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婚宴專門店
Wedding Banquet Specialist

PALACE BANQUET HOLDINGS LIMITED

首灃控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1703)

VOLUNTARY ANNOUNCEMENT BUSINESS UPDATE

This announcement is made by Palace Banquet Holdings Limited (the “**Company**” and together with its subsidiaries, collectively the “**Group**”) on a voluntary basis.

BUSINESS UPDATE

In order to control the costs of its operations, the Company is evaluating the development of the Novel Coronavirus (COVID-19) and is developing appropriate strategies and cost control measures to cope with the difficult business environment in order to ensure safety of its customers and employees, and to minimise the impact on its business operations and financial results.

For the restaurant operations, the Company has taken a series of measures to ensure the safety of its customers and employees, such as more regular disinfections and hygiene controls are taken in the restaurants, and all employees are required to measure their body temperatures and declare their health statuses and would only be allowed to enter the premise to work if they prove to be of good health and have not been outside of Hong Kong for the past 14 days. Furthermore, all employees are provided with face masks and gloves for working, and alcohol hand sanitiser are provided for the customers and employees to use. For banquet services, the restaurants also offer temperature taking if the host of the banquet requires the guests’ temperature to be checked before attending the banquet.

On the other hand, for costs controls, Mr. Chan Shou Ming, executive Director and chairman of the Company, Ms. Chen Xiao Ping, executive Director and chief executive officer of the Company and Ms. Qian Chunlin, executive Director of the Company have taken the initiative to implement a temporary 30% reduction of their respective remuneration with effect from 7 February 2020 for a period of two months as a measure to help counter the effect from the current adverse and difficult

financial situation of the Group. If the financial situation of the Company still does not improve due to the impact from the COVID-19 on its operations, the executive Directors may consider further extending the temporary reduction of their respective remuneration.

Furthermore, the Group is currently in discussions with its various landlords for a rent concessions during this difficult time in order to lower the rental expenses of the Company as part of the costs control measures.

The Group has also been negotiating with its staff for mutually agreed arrangements in compliance with the legal requirements in Hong Kong to lower the Group's staff costs.

Lastly, the Group is collecting its operations data and may temporarily suspend the operations of some of its restaurants which are expected to result in gross loss. The Group may also adjust the business hours of its restaurants. The Group will reopen these restaurants if any of them has confirmed banquet orders and that the customers still wants to host the banquets as scheduled so as to allow the banquets to proceed. If the Group temporarily suspends the operations of any of its restaurants, it will resume operations of these restaurants when the consumers' sentiment for dining is showing recovery from the impact of the COVID-19.

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

By order of the Board
Palace Banquet Holdings Limited
Chan Shou Ming
Chairman

Hong Kong, 21 February 2020

As at the date of this announcement, the executive directors of the Company are Mr. Chan Shou Ming, Ms. Chen Xiao Ping and Ms. Qian Chunlin; and the independent non-executive directors of the Company are Mr. Chan Koon Yuen Windaus, Mr. Ng Kwok Tung and Mr. Yue Ming Wai Bonaventure.