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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)

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 (the “**Board**”) of directors (the “**Director(s)**”) 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 year ended 31 December 2024 and information currently available to the Board, the Group is expected to record a revenue of approximately RMB4.8 billion for the year ended 31 December 2024, representing a decrease of approximately 20% as compared to that of the year ended 31 December 2023. The Group is expected to record a net loss ranging from approximately RMB390 million to RMB410 million for the year ended 31 December 2024 as compared to the Group’s net loss of approximately RMB190 million for the year ended 31 December 2023.

The Group’s net loss for the year ended 31 December 2024 was mainly due to (i) intense competition in the food and beverage market, and continued weak and downgraded consumer consumption, which resulted in a year-on-year decrease in revenue of the Group’s brands, with the mid-to-high-end brand, Coucou, still incurring a loss; and (ii) loss on closure of restaurants and impairment losses totaling approximately RMB260 million due to factors such as the closure of some restaurants and ongoing losses.

The Group always adheres to a prudent management and control approach, maintaining a healthy cash flow through scientific allocation of working capital to ensure sufficient financial reserves. In the face of market changes, the Group has established a dynamic monitoring mechanism to implement refined management and control on restaurant operations. While continuously optimising the cost structure, the Group focuses on enhancing user experience, including (i) focusing on locking target customer group, continuously promoting product competitiveness and brand value, and persistently implementing the “Four Optimisations” of product variety enrichment, excellent set meal, personalised member experience, and refined operations; (ii) significantly reducing the average purchase unit price by leveraging the advantages of centralized procurement in the supply chain, timely capturing low point of the purchase price of bulk raw materials, and collaborating with suppliers for mutual benefits; (iii) implementing performance management of truck drivers and route optimization measures by launching a new type of logistic center and implementing a standardized goods receiving process which reduced the delivery time and enhanced the efficiency of distribution, thereby significantly reducing distribution costs; (iv) further developing delivery products to enhance synergy with dine-in business; (v) focusing on increasing member attraction and consumption stickiness, such as launching free tea beverages for members and offering discount to consumers; and (vi) closing inefficient restaurants to concentrate resources on expanding small-sized restaurant models.

As the results for the year ended 31 December 2024 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 year ended 31 December 2024, which have not been audited or reviewed by the auditors of the Company, nor reviewed by the audit committee of the Board.

The annual results announcement of the Company for the year ended 31 December 2024 is expected to be published by the end of March 2025 in compliance with the requirements under the Listing Rules.

Shareholders and prospective investors of the Company 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 March 2025

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.