

20 July 2016

**Statement in regard to Legal Proceedings concerning the Issue of
Replacement Share Certificate to Ms Lee Lo, Linda Tak Ling**

In response to recent media reports on the legal proceedings initiated by Ms Lee Lo, Linda Tak Ling (Ms Lo), an elder sister of Mr Sunny Lo, Chairman of Café de Coral Group (the Group), concerning the issue of replacement share certificate, the Group makes a statement as follows:

The Group takes corporate governance seriously and upholds the same principle in all corporate decisions. The proceedings are procedural and are pursued by the parties to duly resolve Ms Lo's request for the replacement certificate.

Ms Lo lost the share certificate of her shares in the Group and made a request to the Share Registrar for a replacement certificate in 1999. As a standard requirement for application for replacement certificates, the Share Registrar requested Ms Lo to provide a Guarantee issued by a bank/ insurance company. Since Ms Lo was unable to provide the Guarantee, no replacement certificate has been issued.

In 2013, Ms Lo made a request for the Group to waive the requirement of the Guarantee. In consideration of the overriding principle that all shareholders are to be treated even-handedly, the Board decided that no replacement certificate would be issued unless Ms Lo could fulfill the standard requirement for application for replacement certificates. Three Directors, including Mr Sunny Lo, Ms Anita Lo and Mr Michael Chan, who are associates of Ms Lo, abstained from participating in the decision.

Subsequently, Ms Lo proceeded to applying for a relevant court order at the Bermuda Court. According to the order, Ms Lo placed a notice in two newspapers in Hong Kong today (20 July). If no objection is received within 28 days, the Bermuda Court is likely to grant an order directing the Group to issue the replacement share certificate to Ms Lo.

Corporate Communications Department
Café de Coral Group