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CAFÉ DE CORAL HOLDINGS LIMITED
(incorporated in Bermuda with limited liability)

CONNECTED TRANSACTIONS

The Directors of Café de Coral Holdings Limited (“the Company” together with its subsidiaries, the “Group”) announce that the franchise agreements between the Group and Furanka Limited (“Furanka”) on the operation of two Cafe de Coral restaurants by Furanka (“Restaurants”) have expired on 11th April 2000 (“Franchise”). On 11th April 2000, the Group entered into a sale and purchase agreement (“Acquisition Agreement”) and a tenancy agreement (“Tenancy Agreement”) with Furanka and Tinway Investments Limited (“Tinway”) respectively whereby the Group acquired the assets relating to the operation of the Restaurants under the Franchise and rented the premise at which Furanka operates one of those Restaurants under the Franchise from Furanka and Tinway respectively to continue on the operation of the Restaurants (collectively “the Agreements”).

Furanka is controlled by Ms. Lo Pik Ling, Anita, (Director of the Company) and Ms. Chan Po Ling, Pauline (spouse of Mr. Chan Yue Kwong, Michael, the Chairman of the Company). Mr. Lo Hoi Kwong, Sunny, (Director of the Company) is also a director of Furanka. Tinway is controlled by Ms. Lo Pik Ling, Anita, Ms. Chan Po Ling, Pauline and Ardley Enterprises Limited, a company wholly beneficially owned by the family members of Mr. Lo Hoi Kwong, Sunny. The Agreements constitute connected transactions of the Company under the Rules Governing the Listing of Securities of the Stock Exchange of Hong Kong Limited (the “Listing Rules”).

Details of the Agreements will be disclosed in the next published annual report and accounts of the Company.

The Directors of the Company announce that the Franchise between the Group and Furanka on the operation of the Restaurants by Furanka have expired on 11th April 2000 and that the Group has entered into following agreements with Furanka and Tinway to continue on the operation of the Restaurants:

Acquisition Agreement

Parties: Weli Company Limited (“Weli”), a wholly owned subsidiary of the Company, as the purchaser

Furanka, as the vendor

Date: 11th April 2000

Subject: The fixed assets (including all fixed and loose equipments, furniture and fittings used by Furauka at the two premises at which the Restaurants are situated), inventory and the two restaurant licences issued by the Food and Environmental Hygiene Department relating to the operation of the Restaurants

Consideration: HK\$2,572,827.31 paid in cash on completion of the Acquisition Agreement on 11th April 2000, subject to be adjusted on a dollar for dollar basis if the actual inventory of the Restaurants as at 11th April 2000 (based on the stock take performed by Weli) is different from the estimated inventory of the Restaurants as at 11th April 2000 as set out in the Acquisition Agreement

Tenancy Agreement

Parties: Weli, as the tenant

Tinway, as the landlord

Date: 11th April 2000

Property: All Those Shop G50 on the Ground Floor and Shops Nos. 116, 117, 124-149, 165, 173 and 174 on the First Floor of Man On House, No. 151-163 Wanchai Road, Nos. 12A-C Burrows Street and Nos. 17-27 Cross Lane, Hong Kong (the "Premises") with saleable area of approximately 3,935 sq.ft.

Term: 3 years commencing on 12th April 2000 and ending on 11th April 2003 with an option exercisable by Weli to renew the tenancy for a further three years commencing from 12th April 2003 to 11th April 2006 at a monthly rent of not less than HK\$170,000 and not more than HK\$204,000

Rent: HK\$6,120,000 exclusive of rates and management fees (being a monthly rental of HK\$170,000 throughout the 3 year term) for the initial three year term expiring on 11th April 2003

Reasons for the Transaction

The Franchise in relation to the operation of the Restaurants by Furanka, one of which is operated at the Premises and the other at second floor of Wan Tsui Commercial Complex, Wan Tsui Estate, Chai Wan, Hong Kong expired on 11th April 2000 and the Directors considered it desirable for the Company to continue on the operation of the Restaurants at the premises at which there are now operated by Furanka. The Group has entered into a tenancy agreement for the premises at Wan Tsui Estate with the Hong Kong Housing Authority. The execution of the Agreements will enable the Group to

continue on the operation of the Restaurants at both locations at which they are now operated.

The consideration paid by the Group under the Acquisition Agreement was determined based on the net book value of the fixed assets, the cost of the inventory of the Restaurants as at 11th April 2000 and the market value of the two restaurant licences in comparable transactions with independent third parties. The monthly rental for the Premises is equal to the market rental as ascertained by Chesterton Petty Limited, an independent professional valuer, as at 14th March 2000. The consideration paid and/or payable under Agreements has/will be funded by internal resources of the Group.

An audit committee, consisting of Mr. Choi Ngai Min, Michael and Mr. Li Kwok Sing, Aubrey, being all the independent non-executive directors of the Company, and the remaining Directors of the Company are of the opinion that the Agreements are entered into in the ordinary and usual course of business of the Company, on normal commercial terms based on arm's length negotiation and are fair, reasonable and beneficial to the Company and to its shareholders as a whole.

Furanka is controlled by Ms. Lo Pik Ling, Anita, (Director of the Company) and Ms. Chan Po Ling, Pauline (spouse of Mr. Chan Yue Kwong, Michael, the Chairman of the Company). Mr. Lo Hoi Kwong, Sunny, Director of the Company, is also a director of Furanka. Tinway is controlled by Ms. Lo Pik Ling, Anita, Ms. Chan Po Ling, Pauline and Ardley Enterprises Limited, a company wholly beneficially owned by the family members of Mr. Lo Hoi Kwong, Sunny. The Agreements constitute connected transactions of the Company within the meaning of Rule 14.25(1) of the Listing Rules and is subject to the disclosure requirement pursuant to the Listing Rules.

Details of the Agreements will be disclosed in the next published annual report and accounts of the Company.

By Order of the Board
Li Oi Chun, Helen
Company Secretary

Hong Kong, 11th April 2000