FUTURE PLANS

See "Business — Our Growth Strategies."

USE OF [REDACTED]

We estimate that the [**REDACTED**] of the [**REDACTED**] which we will receive, assuming the [**REDACTED**] is not exercised and an [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**] (being the [**REDACTED**] of the [**REDACTED**] stated in this Document), will be HK$[**REDACTED**], after deduction of [**REDACTED**] and [**REDACTED**] and estimated [**REDACTED**] payable by us in connection with the [**REDACTED**].

We intend to use the [**REDACTED**] of this [**REDACTED**] for the following purposes:

(1) Approximately [**REDACTED**], or HK$[**REDACTED**], is to be used for expanding our self-operated restaurant network, thereby broadening our geographical coverage and deepening our market penetration. We will further increase the density of restaurants in key cities where brand potential has already been established, and gradually expand to the surrounding prefecture-level cities with a sound consumption base. At the same time, we will enter into new potential regional markets to accelerate nationwide establishment.

    We plan to open approximately [**REDACTED**], [**REDACTED**] and [**REDACTED**] new restaurants in China from 2026 to 2028. From 2026 to 2028, we plan to invest approximately RMB[**REDACTED**], RMB[**REDACTED**] and RMB[**REDACTED**] into the opening of new restaurants, respectively. The average upfront investment for each new restaurant is expected to be less than RMB[**REDACTED**], which is mainly used for restaurant decoration and equipment purchases, launch expenses, and materials consumed during openings. The pace of our planned store openings is consistent with our historical operational pattern, where restaurant expansion has typically accelerated in the second half of each year due to practical timelines associated with site selection, lease negotiations, fit-out, and staff onboarding. The number of new restaurants planned for the next three years also represents a relatively moderate proportion of our beginning-of-year restaurant base, reflecting a disciplined and scalable expansion strategy. We intend to expand our restaurant network by leveraging our product-centric philosophy, refined operational model, and strong brand recognition in China's premium hotpot segment. Our growth strategy focuses on (i) enhancing nationwide brand awareness through offerings and consistent customer experience, (ii) optimizing our site selection and standardization system to support rapid yet disciplined expansion, and (iii) driving localized marketing efforts to boost store-level performance and customer retention. During this process, we will continue to invest in targeted marketing initiatives, including the use of digital platforms, customer engagement tools, influencer collaborations, and local promotional campaigns to support new restaurant openings. At the same time, we will deepen our operational capabilities through central kitchen upgrades, staff training, and supply chain improvements to ensure consistent product output and service quality across different regions.

    In terms of city tiers, the majority of new restaurants to be opened from 2026 to 2028 will be in second-tier cities and third and below tier cities with large group of targeted customers. We also plan to strengthen our presence in selected first-tier cities to capture broader consumption demand and reinforce brand influence.

    The following table sets forth the number of restaurants we plan to open in different city tiers in the years indicated.

	2026	2027	2028
First-tier cities	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Second-tier cities	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Third and below tier cities	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Total	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**

As indicated above, we plan to open approximately [**REDACTED**], [**REDACTED**] and [**REDACTED**] new Banu restaurants in 2026, 2027 and 2028, respectively. The overall timetable from the completion of the lease documentation to restaurant opening typically spans approximately three months in total, consisting of the following key stages.

- Site Selection. We plan to continue expanding in high-potential locations across first-tier, second-tier cities and high-traffic areas. The time frame for site selection varies depending on the specifics of the target sites. After we preliminarily select a site, we will submit it for internal approval at headquarter level, which generally takes two to three months.

- Lease Negotiations. Once the sites selected are approved, we start to negotiate lease agreements with landlords, emphasizing terms that allow flexibility and long-term sustainability. Typically, the lease negotiations take about one month.

- Renovation and Fit-Out. Construction and decoration are carried out under our standardized design guidelines to ensure consistent customer experience. This phase generally takes up to 60 days after we obtain access to the leased premises to begin the renovation.

- Staff Onboarding. This step focuses on the recruitment of skilled management and operational staff, followed by specific pre-opening training programs.

- Regulatory Approvals. We ensure compliance with local regulatory requirements, including fire safety and health inspections, prior to the restaurant openings. This is completed after renovation and before the restaurant opens.

See "Business — Our Hotpot Business" for details about the description of each of the key steps above.

