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婚宴專門店  
Wedding Banquet Specialist

## **PALACE BANQUET HOLDINGS LIMITED**

### **首豐控股有限公司**

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

**(Stock Code: 1703)**

### **INSIDE INFORMATION**

#### **PROFIT WARNING**

This announcement is made by Palace Banquet Holdings Limited (the “**Company**” and together with its subsidiaries, collectively the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company and potential investors that, based on the preliminary review of the information which includes, but without limitation to, the unaudited consolidated management accounts of the Group for the six months ended 30 September 2020 (the “**Period**”) and other information of the Group currently available to the Board, it is expected that the loss and total comprehensive expenses of the Group for the Period will increase by at least 30% (after taking into consideration the government subsidy and net gain from lease modification) as compared to the loss and total comprehensive expenses for the six months ended 30 September 2019 (“**1H2019**”) (1H2019: HK\$42.5 million).

To the best knowledge, information and belief of the Board, the expected increase in loss of the Group is attributable to a combination of factors, including:

1. The expected decrease of more than 65% in revenue for the Period as compared to 1H2019 (1H2019: HK\$332.2 million) was primarily due to:
  - (a) the temporary and permanent closure of certain restaurants of the Group due to the impact from the Coronavirus Disease 2019 (“COVID-19”);
  - (b) the decrease of banquet and dining services provided due to the social distancing and number of people for dining posed by the HKSAR government during the Period due to COVID-19; and
  - (c) the number of restaurants operated by the Group decreased to fifteen during the Period from nineteen during the same period last year; and
2. the increase in impairment of property, plant and equipment and right of use assets primarily due to prolonged delay in resumption of provision of normal banquet or dining services as compared to the position expected as at 31 March 2020.

The information contained in this announcement is only based on a preliminary assessment by the Board based on the unaudited consolidated management accounts of the Group for the Period, which have not yet been confirmed or reviewed by the Company’s auditors or the audit committee of the Company, nor finalized as at the date of this announcement. The financial information of the Group for the Period will be disclosed in the interim results announcement in November 2020.

**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, 30 October 2020

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