period.

Although the macro economic outlook remains volatile for the foreseeable future, the Group remains confident in its competitiveness. With the Central Government's determined efforts to promote recovery of the economy, as well as our strong underlying business fundamentals and steady focus on constant internal improvement, the Group is well positioned to return to growth as the market recovers.

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 interim results announcement of the Company, which is expected to be published in late November 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, 7 November 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 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.

** For identification purposes only*