

CAFÉ DE CORAL HOLDINGS LIMITED

(Incorporated in Bermuda with Limited Liability)

大家樂集團有限公司

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from 15th January, 2003 (Wednesday) to 16th January, 2003 (Thursday) (both days inclusive) during which period no transfers of shares will be effected. To rank for the aforesaid interim dividend, all completed transfer forms, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong Branch Share Registrars, Computershare Hong Kong Investor Services Limited at 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:00 p.m. on 14th January, 2003.

BUSINESS REVIEW AND PROSPECTS

Results

I am pleased to report that the Group's half-year profit attributable to shareholders have continued with its sixth consecutive year of growth to HK\$126 million.

This half-year's result of continuous profit growth was no easy task. The first half of year 2002 was not without its formidable challenges. Continuous deflation, persistently high unemployment, corporate retrenchment, coupled with the global economic uncertainties, continue to impact on the already sluggish consumer market locally. Not since the early 1980's have so many business sectors been simultaneously impacted by the depth and breadth of such a lengthy economic downturn.

While the eating-out industry has not been growing for years, we also saw severe pricing competitions coming from even non-traditional players such as supermarkets and convenience stores. Having said that however, we believe an industry consolidation is on the horizon, where only the leading players like ourselves, through effective management and efficiency measures would continue to reinforce our market leadership position and benefit from the consolidation process. So far, the Group managed to continuously improve on its net profit margin for the sixth consecutive year. While our business management strength was historically proven, the breadth of this economic downturn has been exceptional, which requires exceptional measures in setting new growth platforms, breaking new development frontiers, embracing new business processes and returning enhanced shareholders' value.