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 ALERT – EXPECTED SIGNIFICANT REDUCTION IN LOSS

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 2026 and information currently available to the Board, the Group is expected to record revenue of approximately RMB1.5 billion for the six months ended 30 June 2026, representing a decrease of approximately 23% as compared to that for the six months ended 30 June 2025. However, as compared to a net loss of approximately RMB81 million for the six months ended 30 June 2025, the Group is expected to record a significantly reduced net loss ranging from approximately RMB29 million to RMB39 million for the six months ended 30 June 2026, representing a decrease of approximately 64% to 51%.

The expected significant reduction in the net loss of the Group for the six months ended 30 June 2026 was primarily attributable to the Group's continued concentrated focus on simultaneous improvement in the quality and efficiency of restaurant operations, and the implementation of a series of multi-dimensional measures to improve quality and efficiency during the period, including: (i) adhering to the lean development strategy of the supply chain, through an integrated supply chain layout and full-chain collaboration, advancing the centralization and simplification of warehouse networks and the integration of dynamic review mechanism of procurement, implementing a cost control framework which combined economies of scale with agile responsiveness, so as to drive gradual improvement in the cost structure and further consolidate the Group's cost leadership advantage; (ii) deepening the membership programme to effectively enhance brand loyalty, steadily increasing members' contribution to consumption and activity metrics, and promoting the orderly narrowing of the net loss of the Group; and (iii) continuously advancing the structural network of restaurants, strategically eliminating under-performing restaurants and focusing on expansion in high-potential regions to enhance the overall profitability. The amount of provision for asset impairment losses on closed and continuously loss-making restaurants is expected to significantly decrease by approximately 30% compared to the same period in 2025.

In response to the ongoing challenges in the catering market and changes in consumer demands, the Group will continue to actively advance various front-end business innovations and refine operational management in all aspects, including: (i) focusing on its multi brand strategy and successively launching innovative brands such as the "Xiabu Pasture (呷哺牧場)" and the "Xia Niu Pai (呷牛排)" steak brand to enrich its brand matrix and consumption scenarios, while adhering to a prudent expansion strategy and consistently recording profits; (ii) systematically implementing a full chain digital operation system to fully realise real time monitoring and intelligent analysis of core operational metrics via collaborative data platforms, and significantly improving operational efficiency and decision-making quality; (iii) the Xiabuxiabu brand has been progressing the "Phoenix Return (鳳還巢)" partnership programme in an orderly manner, with a significant increase in the number of restaurants and steady per-store profitability. The brand has also been sustaining the gift card sales programme, achieving substantial improvements in repurchase rates and effectively improving the Group's operating cash flow; (iv) the Coucou brand embraces a product-driven growth strategy, establishes a new product iteration mechanism to accurately anchor consumption trends and user preferences, and creates benchmark blockbuster items with strong market penetration on a quarterly cycle; and (v) the delivery business has recorded strong growth, with online channels effectively offsetting fluctuations in dine in foot traffic and forming a dual pillar revenue structure comprising both dine in and delivery.

As the results for the six months ended 30 June 2026 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 2026, which have not been reviewed by the auditors of the Company, nor reviewed by the Audit Committee of the Board. The actual results of the Group for the six months ended 30 June 2026 may differ from the information disclosed in this announcement.

The interim results announcement of the Company for the six months ended 30 June 2026 is expected to be published by the end of August 2026 in full compliance with the requirements under the Listing Rules.

Shareholders and prospective investors are advised to exercise caution 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, 3 August 2026

As at the date of this announcement, the Board comprises Mr. HO Kuang-Chi and Mr. FENG Hui-Huang as executive Directors; Ms. CHEN Su-Yin as non-executive Director; and Mr. HON Ping Cho Terence, Ms. CHEUNG Sze Man, Mr. KOT Man Tat and Mr. HUANG Cheng-Chung as independent non-executive Directors.