The total upfront investment cost per newly opened restaurant is less than RMB[**REDACTED**] million on average across all city tiers from 2026 to 2028. Among these costs:

- Approximately [**REDACTED**]% will be used for restaurant decoration and equipment purchases, including renovation, fit-out, and equipment procurement.

- Approximately [**REDACTED**]% will be used for the expenses related to the launch of new restaurants, including expenditures for rental, staffing, logistics, accommodation, promotion, and other miscellaneous expenses prior to opening.

- Approximately [**REDACTED**]% will be used for materials consumed during restaurant openings, such as kitchen and dining area consumables, tableware, uniforms, and other initial items.

Each new restaurant typically hires approximately 40 to 45 employees, generally including one restaurant manager, around four front-of-house and back-of-house managers, one operations coordinator, six to eight food runners, two to four reception staff, one maintenance technician and near 20 service and kitchen staff. Compensation levels vary depending on city tier and position. Depending on seniority and location, on average, monthly base salaries typically range from RMB[**REDACTED**] to RMB[**REDACTED**] for restaurant-level staff, around RMB[**REDACTED**] to RMB[**REDACTED**] for manager-level positions, and up to RMB[**REDACTED**] for restaurant managers.

Such expansion layout is consistent with our strategy to seize growth opportunities in underdeveloped markets by first establishing a strong presence in first-tier cities and provincial capitals, and subsequently leveraging our brand momentum to expand into surrounding cities. We believe there remains significant market headroom across both higher-tier and lower-tier cities. As of the Latest Practicable Date, we had 40 restaurants in first-tier cities and there were 12 first-tier cities and provincial capitals, namely Beijing, Shanghai, Shenzhen, Tianjin, Zhengzhou, Hefei, Wuhan, Nanjing, Xi'an, Hangzhou, Shijiazhuang and Taiyuan had three or more Banu restaurants, indicating meaningful room for deeper penetration. In lower-tier cities, we see substantial long-term potential. According to Frost & Sullivan, the hotpot market size in third-tier and below cities accounted for nearly 60% of the total hotpot market by value in 2025, and the premium hotpot market size in third and below tier cities accounted for approximately 40% of the total premium hotpot market in China in 2025. This sizable market presents ample opportunities for us, and we have already demonstrated the capability to effectively capture such demand.

In addition, our primary expansion venues, shopping malls, continue to offer abundant site opportunities. According to Frost & Sullivan, the number of shopping malls in China is expected to increase from approximately 7,700 in 2025 to 9,500 in 2030. As a chain restaurant brand with proven experience operating primarily in shopping malls, we believe our business model is highly scalable in such settings. Our current footprint of just over 180 restaurants underscores the significant room for further expansion. To support our growth, we have also optimized our restaurant format by reducing the average unit size, thereby improving capital efficiency and enhancing site selection flexibility, particularly in first-tier mall environments where commercial space is often constrained.

We have conducted feasibility studies and long-term development planning in respect of our expansion into new cities in China. These assessments are based on a tested and profitable single-restaurant model, which we replicate through a structured planning methodology. Our planning process includes a nationwide three-year development roadmap, which is reviewed and refined annually based on market feedback and operational performance. Before entering a new market, we conduct site-specific feasibility studies, including trade area analysis, competition assessment, mall quality review, breakeven analysis, and investment return modeling. We only proceed with new restaurant openings that meet our internal investment thresholds, with a general targeted approximately 12 to 14 months payback period and two to four months initial breakeven under normalized operating conditions, subject to restaurant size and format.

Our site selection methodology emphasizes commercial properties as the cornerstone of our expansion strategy. Over the years, we have accumulated substantial experience in selecting and operating restaurant in different types of shopping malls. We intend to further refine our mall-focused expansion strategy by categorizing target malls based on their commercial strength and tailoring evaluation and return criteria accordingly.

In terms of scalability and market demand, we have formulated a structured medium-term expansion plan based on our assessment of commercial availability, market saturation levels, and internal capabilities. This plan is supported by a rolling feasibility screening process, which helps us identify and prioritize cities and locations with favorable growth potential. We believe that in many of our target markets, there remains ample room for our hotpot brand to expand, given the availability of suitable commercial venues and the differentiated positioning of our brand. In evaluating the feasibility of scaling up our operations, we adopt a number of planning assumptions based on historical experience and internal benchmarks. These include expected revenue ramp-up patterns, breakeven timeframe, and estimated market conversion rates. These assumptions are reviewed and updated regularly as part of our annual planning cycle and form the basis of our development roadmap.

