茶百道

Sichuan Baicha Baidao Industrial Co., Ltd.
四川百茶百道實業股份有限公司
(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 2555)

PROFIT WARNING

This announcement is made by Sichuan Baicha Baidao Industrial Co., Ltd. (the "**Company**", together with its subsidiaries, the "**Group**") 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 the Inside Information Provisions (as defined under 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 the Company would like to inform the shareholders (the "**Shareholders**") and potential investors of the Company that, based on the preliminary assessment of the unaudited consolidated management accounts of the Group for the year ended December 31, 2024 (the "**Year 2024**") and the information currently available, it is expected that: (i) the Group will record an adjusted net profit within a range from approximately RMB580 million to RMB709 million in the Year 2024, representing a decrease of no more than 53.90% as compared to the adjusted net profit of approximately RMB1,258 million for the year ended December 31, 2023 (the "**Year 2023**"); and (ii) the Group will record a net profit within a range from approximately RMB432 million to RMB528 million in the Year 2024, representing a decrease of no more than 62.47% as compared to the net profit of approximately RMB1,151 million in the Year 2023.

Based on the information currently available to the Board, the Board is of the view that the main reasons for the aforesaid decrease in the adjusted net profit include that considering the impact on us caused by the shift in consumer habits as affected by changes in the external environment and the changes in the competitive landscape of the market, in the Year 2024, the Group has increased the policy support for franchisees as well as strengthened discounts in selling goods and equipment to them, and also increased its investment in overall market promotion and marketing expenses.

The Board wishes to highlight that the "adjusted net profit" is not defined under the International Financial Reporting Standards (IFRS). It is defined by the Group as the net profit adjusted by adding back (i) listing expenses charged in profit or loss; (ii) equity-settled share-based payment expenses; and (iii) loss on fair value change of redeemable shares with other preferential rights (collectively, the "**Adjusted Items**"). The Company believes that this non-IFRS measure eliminates the potential impact of the non-operating Adjusted Items that are not indicative of the actual operating performance of the Group, and facilitates the comparison of operating performance from period to period.

At this stage, the Group's business operation remains stable, its cash and cash equivalents are sufficient, and its domestic and overseas business operations are progressing in an orderly manner according to the Group's strategy deployment. Based on the preliminary assessment of the Group's unaudited consolidated management accounts for the Year 2024 and the information currently available, the Board is of the view that the Group's overall financial position and operation remain sound. The Board believes that leveraging the Group's competitive advantages in product R&D capabilities, supply chain, operations management, brand influence and digital capabilities, and the joint efforts and dedication of all staff, the Group is able to respond to the changes in the competitive environment of the market effectively and seize market opportunities to achieve long-term and high-quality development, and the Board is confident in the future growth prospect of the Group.

As of the date of this announcement, the Group is still in the process of finalizing the results for the Year 2024. The Board wishes to point out that the information contained in this announcement is only based on the Company's preliminary assessment of the information currently available to the Group, which has not been audited or reviewed by the Company's auditors and has not been reviewed by the audit committee of the Board. The results for the Year 2024 of the Group may be subject to further adjustment and confirmation, which may differ from those disclosed in this announcement. Shareholders and potential investors are advised to refer to the Group's results announcement for the Year 2024 to be published by the end of March 2025.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
Sichuan Baicha Baidao Industrial Co., Ltd.
Mr. WANG Xiaokun
Executive Director and Chairman of the Board

Chengdu, the PRC, March 14, 2025

As at the date of this announcement, the board of directors of the Company comprises Mr. Wang Xiaokun, Mr. Wang Hongxue, Ms. Dai Li and Mr. Chen Keyuan as executive directors; Dr. Chen Da as a non-executive director; and Mr. Yeung Chi Tat, Dr. Tang Yong and Ms. Cheng Li as independent non-executive directors.