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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") announce that tenancy agreements were entered into on 23<sup>rd</sup> December, 1999 between each of two indirect wholly-owned subsidiaries of the Company, Yumi Yumi Caterers Limited ("Yumi") and Very Nice Fast Food Limited ("Very Nice") as tenants and LBK Trustee Holding Corporation ("LBK") as landlord (individually as "the Agreement" and collectively as "the Agreements") renewing the existing tenancies in respect of the two premises used by the Company to operate its fast food restaurants which will expire on 31<sup>st</sup> December, 1999.

LBK is wholly beneficially owned by the family members of Mr. Lo Hoi Chun, a non-executive director of the Company. Mr. Lo Hoi Chun and his associates are directors of LBK. Mr. Lo Hoi Chun is also a director of Yumi. The execution of 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 following tenancy agreements were entered into by Yumi and Very Nice, each of which is an indirect wholly owned subsidiary of the Company to renew their existing tenancies in respect of the Premises (as defined below) which will expire on 31<sup>st</sup> December, 1999:

### **Tenancy Agreement of Yumi**

- Parties** : Yumi, as the tenant  
LBK, as the landlord
- Date** : 23<sup>rd</sup> December, 1999
- Property** : All That Ground Floor of No.77 Tung Choi Street, Mongkok, Kowloon ("the Premises 1") with saleable area of approximately 860 sq. ft.
- Term** : 3 years commencing on 1<sup>st</sup> January, 2000 and ending on 31<sup>st</sup> December, 2002
- Rent** : HK\$2,196,000 exclusive of rates and management fees (being a monthly rental of HK\$61,000 throughout the 3 years term) with cash rental deposits of HK\$122,000 payable under the Agreement. By the reason that a cash rental deposit of HK\$130,000 has been paid under the existing tenancy, LBK will be required to refund the balance of HK\$8,000 to Yumi on this occasion.

### **Tenancy Agreement of Very Nice**

- Parties** : Very Nice, as the tenant  
LBK, as the landlord
- Date** : 23<sup>rd</sup> December, 1999
- Property** : All Those Shops A and B on the Ground Floor of Honland Building, No. 108-118 Prince Edward Road West, Kowloon ("the Premises 2" together with Premises 1, the "Premises") with saleable area of approximately 1,368 sq. ft.
- Term** : 3 years commencing on 1<sup>st</sup> January, 2000 and ending on 31<sup>st</sup> December, 2002
- Rent** : HK\$3,960,000 exclusive of rates and management fees (being a monthly rental of HK\$110,000 throughout the 3 years term) with cash rental deposit of HK\$220,000 payable under the Agreement. By the reason that a cash rental deposit of HK\$240,000 has been paid under the existing tenancy, LBK will be required to refund the balance of HK\$20,000 to Very Nice on this occasion.

The Company will continue to operate the fast food restaurants at the two Premises.

The said monthly rental for Premises 1 is equal to the market rental as ascertained by C. Y. Leung & Company Limited (“the valuer”), an independent professional valuer, as at 23rd November, 1999, whereas the said monthly rental for Premises 2 is slightly below the market rental of HK\$112,000 as ascertained by the valuer as at the same date. An audit committee, consisting of Mr. Michael Choi Ngai Min and Mr. Aubrey Li Kwok Sing, being all the independent non-executive directors of the Company, is 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.

LBK is wholly beneficially owned by the family members of Mr. Lo Hoi Chun, a non-executive director of the Company. Mr. Lo Hoi Chun and his associates are directors of LBK. Mr. Lo Hoi Chun is also a director of Yumi. Therefore, entering into the said Agreements constitutes connected transactions 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, 29<sup>th</sup> December, 1999