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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: <http://www.cafedecoral.com>

(Stock Code: 341)

APPLICATION OF NEW RULES ON CONTINUING CONNECTED TRANSACTIONS

With amendments to the Listing Rules on connected transactions becoming effective from 1 July 2014, transactions contemplated under the Master Franchise Agreement with illy are no longer regarded as continuing connected transactions of the Company under the New Rules.

Reference is made to the announcement of the Company dated 14 November 2007 (the “Announcement”). Unless otherwise specified, terms defined in the Announcement shall have the same meaning when used in this announcement.

On 14 November 2007, Café de Espressamente illy, a non-wholly owned subsidiary of the Company entered into the Master Franchise Agreement with illy for a term of 10 years for exclusive franchises to operate retail outlets in Hong Kong and Macau (other than certain locations in Macau). illy was an associate of a substantial shareholder (as defined under the Listing Rules) of Café de Espressamente illy at the time when entering into the agreement and become a substantial shareholder of Café de Espressamente illy in 2010. The transactions contemplated under the Master Franchise Agreement constituted continuing connected transactions of the Company and the Company has been complying with all requirements applicable to continuing connected transactions under the Listing Rules.

With amendments to Chapter 14A of the Listing Rules on connected transactions came into effect on 1 July 2014 (the “New Rules”), a substantial shareholder of an “insignificant subsidiary” falls under exceptions to the definition of connected person under the New Rules. Based on financial statements of Café de Espressamente illy for the latest three financial years ended 31 March 2014, Café de Espressamente illy is regarded as an “insignificant subsidiary” of the Company and the exceptions to the definition of connected person of the New Rules therefore apply to illy.

As a result of application of the New Rules, so long as Café de Espressamente illy falls under the definition of “insignificant subsidiary”, illy is no longer a connected person of the Company and the transactions contemplated under the Master Franchise Agreement are not regarded as continuing connected transactions of the Company. Such transactions are therefore no longer subject to requirements relevant to continuing connected transactions under the Listing Rules, including the annual review and reporting requirements in annual reports of the Company.

In the event that Café de Espressamente illy no longer meets the conditions for “insignificant subsidiary” under the New Rules, the Company will re-comply with the requirements relevant to continuing connected transactions under the Listing Rules.

By order of the Board
Vera Leung
Company Secretary

Hong Kong, 28 November 2014

As at the date of this announcement, the Board comprises Mr. Lo Hoi Kwong, Sunny, Ms. Lo Pik Ling, Anita and Mr. Lo Tak Shing, Peter as executive directors; Mr. Chan Yue Kwong, Michael, Mr. Lo Ming Shing, Ian and Mr. Hui Tung Wah, Samuel as non-executive directors; and Mr. Choi Ngai Min, Michael, Mr. Li Kwok Sing, Aubrey, Mr. Kwok Lam Kwong, Larry and Mr. Au Siu Cheung, Albert as independent non-executive directors.