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CAFÉ DE CORAL HOLDINGS LIMITED

大家樂集團有限公司

(Incorporated in Bermuda with Limited Liability)

CONNECTED TRANSACTION TENANCY AGREEMENT

The Directors of Café de Coral Holdings Limited (the "Company") announce that the Company through its indirectly wholly-owned subsidiary, Very Nice, has renewed a tenancy agreement on 11th February, 2004 with LBK in respect of Shops A and B on Ground Floor, Honland Building, Nos.108-118 Prince Edward Road West, Mong Kok, Kowloon (the "Premises") for a term of three years from 1st January, 2004 to 31st December, 2006 (the "Tenancy Agreement"). The leased area operates a Café de Coral restaurant.

As LBK is controlled by the associates of Mr. Lo Hoi Chun, a non-executive director of the Company, LBK is a connected person of the Company within the meaning of the Listing Rules. The entering into of the Tenancy Agreement between the parties constitutes a connected transaction of the Company. The Company is required to make this announcement pursuant to Rule 14.25(1) of the Listing Rules and, to include details of the Tenancy Agreement will be included in the Company's published annual reports and accounts during the term of the Tenancy Agreement.

The Audit Committee and the Directors of the Company are of the opinion that the Tenancy Agreement was 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 and reasonable in so far as the Company and its shareholders are concerned.

THE TENANCY AGREEMENT DATED 11TH FEBRUARY, 2004

Parties:

Landlord: LBK Holding Corporation ("LBK").

Tenant: Very Nice Fast Food Limited ("Very Nice"), an indirectly wholly-owned subsidiary of the Company.

Premises:

Shops A and B on Ground Floor, Honland Building, Nos.108-118 Prince Edward Road West, Mong Kok, Kowloon. In accordance with the open market valuation as at 17th December, 2003 carried out by FPD Savills (Hong Kong) Limited ("FPD Savills"), an independent professional property valuer, the total saleable area is 1,397 sq. ft.

Term:

Three years commencing from 1st January, 2004 and expiring on 31st December, 2006 with one month rent free period from 1st January, 2004 to 31st January, 2004.

Rental payments:

HK\$90,000 per calendar month exclusive of rates and management fee.

The monthly rental equals to the open market rental valuation as at 17th December, 2003 carried out by FPD Savills, an independent professional property valuer.

General:

LBK is controlled by the associates of Mr. Lo Hoi Chun, a non-executive director of the Company, therefore, LBK is a connected person of the Company within the meaning of the Rules governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and the entering into of the Tenancy Agreement between LBK and Very Nice constitutes a connected transaction of the Company under Rule 14.23(1)(a) of the Listing Rules.

This announcement is made by the Company in compliance with the disclosure requirements of Rule 14.25(1) of the Listing Rules. During the term of the Tenancy Agreement, the Company will include the details of this connected transaction in each published annual reports and accounts.

Very Nice has been occupying the Premises for the past one year operating a Café de Coral fast food restaurant. The previous lease expired on 31st December, 2003 and the Company and Very Nice wish to remain and continue to operate the Café de Coral fast food restaurant business at the Premises.

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 ("Audit Committee"), and the Directors of the Company are of the opinion that the Tenancy Agreement was 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.

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