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**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 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 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 the operations for the three months ended December 31, 2022 (the “**Quarter**”).

**NUMBER OF STORES**

During the Quarter, the Group recorded a net addition of 95 *Nayuki* teahouses and closed 15 *Nayuki* teahouses. As of December 31, 2022, the Group operated a total of 1,068 *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 December 31, 2022	As at September 30, 2022
<b>Number of Type-I Teahouses</b>		
Tier 1 cities	309	282
New Tier 1 cities	294	268
Tier 2 cities	213	192
Other cities <sup>(1)</sup>	80	77
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<b>Total</b>	<b>896</b>	<b>819</b>
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	As at December 31, 2022	As at September 30, 2022
<b>Number of Type-II Teahouses</b>		
Tier 1 cities	64	57
New Tier 1 cities	63	55
Tier 2 cities	29	26
Other cities <sup>(1)</sup>	16	16
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<b>Total</b>	<b>172</b>	<b>154</b>
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*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 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

The situation of COVID-19 pandemic (“**COVID-19**”) in China presented drastic changes for the Quarter as compared to the third quarter. In October and November 2022, the recurring outbreaks of COVID-19 in cities across China took a heavy toll on the performance of stores in various cities such as Shenzhen, Guangzhou, Xi’an and Wuhan. Meanwhile, same store sales experienced a year-on-year decrease, which was due to the better performance in the fourth quarter of 2021. As at the end of November 2022, performance of stores had shown significant recovery, benefiting from the significant relaxation in control measures on COVID-19 in many cities. However, as the first wave of COVID-19 hit various regions subsequently, combined with the impact of a high base driven by marketing activities in December 2021, same store sales recorded a further year-on-year decrease. However, the performance of stores in Beijing and Wuhan in mid-December 2022, while Guangzhou and Xi’an in mid-to-late December 2022, and Shenzhen and Shanghai in late December 2022 had gradually bottomed out. The foresaid performance represented high correlation with the timing for the peak of COVID-19 in such cities. In addition, compared to the off-line performance in other countries and regions when hitting by COVID-19 after lifting the ban on restriction for the first time, stores of the Company recovered significantly faster. In terms of operations, due to the COVID-19 in November 2022, there was up to approximately 20-25% of the Company’s stores nationwide suffered from temporary suspension at certain times and a similar percentage of stores were not allowed to dine-in, which had a greater impact in operation. Following the relaxation of control measures on COVID-19, more than 10% of our stores were temporarily suspended at one time during mid-to-late December 2022, which was due to the illness of our stores’ employees, but such situation had gradually returned to normal as at the end of December. We believe that the impact of the first wave of COVID-19 after lifting the ban on restriction on the Company’s stores operations and financial performance is rapidly unwinding. We remain optimistic about the recovery trend for the first half of 2023 as we continue to track the subsequent outbreak of COVID-19 and stores performance. We are more confident on the recovery of profitability for the full year of 2023 if the cost optimization gains already achieved by the Company’s stores can get consolidated.

In 2022, a total of 299 new *Nayuki* teahouses were opened by the Company, which was basically in line with the expectation at the beginning of 2022. Impacted by COVID-19 and other factors during the year and in bid to protect the health and safety of our employees and to secure more favorable lease terms, the opening of some stores proposed to open was delayed and the signing of contract was suspended, which demonstrated the operational flexibility of the Company in a complex external environment and was also in line with our continuous communications with capital market. We are evaluating our store opening plan for 2023 to fit a fast-recovering market environment.

**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, January 13, 2023

*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.*