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Xiabuxiabu Catering Management (China) Holdings Co., Ltd.
呷哺呷哺餐飲管理(中國)控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 520)

PROFIT WARNING

This announcement is made by Xiabuxiabu Catering Management (China) Holdings Co., Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, the Laws of Hong Kong).

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and prospective investors of the Company that, based on its preliminary assessment of the Group’s unaudited consolidated management accounts for the year ended 31 December 2022 and information currently available to the Board, the Group is expected to record a revenue of approximately RMB4.72 billion for the year ended 31 December 2022, representing an expected decrease of approximately 23.1% as compared to that of the year ended 31 December 2021. The Group is expected to record a net loss ranging from approximately RMB320 million to RMB340 million for the year ended 31 December 2022 as compared to a net loss of approximately RMB283 million for the year ended 31 December 2021.

The Company recorded such a net loss for the year ended 31 December 2022 mainly due to the failure to operate in full capacity as a result of the required temporary suspension of the dine-in services of or the operation time limits on the restaurants across many regions as affected by the Covid-19 pandemic (the “**Pandemic**”) in 2022, whilst such restaurants continuing to incur certain fixed operating costs (including rental expenses and staff costs).

During the second half of 2022, the Group continued its efforts in cost control and efficiency enhancement in order to mitigate the impacts of the Pandemic on the Group’s business operation. Such efforts included timely adjustments to its organizational structure and business strategy, adoption of various measures to increase the operating revenue of restaurants, refined control and management of various operating costs and expenses, and negotiation for rental exemption or reduction for restaurants impacted based on our own brand advantages, etc. By adopting these measures, we have achieved better

results during the second half of 2022, with a net loss of approximately RMB42 million to RMB62 million for the second half of 2022, representing a significant decrease as compared to a net loss of RMB278 million for the first half of 2022, which showcased the Company's active efforts in coping with the market changes through innovation and a series of responding measures, and striving for business growth.

The Group has been closely monitoring on its restaurants' performances and adjusts its business strategy from time to time. To improve the Group's operating results, the Group pays continuous close attention to the market conditions, reviews the operations of its restaurants and makes timely adjustments to its organizational structure and business strategy. At the same time, the Group will adopt various measures to increase the operating revenue of its restaurants and control various operating costs. In light of the Chinese government's lifting of the "zero pandemic control measures" in December 2022, and the stable financial position and sufficient working capital of the Group, the Board believes that the Group's business will achieve a turnaround and is confident towards its future development.

As the results for the year ended 31 December 2022 have not been finalized, the information contained in this announcement is only a preliminary assessment by the Board based on information currently available including the unaudited consolidated management accounts of the Group for the year ended 31 December 2022, which have not been audited or reviewed by the auditors of the Company, nor reviewed by the audit committee of the Board.

The annual results announcement of the Company for the year ended 31 December 2022 is expected to be published by the end of March 2023 in full compliance with the requirements under the Listing Rules.

Shareholders and prospective investors are advised to exercise cautions when dealing in the shares of the Company.

By order of the Board
Xiabuxiabu Catering Management (China) Holdings Co., Ltd.
HO Kuang-Chi
Chairman

Hong Kong, 7 March 2023

As at the date of this announcement, the Board comprises Mr. HO Kuang-Chi as executive director; Ms. CHEN Su-Yin and Ms. LI Jie as non-executive directors; and Mr. HON Ping Cho Terence, Ms. CHEUNG Sze Man and Mr. KOT Man Tat as independent non-executive directors.