(a) Approximately [**REDACTED**]%, or HK$[**REDACTED**], is to be used for restaurant decoration and equipment purchases. We typically engage qualified suppliers based on their experience with chain restaurant fit-outs, adherence to our brand design standards, and ability to deliver within our project timeline. This portion of the net proceeds is intended to be allocated to cover engineering and construction works for new restaurant openings from 2026 to 2028. Each new restaurant is expected to require upfront investment in infrastructure and equipment, including interior renovation, kitchen systems, fire safety installations, cold-chain appliances, and other back-end facilities. These allocations are aligned with our standardized design and construction requirements, which are essential to ensuring brand consistency, operational efficiency, and scalability. In each of 2026, 2027 and 2028, we expect to incur on average approximately RMB[**REDACTED**] million in related capital expenditures to support the planned expansion.

(b) Approximately [**REDACTED**]%, or HK$[**REDACTED**], is to be used for the expenses for launching of new restaurants, including expenditures such as rental, staffing, logistics, accommodation, promotion, and other miscellaneous expenses before restaurant openings. The general expenses will be incurred in accordance with our future timeline for new restaurant openings, with higher concentration around the opening dates. We intend to spend approximately RMB[**REDACTED**] million for this purpose in each of 2026, 2027 and 2028.

(c) Approximately [**REDACTED**]%, or HK$[**REDACTED**], is to be used for materials consumed during restaurant openings, including consumables for the kitchen and dining area, tableware, uniforms, and other initial items. In particular, this portion covers expenses related to furniture, operating supplies and other consumables needed to prepare each restaurant for service. These expenditures will be made shortly before each opening. The use of [**REDACTED**] for restaurant openings is expected to be implemented in line with our expansion plan and budget allocation. We intend to spend approximately RMB[**REDACTED**] million for this purpose in each of 2026, 2027 and 2028.

(2) Approximately [**REDACTED**]%, or HK$[**REDACTED**], is to be used to enhance the digitalization of our business management and restaurant operations.

(a) Approximately [**REDACTED**]%, or HK$[**REDACTED**], is to be used for investment in restaurant operations management, including the introduction or upgrade of our restaurant operation management system, restaurant workforce management system, product output management system, restaurant standardization system, construction and development system, product R&D management system, and restaurant AI-based evaluation system. These modules form the foundation of our data-driven and standardized restaurant operations. These systems will be upgraded progressively over the three-year period from 2026 to 2028 to align with our expansion pace and to further improve operational consistency, execution efficiency and management visibility. We expect to incur approximately RMB[**REDACTED**] million each year during this period for the above purposes, including investments in system upgrades, infrastructure integration and dedicated personnel resources.

(b) Approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used to upgrade our information systems. This includes the enhancement of our membership management system to support more refined customer engagement, as well as the improvement of our service evaluation mechanism to better capture and respond to customer feedback. These upgrades will also encompass supply chain management system, enterprise-level systems and infrastructure enhancements, including software license compliance, big data platforms, and our AI-based restaurant evaluation system. These initiatives are designed to strengthen our digital foundation and support intelligent decision-making across restaurant operations. We expect to incur approximately RMB[**REDACTED**] million annually from 2026 to 2028 for these purposes.

(c) Approximately [**REDACTED**]%, or HK$[**REDACTED**], is to be invested in digital infrastructure, covering key areas such as our collaborative office system, cloud resources, information security architecture, and the resource integration needed to support AI large models. These investments are critical to supporting our transition to more intelligent, automated and data-driven management. We expect to allocate approximately RMB[**REDACTED**] million per year during 2026 to 2028.

(3) Approximately [**REDACTED**]%, or HK$[**REDACTED**], is to be used for brand building. Specifically, our planned investments are as follows:

- National brand media campaigns, including advertisements across TV, online video and lifestyle media, as well as large-scale outdoor advertisements (e.g., transportation hubs, landmark commercial districts), and cooperation with premium publishing houses. These campaigns aim to reinforce our premium brand positioning and upscale value proposition. We plan to invest approximately RMB[**REDACTED**] million to this purpose from 2026 to 2028.

