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NAYUKI

Nayuki Holdings Limited
奈雪的茶控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2150)

SUPPLEMENTAL ANNOUNCEMENT
IN RELATION TO BUSINESS UPDATE OPERATIONS FOR
THE THIRD QUARTER OF 2021
AND
PROFIT WARNING

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 the 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).

Reference is made to the announcement of Nayuki Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**” or “**We**”) dated October 29, 2021 (the “**Previous Announcement**”) in relation to, among other things, the Group’s operations for the third quarter of 2021 (the “**Quarter**”) and profit warning. Capitalized terms used herein shall have the same meanings as those defined in the Previous Announcement unless otherwise specified.

The Group would like to provide further information regarding the reasons for the adverse impact on the revenue and adjusted net profit (non-IFRS measure) for the Quarter and the expected adjusted net loss (non-IFRS measure) for the full year of 2021 as disclosed in the Previous Announcement:

1. In the second half of 2021, as COVID-19 continued to recur in certain regions in mainland China, government authorities in those regions further tightened public health control measures. A substantial number of the Group's *Nayuki* teahouses is located in regions affected by COVID-19. The continuing and recurring outbreak of COVID-19 and the corresponding public health control measures have directly affected the operations of those stores (stores located in regions affected by COVID-19 either temporarily closed, operated with reduced opening hours or switched to a "delivery/pick-up only" operating model). In addition, the continuing and recurring outbreak of COVID-19 and the related public health control measures have adversely affected the domestic consumption environment and consumer psychology in mainland China in the second half of 2021. As a result, the Group's *Nayuki* teahouses experienced a relatively significant decline in same store sales during the Quarter as compared to the same period of 2020.
2. During the Quarter, the store-level operation efficiency and human resources flexibility of most of the Group's teahouses still had large room for improvement. Under the impact of the continuing and recurring outbreak of COVID-19, the operation and human costs of the Group's teahouses remained relatively high, which adversely affected the Group's profitability. In addition, the Group's automatic and digitalized measures are still under testing, and the in-store testing was slightly delayed in regions affected by COVID-19. We expect that, the Group's automatic and digitalization process, if formally launched, would improve the Group's store-level operation efficiency, reduce operation cost and mitigate the impact of COVID-19 on the Group's operation.
3. Given that there is a large number of prime locations available in the second half of 2021, the Group adjusted its store opening plan and signed leasing agreements for some of the prime locations. Consequently, the number of newly opened stores throughout the year of 2021 goes beyond the Group's previous plan. As compared to the previous plan, we expect to open approximately 50 additional *Nayuki* teahouses throughout the year of 2021 and the corresponding expenses for the newly opened stores are expected not to exceed approximately RMB12.5 million.

In addition, considering: (1) COVID-19 is expected to recur in mainland China throughout the year of 2021; (2) most of the Group's newly opened stores are expected to commence operation in the fourth quarter of 2021, which will not significantly contribute to the Group's revenue for the year of 2021; and (3) the upfront cost of the Group's stores to be newly opened in the fourth quarter of 2021 will still affect the profitability of the Group in the short term, we expect to record an adjusted net loss (non-IFRS measure) for the full year of 2021.

Recently, the Group has accelerated the research and development and promotion of hot drinks for winter (winter is typically the off-season of the Group's teahouses) with a view to improving the sales performance of the Group in winter. In addition, the Group provides additional incentives for certain *Nayuki* teahouses, plans to strengthen the operation of the store community, and further cultivates the consumption habits and loyalty of customers in the peripheral of the stores through targeted marketing and promotion activities. Based on the information currently available to the Board, since October 2021, the year-on-year decline in revenue of the Group's *Nayuki* teahouses from the comparable caliber has narrowed. Nevertheless, we consider that the unfavorable factors disclosed in this announcement and the Previous Announcement will still adversely affect the Group's performance throughout the year of 2021.

As the operation of the Group for the full year of 2021 has not yet finished and other unpredictable factors may further affect the Group's operation, the results of the Group for the year ended December 31, 2021 have not yet been finalized. 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. The Group will further disclose the magnitude of the adjusted net loss (non-IFRS measure) throughout the year of 2021 as and when appropriate. The audited financial information of the Group for the year ended December 31, 2021 will be disclosed in the results announcement in compliance with the requirements of the Listing Rules.

This announcement contains certain forward looking statements in relation to financial conditions, results of operation and business of the Group (the “Forward Looking Statements”). The Forward Looking Statements are made based on the preliminary assessment of information currently available to the Board, 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 the order of the Board
Nayuki Holdings Limited
Mr. ZHAO Lin
Chairman

Shenzhen, November 26, 2021

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, Mr. SHAO Gang 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.