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1957 & Co. (Hospitality) Limited
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 8495)

PROFIT WARNING
IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT OF
THE TWO LOSS-MAKING RESTAURANTS
AND
BUSINESS UPDATE

This announcement is made by 1957 & Co. (Hospitality) Limited (the “**Company**”), together with its subsidiaries, (the “**Group**”) pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) and the Inside Information Provisions (as defined under the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on a preliminary review on the unaudited consolidated management accounts of the Company for the year ended 31 December 2019 (the “**Reporting Period**”) and other information currently available to the Board, the Group is expected to record an increase in net loss after tax for the Reporting Period as compared to the net loss after tax for the corresponding period in 2018. The increase in loss-making position of the Group for the Reporting Period was mainly attributable to the impairment losses provided for the property, plant and equipment of our two restaurants, namely Mango Tree (YOHO) Restaurant and Ta-Ke Japanese Restaurant, which are currently estimated to be in the range of approximately HK\$10 million to HK\$15 million in aggregate. Mango Tree (YOHO) Restaurant and Ta-Ke Japanese Restaurant were opened on 19 July 2017 and 28 March 2018, respectively, and the impairment losses are provided after the impairment assessment based on the respective forecast which has taken into account, among other things, (i) the accumulated operating losses incurred by the respective restaurants; (ii) the expected increase in operating losses for these restaurants with very remote chance of turnaround into profit making position after taking into account the commencement of social events during the latter half of 2019 and the first annual contraction of real gross domestic product of Hong Kong since 2009. Accordingly, the Board considered to impair the property, plant and equipment in the aggregate amount in the range of approximately HK\$10 million to HK\$15

million for the two restaurants. The Board would like to emphasise that the impairment losses were non-cash items and have no effect on the cash flow of the Group's operations. Based on the latest unaudited information currently available, the Directors expect that, other than the adverse impact brought by the aforesaid impairment losses, there is no material fluctuation in the operating results of the Group for the year ended 31 December 2019 as compared to that of 2018.

As the Company is still in the process of finalizing the consolidated results of the Company for the year ended 31 December 2019, the information contained in this announcement is only a preliminary assessment by the Board based on the latest information currently available, and is not based on any data or information which is finalized or reviewed by the audit committee of the Company. Actual financial results of the Group may be different from what is disclosed in this announcement. Shareholders and potential investors are advised to read carefully the announcement to be published by the Company in relation to the results of the Group for the Reporting Period. The audited results of the Group for the year ended 31 December 2019 will be announced by the Company before the end of March 2020.

Furthermore, the Group has been affected greatly by the outbreak of COVID-19 in Hong Kong since February 2020. As a result of the significant reduction in the number of customers visiting our restaurants from Hong Kong and Mainland China, the revenue of our restaurants has fallen substantially by approximately 40% in aggregate in February 2020 as compared with the corresponding month in 2019. The Directors do not currently have a view as to how long the weak situation will continue, and therefore, it is not possible, at this stage, to quantify the potential impact on the results for the three-month period ending 31 March 2020. Despite the difficulties the Group is now facing, we are actively taking various measures to lower our operating costs and to mitigate the impact on the Group, including but not limited to negotiating with landlords for rental reductions and with suppliers for purchase discounts while employees are encouraged to take their outstanding leave entitlements. The Company will continue to monitor the operating performance of the restaurants and keep Shareholders and investors updated as required under the GEM Listing Rules as and when appropriate.

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

By order of the Board of
1957 & Co. (Hospitality) Limited
Kwok Chi Po

Chief Executive Officer and Executive Director

Hong Kong, 28 February 2020

As at the date of this announcement, the executive Directors are Mr. Kwok Chi Po, Mr. Kwan Wing Kuen Tino, Mr. Lau Ming Fai and Mr. Leung Nicholas Nic-hang; the non-executive Director is Mr. Leung Chi Tien Steve; the independent non-executive Directors are Mr. How Sze Ming, Mr. Ng Wai Hung and Mr. Chan Kam Kwan Jason.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

The announcement will remain on the “Latest Listed Company Information” page of the website of GEM of The Stock Exchange of Hong Kong Limited at www.hkgem.com for at least 7 days from the date of publication and on the Company’s website at www.1957.com.hk.