- Content creation for core platforms, covering mainstream traffic and content platforms such as Weixin, Weibo, Douyin, Xiaohongshu, and Bilibili. Our content strategy emphasizes high-quality interactive storytelling, ingredient traceability (e.g., sourcing of tripe or mushrooms), food culture, and user experiences to drive user engagement and brand recognition. We plan to invest approximately RMB[**REDACTED**] million to this purpose from 2026 to 2028.

- Offline brand events and collaborations, including tasting events, co-branded pop-ups, themed store installations and creative campaigns involving lifestyle KOLs or IPs, to deepen consumer perception and emotional connection. We plan to invest approximately RMB[**REDACTED**] million to this purpose from 2026 to 2028.

- Public relations and reputation management, including sentiment tracking, user communication channels, and social listening, with the aim to strengthen consumer trust, optimize complaint resolution mechanisms, and promptly respond to user feedback. We plan to invest approximately RMB[**REDACTED**] million to this purpose from 2026 to 2028.

(4) Approximately [**REDACTED**]%, or HK$[**REDACTED**], is to be used for the supply chain enhancement, including building and expansion of our central kitchens and satellite warehouses. Based on our national expansion strategy and our presence in key regions, we plan to invest in central kitchen expansion and upgrades, as well as satellite warehouse construction to support future restaurant operations. In addition to the reasons discussed below, such as the expected increase in restaurant openings, the current overutilization of our existing facility in Eastern China and our strategic layout plans, the construction of new central kitchens in Eastern and Southern China is further justified by (i) the concentration of restaurants in high-demand metropolitan areas,

where a shorter transportation radius and stronger cold chain capabilities are critical to controlling costs and ensuring product freshness, (ii) our initiatives to enhance food safety standards, which require investment in upgraded facilities and equipment, (iii) rising logistics costs associated with longer transportation distances in densely populated and high-demand regions, which necessitate centrally located, larger-scale facilities, and (iv) the need to further strengthen overall supply chain reliability and compliance, including cold chain capabilities and ESG requirements, through modernized facilities. According to Frost & Sullivan, leading restaurant chains in China typically establish large-scale regional central kitchens to align with their medium- to long-term expansion plans, and our planned facilities are consistent with this industry practice.

We expect total expenditure for building new central kitchens and satellite warehouses to comprise (i) rental cost, (ii) construction, renovation and decoration cost, (iii) purchase of facilities and equipment (including cold chain, food processing and storage systems), and (iv) staff costs, training and related pre-operational expenses.

(a) Approximately [**REDACTED**]%, or HK$[**REDACTED**], is to be used for the building of central kitchens in Eastern and Southern China.

- For the construction of our Eastern China central kitchen, we plan to invest no more than RMB35 million, including expenditures for production facility construction and equipment procurement. The new Eastern China central kitchen will be located in Jiangsu Province, with an estimated gross floor area of approximately 10,000 sq.m. It is intended to serve the Shanghai metropolitan area and the broader Yangtze River Delta region. By 2026 and 2028, we expect to operate over 80 and 140 restaurants in Eastern China, respectively, and the utilization rate of our existing Eastern China central kitchen had already exceeded full capacity, reaching 102.8% in 2025. As Eastern China remains one of our key regions for expansion, we plan to continue growing our restaurant network in the Yangtze River Delta area. The planned new Eastern China central kitchen is designed to support the long-term supply needs of over 200 restaurants in the region. The new Eastern China central kitchen is scheduled to commence operations around the third quarter of 2026. We intend to enter into the land leases and commence the construction and fit-out works in 2026. Equipment procurement and installation are expected to take place in 2026.

