

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**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 six months ended 30 June 2022 and information currently available to the Board, the Group is expected to record a revenue of approximately RMB2.16 billion for the six months ended 30 June 2022, representing a decrease of approximately 29% as compared to that of the six months ended 30 June 2021. The Group is expected to record a net loss ranging from approximately RMB270 million to RMB290 million for the six months ended 30 June 2022, as compared to the net loss of approximately RMB47 million recorded by the Group for the six months ended 30 June 2021.

The Company recorded such net loss for the six months ended 30 June 2022 mainly due to the failure to achieve full operational capacity of the restaurants in most regions during the first half of 2022 as a result of the lingering impacts from the Covid-19 pandemic. Among the 116 cities in which the Group had operations, 92 cities were affected by the Covid-19 pandemic, accounting for approximately 79% of the total number of cities. In particular, major first-tier cities were severely affected by the Covid-19 pandemic, such as Beijing, Shanghai, Shenzhen, Tianjin, etc..

The Group will continue to pay close attention to the market conditions, monitor the operation of restaurants and make timely adjustments to its organization structure and business strategy. In addition, the Group will also take various measures to increase operating revenue and refine the control and management of various operating costs and expenses: among others, (i) in response to the impact of the Covid-19 pandemic, the Group identified the affected areas and restaurants, and, leveraging the strength of its brand, conducted several rounds of communication with the restaurant lessors to negotiate for rent-free or rent-reduction for the affected restaurants; (ii) in August 2022, the Group will launch a new membership system to consolidate the membership systems of all brands in order to drive traffic and to increase the restaurants' operating profit; (iii) the Group will gradually adopt a more scientific location selection system when choosing new restaurant locations in the second half of 2022. In the future, the Group will improve the quality of its location selection with the support of features offered by both big data and intelligent location selection systems, and the Group expects to open around 100 new stores in the year, with 21 new restaurants opened in the first half of the year; and (iv) increase brand marketing efforts, by leveraging the accumulation of massive membership data and private domain customers, to accurately market and target customers, and attract potential customers with high quality and efficiency in order to reduce customer acquisition costs, and reduce costs and increase efficiency while enhancing brand influence.

As the pandemic gradually subsided and the Group will continue to implement various operational improvement measures, coupled with the Group's sound financial position and sufficient capital, the Group believes that its business will rebound and has confidence in its future development.

As the results for the six months ended 30 June 2022 have not been finalized, the information contained in this announcement is only a preliminary assessment by the Board based on the information currently available including the unaudited consolidated management accounts of the Group for the six months ended 30 June 2022, which have not been confirmed, reviewed or audited by the auditors of the Company.

The interim results announcement of the Company for the six months ended 30 June 2022 is expected to be published by the end of August 2022 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, 14 Aug 2022

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