

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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

PROFIT WARNING

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**”), 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) and Practice Note 2 of The Code on Takeovers and Mergers.

Reference is made to the composite offer document and response document jointly issued by Real Hero Ventures Limited (the “**Offeror**”) and the Company on 13 July 2022 in relation to mandatory conditional cash offer by Silverbrick Securities Company Limited for and on behalf of the Offeror to acquire all the issued shares in the Company (other than those already acquired or agreed to be acquired by the Offeror’s Concert Group) (the “**Composite Document**”). Unless otherwise defined herein or the context requires otherwise, capitalised terms used herein shall have the same meanings as those defined in the Composite Document.

The Board of Directors of the Company wishes to inform 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 and six months ended 30 June 2022 (the “**Three-Month Review Period**” and “**Six-Month Review Period**”, respectively) and other information currently available, the Group is expected to record (i) a decrease in revenue for the Three-Month Review Period of approximately 11% to 14% or HK\$12 million to HK\$14 million from the revenue recorded for the three months ended 30 June 2021; (ii) a decrease in revenue for the Six-Month Review Period of approximately 26% to 28% or HK\$49 million to HK\$51 million from the revenue recorded for the six months ended 30 June 2021; (iii) a decrease in net profit of up to approximately HK\$2 million recorded for the Three-Month Review Period when compared to net profit recorded for the three months ended 30 June in 2021; and (iv) a net loss of approximately HK\$7 million to HK\$9 million compared to a net profit of approximately HK\$8.8 million recorded for the six months ended 30 June 2021 (together, “**Profit Warning**”).

The Board considered that the decrease in revenue and increase in net loss for the Six-Month Review Period were mainly attributable to the fifth wave of COVID-19 outbreak and the implemented anti-epidemic measures; and among which, the dine-in services ban from 6 p.m. to 4:59 a.m. from 7 January 2022 until 20 April 2022 and the cap of two diners per table according to the tightened social distancing measures imposed by the Hong Kong government had much adverse impact on the financial performance. Such decrease has gradually slowed down since 21 April 2022 when the dine-in service for the dinner session were partially resumed and further relaxed by stages, which coupled with the effect of the government's consumption voucher scheme, together led to strong stimulating effect on spending and enhanced the Group's revenue. The Group has also implemented cost-saving measures including but not limited to minimising usage of casual workers in the restaurants, negotiating with the landlords for rent concession and the suppliers for purchase discounts, and some sales stimulating measures including but not limited to increasing marketing efforts and expanding the take-away product line to partially offset the aforesaid adverse impacts due to fifth wave of COVID-19 outbreak and anti-epidemic measures as mentioned above.

The Company is still in the process of finalising the interim results of the Group for the three months and six months ended 30 June 2022. The information contained in this announcement is only based on the Board's preliminary review of the unaudited consolidated management accounts of the Group for the three months and six months ended 30 June 2022 and other information currently available, which have not been audited or reviewed by the auditor or the audit committee of the Company and may be subjected to adjustments. The Shareholders and potential investors are advised to refer to the details of the Company's interim results announcement for the six months ended 30 June 2022 (the "**2022 Interim Results Announcement**"), which is expected to be published on 4 August 2022.

Given that new information regarding the Company is announced during the Offer Period, it is expected that an announcement will be published on 4 August 2022 as to whether the independent financial adviser would have any change of opinion on its advice in relation to the terms and conditions of the Offer and as to the acceptance of the Offer as set out in the "Letter from the Independent Financial Adviser" in the Composite Document in light of the information contained in this announcement and the 2022 Interim Results Announcement to be published on 4 August 2022.

The Profit Warning included in this announcement constitutes a profit forecast under Rule 10 of the Takeovers Code and is required to be reported on by both the Company's financial advisers and its auditors or accountants in accordance with Note 1(c) to Rules 10.1 and 10.2 of the Takeovers Code. In view of the requirements of timely disclosure of inside information under Rule 17.10 of the GEM Listing Rules and the Inside Information Provisions under Part XIVA of the SFO, the Company is required to issue this announcement as soon as practicable and given the time constraints, the Company has encountered genuine practical difficulties (timewise or otherwise) in meeting the reporting requirements set out in Rule 10.4 of the Takeovers Code.

The requirement to report on the Profit Warning under Rule 10.4 of the Takeovers Code will no longer apply after the issue of the 2022 Interim Results Announcement (which falls within the ambit of Rule 10.9 of the Takeovers Code) which will be published on 4 August 2022.

Shareholders and potential investors of the Company should note that the Profit Warning does not meet the standard required by Rule 10 of the Takeovers Code and has not been reported on in accordance with the Takeovers Code. Shareholders and potential investors of the Company should exercise caution when placing reliance on the Profit Warning in assessing the merits and demerits of the Offer and dealing in the securities of the Company. If the Shareholders and potential investors are in any doubt about their position, they should consult their stock brokers, bank managers, solicitors or other professional advisers.

By Order of the Board
1957 & Co. (Hospitality) Limited
Kwok Chi Po
Executive Director

Hong Kong, 20 July 2022

As of 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; and 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 Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement, and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statements in this announcement misleading.

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