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**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)**

**POSITIVE PROFIT ALERT**

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 2023 and information currently available to the Board, the Group is expected to record a revenue of approximately RMB2.846 billion for the six months ended 30 June 2023, representing an increase of approximately 32% as compared to that for the six months ended 30 June 2022. The Group is expected to record a net profit of not less than RMB2 million for the six months ended 30 June 2023 as compared to a net loss of RMB278 million for the six months ended 30 June 2022.

The turnaround in profit of the Group’s results in the first half of 2023 was mainly attributable to (i) the growth in customer traffic and improved operation from restaurants of the Group, after the successful fight against the Covid-19 pandemic and the lifting of the corresponding control measures in the PRC; (ii) the increase in the total number of restaurants in operation of the Group from 1,008 as at 30 June 2022 to 1,094 as at 30 June 2023, due to the rapid open of new restaurants in the first half of the year and the successful expansion of the South restaurant network; and (iii) other income of the Group for the six months ended 30 June 2023 increased by approximately RMB43 million as compared to that for the six months ended 30 June 2022. However, the Group’s profit was diluted in the first half of the year due to (i) the special offers of approximately RMB190 million for the anniversary stored value promotion which commenced at the end of 2022, while the special offer redemption period for the anniversary stored value promotion ended at the end of the first quarter of 2023; (ii) the general market environment that, despite the lifting of the pandemic control

measures, was not as expected in terms of consumption recovery, as well as the consumption downgrading, but Coucou, which is positioned as a mid-to-high-end brand, adopted a number of proactive marketing campaigns and special offers in order to maintain its market share in view of the unfavourable consumption environment; and (iii) provision for impairment loss on assets of approximately RMB32 million in the first half of the year 2023.

The Group has prudently managed its working capital to ensure a healthy cash flow and a sound cash position while keeping a close watch over its restaurants operations. We also adjust our restaurants strategies and operations based on market conditions from time to time, including (i) continuously promote the expansion of the South restaurant network by proactively opening new small-sized model restaurants that are low-cost and well-performed; (ii) simultaneously facilitate the digitalization process, integrating and upgrading systems of front-end restaurant order management, back-end supply chain, contract management, etc. to catch up with the rapid business development; (iii) increase the number of strategic suppliers and the advantages of centralized procurement to effectively reduce the average purchase price securing and strengthening our advantages in the supply chain within the industry; (iv) continuously expand the paid membership business to enhance customer loyalty to our brands; and (v) strive for better lease terms with core business entities by leveraging on our rising branding power. With the announcement by the PRC government in July 2023 of putting measures to restore and expand consumption into effect, the Board is confident in its future development and expects to see a continuous improvement in our business with consumption back on track.

As the results for the six months ended 30 June 2023 have not been finalized, the information contained in this announcement is only a preliminary assessment by the Board based on information currently available including the unaudited consolidated management accounts of the Group for the six months ended 30 June 2023, which have not been reviewed by the auditors of the Company, nor reviewed by the audit committee of the Board.

The interim results announcement of the Company for the six months ended 30 June 2023 is expected to be published by the end of August 2023 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, 7 August 2023

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