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HAIDILAO INTERNATIONAL HOLDING LTD.

海底捞国际控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6862)

PROFIT WARNING

This announcement is made by Haidilao International Holding Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) 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 of 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 potential investors that, based on a preliminary review of the unaudited management accounts of the Group for the year ended December 31, 2021 and assessment of the latest information currently available to the Board, the Group is expected to record a net loss for the year ended December 31, 2021 of approximately RMB3.8 billion to RMB4.5 billion, as compared to the net profit of the Group for the year ended December 31, 2020 of approximately RMB309.5 million. The revenue of the Group is expected to exceed RMB40 billion in 2021, representing an increase of over 40%, as compared to the revenue of approximately RMB28.6 billion in 2020.

The expected loss is mainly attributable to (i) one-off losses on disposal of long-term assets, impairment losses and others, which in aggregate amounted to approximately RMB3.3 billion to RMB3.9 billion, due to the closure and suspension of operation of more than 300 restaurants during the year of 2021, the decline in restaurant operating results, etc.; and (ii) the impacts on the operation of Haidilao restaurants due to the continuous changing and recurring global pandemic, the rapid expansion of the restaurant network in 2020 and 2021, as well as the internal management issues of the Company. In particular, in the second half of 2021, our restaurant operations were significantly affected by regional outbreaks and public health control measures around the world, resulting in a decline in the operating results of Haidilao restaurants in the second half of 2021 as compared to the same period in 2020. In 2021, the overseas restaurants suffered from heavier loss.

The Group has been closely monitored the market condition and adjusted its business strategies and operations to reduce negative impact. To improve the operating performance of the Group, the Company launched the “Woodpecker” plan led by the executive director and the deputy chief executive officer Ms. Yang Lijuan in November 2021. The Group also took active measures to control rents and other operating costs, stringently managed working capital, and leveraged credit facility and equity financing to ensure healthy cash flow and a strong cash position.

The actual operating and financial conditions of the Group for the year ended December 31, 2021 are to be quantified and the Board will continue to monitor the situation closely.

The information contained in this announcement is only based on a preliminary assessment of the consolidated management accounts and relevant revenue estimates made available to the Board as at the date of the announcement and which have not been audited or reviewed by the Company's auditors or reviewed by the audit committee of the Board. The Group's consolidated audited results for the year ended December 31, 2021 are expected to be published in March 2022 according to the Listing Rules.

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

By Order of the Board
Haidilao International Holding Ltd.
Zhang Yong
Chairman

Hong Kong, February 21, 2022

As of the date of this announcement, the Board of Directors of the Company comprises Mr. Zhang Yong as the Chairman and Executive Director and Mr. Zhou Zhaocheng, Ms. Gao Jie, Ms. Yang Lijuan, Mr. Li Peng, Ms. Yang Hua, Ms. Liu Linyi, Mr. Li Yu, Ms. Song Qing and Mr. Yang Li as Executive Directors, and Dr. Chua Sin Bin, Mr. Hee Theng Fong, Mr. Qi Daqing, Dr. Ma Weihua and Mr. Wu Xiaoguang as Independent Non-executive Directors.