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**1957 & Co. (Hospitality) Limited**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8495)**

**POSITIVE PROFIT ALERT AND BUSINESS UPDATE  
IN RELATION TO THE OPERATION OF  
RESTAURANTS OF THE GROUP UNDER  
THE TIGHTENING OF SOCIAL-DISTANCING MEASURES**

**Positive Profit Alert**

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 year ended 31 December 2021 and other information currently available, the Group is expected to record a net profit within the range of approximately HK\$16.0 million to HK\$20.0 million (including the impairment loss on property, plant and equipment within the range of approximately HK\$9.0 million to HK\$11.0 million for three restaurants and the partial reversal of impairment loss of property, plant and equipment within a range of approximately HK\$3.0 million to HK\$5.0 million for a restaurant) for the year as compared to the net loss of approximately HK\$17.7 million (including the impairment loss on property, plant and equipment of HK\$19.4 million for four restaurants) recorded for the same period in 2020.

The Board considered that such improvement was mainly attributable to the combined effects of (i) the increase in the revenue in a range of approximately HK\$74.0 million to HK\$76.0 million for the year as compared to the same period in 2020 when the outbreak of Coronavirus Disease 2019 (the “**COVID-19**”) first hit the market in 2020 which resulted in a significant reduction in the number of customers dining in our restaurants and followed by the impact from a series of social distancing measures and dining restrictions as implemented. It was noted that the number of infected cases of COVID-19 in Hong Kong had maintained a relatively lower level since late February 2021 until the end of the year 2021 and the pandemic situation and the dining restrictions in 2021 in Hong Kong were

improved or eased, as the case may be, as compared to 2020; (ii) the absence of factor leading to the temporary closure of a restaurant located in Festival Walk for a half month in early 2020 whereas such restaurant was in full operations during the year; (iii) the early surrendering of lease in relation to an under-performed restaurant in late 2020; (iv) the partial reversal of the impairment loss of property, plant and equipment in the amount of approximately HK\$3.0 million to HK\$5.0 million for a restaurant in which it had made a turnaround profit for year 2021 (as compared to loss making in 2020) and had recovered certain of its accumulated losses during the year 2021 and it had a sign to recover more accumulated losses in the foreseeable period of its lease terms; and (v) the reduction of provision for the impairment loss of property, plant and equipment from approximately HK\$19.4 million in 2020 for four restaurants to approximately HK\$9.0 million to HK\$11.0 million for three restaurants (the lease of two of these three restaurants will expire during the year 2022 and we considered that, in view of the current pandemic situation and social distancing measures (as further elaborated below), there is no sign for these restaurants to recover their respective cost of investment prior to the expiry of the respective lease term) in 2021, and the impacts were partially offset by (i) the reduction in government subsidies; and (ii) the corresponding increase in cost of inventories sold and staff costs as a result of the improvement in business of our restaurants.

The Company is still in the process of preparing and finalising the results of the Group for the year ended 31 December 2021. Actual results of the Group for the year may be different from those disclosed in this announcement. Shareholders and potential investors of the Company are advised to refer to the details of the Company's annual results announcement for the year ended 31 December 2021, which is expected to be published in late March 2022.

### **Business Update**

On 8 February 2022 and on 22 February 2022, the Government announced various measures to further tighten the social distancing measures which shall remain effective until 20 April 2022 and subject to further extension depending on the circumstances, including the continuation of banning of dine-in services at catering businesses from 6:00 p.m. to 5:00 a.m. since 7 January 2022. Furthermore, for the daytime services, the maximum number of customers per table for catering premises under Types B, C and D modes of operation was reduced to two, two and four respectively with effect from 10 February 2022 and the maximum number of customers per table was further tightened to two following the implementation of vaccine pass arrangements with effect from 24 February 2022.

The Government explained that the COVID-19 epidemic situation in Hong Kong has evolved drastically. The virus has spread into the local community and silent transmission chains may already exist in the community. Social distancing measures had to be tightened to the most stringent level as seen during the third and fourth waves of the epidemic, with a view to reducing public traffic, social functions and crowd gatherings to the greatest extent.

The tightened measures had a great adverse impact to the industry and business operation of the Group while the total effect is yet to be determined. The Directors currently expect that the business of the Group in the first quarter of 2022 would be adversely affected. Nevertheless, the Group has implemented cost-saving measures including but not limited to the minimizing of usage of casual staff in our restaurants, negotiating with our landlords for rental concession and asking our suppliers for purchase discounts, and launching some sales-stimulating campaigns including but not limited to increasing additional marketing efforts and expanding the take-away product line with an aim to partially offset the aforesaid adverse impacts.

Attention of the Shareholders and investors are drawn to the dining restrictions as imposed and announced by the Government from time to time which might affect the business operation of the Group.

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

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

Hong Kong, 25 February 2022

*As at the date of this announcement, the executive Directors are Mr. Kwok Chi Po, Mr. Kwan Wing Kuen Tino and Mr. Lau Ming Fai; the non-executive Directors are Mr. Leung Chi Tien Steve and Ms. Chan Siu Wan; the independent non-executive Directors are Mr. How Sze Ming, Mr. Ng Wai Hung and Mr. Chan Kam Kwan Jason.*

*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.*

*The announcement will remain on the “Latest Listed Company Information” page of the website of GEM of The Stock Exchange of Hong Kong Limited at [www.hkgem.com](http://www.hkgem.com) for at least 7 days from the date of publication and on the Company’s website at [www.1957.com.hk](http://www.1957.com.hk).*