- For the construction of our Southern China central kitchen, we plan to invest approximately RMB25 million, covering both the production facility and equipment procurement. The new Southern China central kitchen will be located near Dongguan, with an estimated gross floor area of approximately 7,000 sq.m, and is expected to supply over 100 restaurants. It is designed to serve Shenzhen, Guangzhou, Fujian and other core cities in the Pearl River Delta region. While our current presence in Southern China remains at an early stage, we expect this region to experience significant growth in our restaurant network. According to Frost & Sullivan, the Pearl River Delta is among the most attractive regions for premium hotpot restaurants, and industry peers have also adopted similar regional central kitchen models to ensure sustainable growth. Looking ahead, we estimate that the existing leased facility serving as our Southern China central kitchen will no longer be sufficient to meet our growing supply needs, as it lacks the scalability and infrastructure optimization required to support an expanded network. Moreover, the current lease is set to expire in 2028, further limiting its long-term viability. In contrast, the planned new facility is designed to support the long-term supply needs of near [**REDACTED**] restaurants in

Southern China. By 2026 and 2028, we expect to operate over [**REDACTED**] and [**REDACTED**] restaurants in Southern China, respectively. This investment reflects our strategic commitment to long-term supply chain stability, operational consistency, and cost efficiency in a core growth region. The new Southern China central kitchen is scheduled to commence operations around mid-2028. We intend to enter into the land leases by 2027, followed by construction and fit-out works in 2027. Equipment procurement and installation are expected to take place in 2027.

(b) Approximately [**REDACTED**]%, or HK$[**REDACTED**], is to be used for the construction of satellite warehouses. To support our market penetration in lower-tier cities and strengthen our supply chain in Central China, we plan to build warehouses in Henan, Shaanxi, Hubei, Hebei, Anhui, Zhejiang and Jiangsu provinces. The estimated investment for each site is expected to range from approximately RMB[**REDACTED**] to approximately RMB[**REDACTED**], including plant construction and equipment procurement. We expect the satellite warehouses in Hebei, Henan, and Shaanxi will commence operations in late 2028, while the other satellite warehouses are expected to commence operations around mid-2027. We intend to enter into the land leases by 2026, followed by construction and fit-out works in 2027. Equipment procurement and installation are expected to take place in 2027. We build those satellite warehouse because we plan to open over 50 new restaurants in these provinces. We build those satellite warehouses because we plan to open over 70 and 100 new restaurants in these provinces by 2026 and 2028, respectively. In addition, the commercial rationale for these satellite warehouses is further supported by (i) the need to shorten transportation distances and reduce logistics costs as our network penetrates deeper into lower tier cities in Central China, and (ii) our strategy to enhance supply chain resilience and food safety through more localized storage and distribution nodes. According to Frost & Sullivan, leading chain restaurant operators in China generally adopt a regional hub-and spoke warehouse model to support their rapid expansion into multiple provinces, and our planned satellite warehouses are consistent with this industry practice.

(c) Approximately [**REDACTED**]%, or HK$[**REDACTED**], is to be used for the expansion of our central kitchen in Central China. We plan to expand our existing warehouse by [**REDACTED**] sq.m. to support regional restaurants. This expansion project is expected to complete in 2026 and will add approximately [**REDACTED**] sq.m of gross floor area. The investment covers both infrastructure construction and interior fit-out, and equipment procurement. Our existing central kitchen in Central China, our most developed market, has a total area of approximately [**REDACTED**] sq.m, with the vast majority of the space currently in use. By 2027, we expect to add more than 20 new restaurants in the region. This planned expansion will necessitate additional storage capacity to support our growing operational needs.

(5) Approximately [**REDACTED**]%, or HK$[**REDACTED**], is to be used for working capital and general corporate purposes.

The above allocation of [**REDACTED**] will be adjusted on a pro rata basis in the event that the [**REDACTED**] is fixed at a higher or lower level compared to the [**REDACTED**] of the estimated [**REDACTED**].

If the [**REDACTED**] is exercised in full, the [**REDACTED**] to be received by us will be approximately HK$[**REDACTED**] (assuming an [**REDACTED**] of HK$[**REDACTED**] per Share, being the [**REDACTED**] of the indicative [**REDACTED**]). In the event that the [**REDACTED**] is exercised in full, we intend to apply the additional [**REDACTED**] to the above purposes in the proportions stated above.

In the cases where the net [**REDACTED**] proceeds are insufficient, the remaining funding needs will be met through internal resources, including cash flow from operations and available banking facilities. To the extent that the [**REDACTED**] are not immediately applied to the above purposes and to the extent permitted by the relevant laws and regulations, we will only deposit the [**REDACTED**] into short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions (as defined under the Securities and Futures Ordinance or applicable laws and regulations in other jurisdictions). We will issue an appropriate announcement in the event of any change to the above proposed use of [**REDACTED**], or if any amount of the [**REDACTED**] is to be used for general corporate purposes.