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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 2019 and information currently available to the Group, it is expected that the net profit attributable to owners of the Company for the year ended 31 December 2019 would decrease significantly, as compared with the same for the year ended 31 December 2018. Such decrease was primarily due to the effects of the application of International Financial Reporting Standard 16 “Leases” (effective from 1 January 2019) (“**IFRS 16**”) on the expenditures spent on the leases of the restaurants the Group operates. The application of IFRS 16 will result in a higher total charge to the statement of profit or loss in the first few years of the lease, and such expenses will decrease during the latter part of the lease term, therefore there is no impact on the expenses recognized during the lease term. As the Group currently operates a large restaurant network with over 1,000 restaurants, the effects of the application of IFRS 16 will be significant.

As the results for the year ended 31 December 2019 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 2019, which have not been confirmed, reviewed or audited by the auditors of the Company.

The annual results announcement of the Company for the year ended 31 December 2019 is expected to be published by the end of March 2020 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, 4 March 2020

As at the date of this announcement, the Board comprises Mr. HO Kuang-Chi and Ms. ZHAO Yi as executive directors; Ms. CHEN Su-Yin and Mr. ZHANG Chi (Ms. LI Jie as his alternate) as non-executive directors; and Ms. HSIEH Lily Hui-yun, Mr. HON Ping Cho Terence and Ms. CHEUNG Sze Man as independent non-executive directors.