上海小南国
SHANGHAI MIN

Xiao Nan Guo Restaurants Holdings Limited
小南國餐飲控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3666)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09(2)(a) of the Listing Rules and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance.

The Board wishes to inform the shareholders of the Company and potential investors that, after conducting a preliminary review of the unaudited consolidated management accounts of the Group for the year ended 31 December 2015, the Group is expected to record a loss in consolidated net profit attributable to shareholders as compared to that for the corresponding period in 2014.

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

This announcement is made by Xiao Nan Guo Restaurants Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of the directors (the "**Board**") of the Company wishes to inform the shareholders of the Company (the "**Shareholders**") and potential investors that, based on the preliminary information currently available to the Group, it is expected that the unaudited consolidated management accounts of the Group for the year ended 31 December 2015 will record a loss in consolidated net profit attributable to Shareholders as compared to that for the corresponding period in 2014. The directors consider that the expected loss is mainly attributable to one-off asset written-off caused by closure or disposal of certain loss-making restaurants.

The Board considers that the Group has committed to enhancing the operating efficiency and profitability of its restaurants and has demonstrated improvement in 2015. Both the primary business and same-store sales of the Group have increased. Whilst its primary business remained stable, the Group decided to close or dispose eight to ten loss-making restaurants to maintain positive development of the Group's overall business.

The Company is still in the process of finalising the annual result for 2015. The information contained in this announcement is only based on the preliminary assessment by the directors with reference to the information currently available to them, which has not yet been reviewed by or discussed with the auditors of the Company. The audited financial statement of the Group for the year ended 31 December 2015 may be different from what is contained in this announcement. The annual results announcement of the Company for the year ended 31 December 2015 is expected to be released in March 2016.

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

By order of the Board
Xiao Nan Guo Restaurants Holdings Limited
WANG Huimin
Chairlady

Shanghai, the People's Republic of China, 19 January 2016

As at the date of this announcement, the executive directors of the Company are Ms. WANG Huimin, Ms. WU Wen and Ms. ZHU Xiaoxia; the non-executive directors of the Company are Ms. WANG Huili, Mr. WENG Xiangwei and Mr. WANG Hairong; and the independent non-executive directors of the Company are Dr. WU Chun Wah and Mr. LUI Wai Ming.