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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 THIRD QUARTER OF 2022

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 Inside Information Provisions (as defined in the Listing Rule) 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 the operations for the three months ended September 30, 2022 (the “**Quarter**”).

NUMBER OF STORES

During the Quarter, the Group recorded a net addition of 69 *Nayuki* teahouses and closed 17 *Nayuki* teahouses. As of September 30, 2022, the Group operated a total of 973 *Nayuki* teahouses.

The following table sets out the breakdown of the number of our *Nayuki* teahouses by geographic location at the end of the Quarter.

	As at September 30, 2022	As at June 30, 2022
Number of Type-I Teahouses		
Tier 1 cities	282	261
New Tier 1 cities	268	252
Tier 2 cities	192	184
Other cities ⁽¹⁾	77	70
Total	819	767

	As at September 30, 2022	As at June 30, 2022
Number of Type-II Teahouses		
Tier 1 cities	57	48
New Tier 1 cities	55	48
Tier 2 cities	26	25
Other cities ⁽¹⁾	16	16
Total	154	137

Notes:

- (1) Including (i) cities of other tiers across mainland China and (ii) cities outside mainland China.
- (2) At present, almost all of the newly opened *Nayuki* teahouses of the Group are PRO teahouses, and the existing regular teahouses will be gradually converted into PRO teahouses upon the expiry of their lease or with the permission of the shopping malls or other lessors. At present, the differences between regular teahouses and PRO teahouses are relatively minor and will continue to reduce in the future, and we will no longer put emphasis on such differences. Due to the similarity of the location and operating performance of the stores, regular teahouses and Type-I PRO Teahouses disclosed previously was consolidated as “Type-I Teahouses” in the 2022 interim report of the Group, while Type-II PRO Teahouses located in other less prime shopping malls, office buildings, residential neighborhoods, etc. was named as “Type-II Teahouses”. Meanwhile, we will no longer separately disclose the number of regular teahouses that have been converted to PRO teahouses on a quarterly basis.

OPERATIONS FOR THE QUARTER

During the Quarter, repeated waves of the COVID-19 pandemic (the “COVID-19”) in many cities in China, especially in Shenzhen and other major cities from late August to September 2022, had a certain impact on consumers’ travel and consumption. In spite of this, the Company’s operations remained basically normal, and there was no large-scale suspension of business. In August 2022, power rationing and other situations occurred in some areas of southwest China, which had a certain impact on the operation of local stores of the Company, but the number of affected stores was minimal with limited impact. Due to good market response to the introduction of new products the Company, increased sales of cold drinks driven by hot weather, and the low base since August 2021 and other factors, the Company’s same-store sales in August and September 2022 recovered to the similar level as in the same period of 2021, and the same-store orders recorded a promising growth year on year.

In terms of store expansion, as of the date of this announcement, the Company has opened more than 200 *Nayuki* teahouses in 2022, and the fourth quarter of each year is typically a peak season for store opening. In view of this, we believe that the store opening progress is still basically on track. The Company always puts the well-being of employees at a very important position. We will continue to pay attention to the changes of the epidemic situation. If the store to be opened is located in an area seriously affected by COVID-19, the store opening preparation and construction work will be delayed accordingly to ensure the health and safety of employees. In addition, on August 31, 2022, the Company opened its “Nayuki Lifestyle” store in Coastal City, Shenzhen, and introduced a number of independent brands to provide consumers with a one-stop lifestyle experience. In the future, the Company hopes to cooperate with more outstanding independent brands to grow together and will not rule out possible in-depth cooperation.

In respect of products and marketing, in the Quarter, our 1L Supreme series were highly welcomed upon its launch, and the Supreme Pomegranate newly launched by the Company in cooperation with a popular TV series also reported a sound advertising and sales performance, with more than 10,000 cups sold nationwide within 8 minutes upon its launch. Furthermore, the Company’s retail business continued to grow, newly-launched products during the Quarter such as *Nayuki* Low Sugar Lemon Tea entered multiple offline channels.

In terms of digitalization, the promotion of our self-developed automatic tea-making equipment has been completed as scheduled at the end of the Quarter. Certain stores under adjustment and those subject to COVID-19 will also be equipped with such equipment as soon as possible, which is expected to further consolidate the manpower optimization results of the Company.

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

Shenzhen, October 21, 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.