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NAYUKI

Nayuki Holdings Limited
奈雪的茶控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2150)

BUSINESS UPDATE
OPERATIONS FOR THE FOURTH QUARTER OF 2021

This announcement is made pursuant to Rule 13.09 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 in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors (the “**Board**”) of Nayuki Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**” or “**We**”) hereby announces its operations for the three months from October 1, 2021 to December 31, 2021 (the “**Quarter**”).

Number of stores

During the Quarter, the Group recorded a net increase of 149 *Nayuki* teahouses and closed 7 *Nayuki* teahouses. 23 regular *Nayuki* teahouses commenced their transformation to *Nayuki* PRO teahouses. As at December 31, 2021, the Group has 817 *Nayuki* teahouses in total.

The following table sets out the breakdown of the number of our *Nayuki* teahouses by geographic location as at September 30, 2021 and December 31, 2021.

	As at December 31, 2021	As at September 30, 2021
Number of Regular <i>Nayuki</i> Teahouses		
Tier 1 cities	149	162
New Tier 1 cities	150	161
Tier 2 cities	118	122
Other cities ⁽¹⁾	29	29
Total	446	474

	As at December 31, 2021	As at September 30, 2021
Number of Type-I PRO Teahouses		
Tier 1 cities	96	31
New Tier 1 cities	95	38
Tier 2 cities	54	25
Other cities ⁽¹⁾	27	14
Total	272	108

	As at December 31, 2021	As at September 30, 2021
Number of Type-II PRO Teahouses		
Tier 1 cities	35	26
New Tier 1 cities	37	35
Tier 2 cities	15	14
Other cities ⁽¹⁾	12	11
Total	99	86

Note:

(1) Including (i) cities of other tiers across mainland China and (ii) cities outside mainland China.

Operations for the Quarter

During the Quarter, despite the continuing and recurring outbreak of COVID-19 pandemic (“COVID-19”) in some regions in mainland China, the same-store sales of *Nayuki* teahouses continued to recover. At the end of the Quarter, the same-store sales of *Nayuki* teahouses has been basically back to the sales level for the same period of last year, and the growth of the same-store sales was recorded in certain established markets. We believed that the recovery and increase in relevant same-store sales were mainly because (1) the Group has intensified its research and development efforts in warm drinks for winter and the products such as teahouses “Phoenix Oolong Milk Tea” launched in the Quarter were widely popular amongst consumers; and (2) the Group appropriately strengthened marketing and promotion efforts in the Quarter.

In addition, the Group has commenced the selection of manufacturers and trial production for its self-developed automated tea making equipment at the end of the Quarter. Such equipment have been tried out at some stores in their spare time and are expected to be officially applied in *Nayuki* teahouses across the country by the end of the third quarter of 2022. Such automated equipment and measures would be expected to decline the rigid demand of labor costs of the Group’s teahouses. We plan to disclose quantitative measures of cost reduction at an appropriate time after such official application.

The information contained in this announcement is based on a preliminary assessment of the information currently available to the Board. It has not been audited nor reviewed by the independent auditors of the Company and/or the audit committee of the Company, and may be subject to further adjustments. This announcement contains certain forward looking statements (the “Forward Looking Statements”) in relation to financial conditions, results of operation and business of the Group. The Forward Looking Statements are made based on the preliminary assessment of information currently available to the Board, and therefore the actual future results or performance of the Group may differ materially from the Forward Looking Statements. Shareholders of the Company and potential investors shall consider carefully the related risk factors and should not place undue reliance on the Forward Looking Statements. Shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.

By the order of the Board
Nayuki Holdings Limited
Mr. ZHAO Lin
Chairman

Shenzhen, January 7, 2022

As at the date of this announcement, the Board of the Company comprises Mr. ZHAO Lin, Ms. PENG Xin and Mr. DENG Bin as executive directors; Mr. PAN Pan and Mr. WONG Tak-wai as non-executive directors; and Mr. CHEN Qunsheng, Mr. LIU Yiwei and Ms. ZHANG Rui as independent non-executive directors.