REPORT ON REVIEW OF CONDENSED COMBINED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF SUPER HI INTERNATIONAL HOLDING LTD.

(incorporated in the Cayman Islands with limited liability)

Introduction

We have reviewed the condensed combined financial statements of Super Hi International Holding Ltd. (the "Company") and its subsidiaries set out on pages [●] to [●], which comprise the condensed combined statement of financial position as at March 31, 2022, and the related condensed combined statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the three-month period then ended, and certain explanatory notes. The condensed combined financial statements have been prepared by the directors of the Company solely for the purpose of application of listing of the shares of the Company on The Stock Exchange of Hong Kong Limited. As a result, the condensed combined financial statements may not be suitable for another purpose. The directors of the Company are responsible for the preparation and presentation of these condensed combined financial statements in accordance with the basis of preparation and presentation and the accounting policies set out in Notes 1 and 3 to the condensed combined financial statements. Our responsibility is to express a conclusion on these condensed combined financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of these condensed combined financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed combined financial statements are not prepared, in all material respects, in accordance with the basis of preparation and presentation and the accounting policies set out in Notes 1 and 3 to the condensed combined financial statements.

[Deloitte Touche Tohmatsu]
Certified Public Accountants
Hong Kong
[**REDACTED**]

CONDENSED COMBINED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		For the three months ended March 31,	
	Notes	**2022**	**2021**
		USD'000	*USD'000*
		(Unaudited)	*(Unaudited)*
Revenue	*5*	109,075	68,272
Other income	*6*	3,102	3,370
Raw materials and consumables used		(39,994)	(24,370)
Staff costs		(43,607)	(30,536)
Rentals and related expenses		(2,148)	(1,834)
Utilities expenses		(4,088)	(2,499)
Depreciation and amortization		(16,410)	(15,597)
Travelling and communication expenses		(1,061)	(528)
Other expenses		(11,862)	(7,633)
Other gains and losses	*7*	(16,418)	(9,361)
Finance costs	*8*	(4,596)	(4,182)
Loss before tax		(28,007)	(24,898)
Income tax expense	*9*	(492)	(287)
Loss for the period	*10*	(28,499)	(25,185)
Other comprehensive income			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		2,292	2,946
Total comprehensive expense for the period		(26,207)	(22,239)

CONDENSED COMBINED STATEMENT OF FINANCIAL POSITION

	Notes	As at March 31, 2022	As at December 31, 2021
		USD'000 *(Unaudited)*	*USD'000* *(Audited)*
Non-current Assets			
Property, plant and equipment	*13*	189,829	194,978
Right-of-use assets	*13*	174,584	202,020
Other intangible assets		439	375
Deferred tax assets	*14*	142	144
Other financial assets		4,228	4,244
Rental deposits		17,173	18,230
		386,395	419,991
Current Assets			
Inventories		18,623	16,709
Trade and other receivables and prepayments	*15*	29,475	30,253
Amounts due from related parties	*23*	29,660	29,383
Financial assets at fair value through profit or loss	*16*	35,925	36,074
Other financial assets		500	500
Rental deposits		1,343	930
Pledged bank deposits		2,551	3,337
Bank balances and cash		70,130	89,546
		188,207	206,732
Current Liabilities			
Trade payables	*17*	25,986	26,549
Other payables	*18*	19,555	24,128
Amounts due to related parties	*23*	514,178	500,562
Tax payable		2,800	2,294
Lease liabilities		36,601	36,655
Bank borrowings	*19*	3,047	3,111
Contract liabilities	*20*	2,400	2,800
Provision		6,408	515
		610,975	596,614
Net Current Liabilities		(422,768)	(389,882)
Total Assets less Current Liabilities		(36,373)	30,109

	Notes	As at March 31, 2022	As at December 31, 2021
		USD'000	*USD'000*
Non-current Liabilities			
Deferred tax liabilities	*14*	1,378	1,127
Lease liabilities		177,655	206,539
Bank borrowings	*19*	631	688
Provisions		8,614	8,937
		188,278	217,291
Net Liabilities		(224,651)	(187,182)
Capital and Reserves			
Combined capital		14,787	50,920
Reserves		(239,438)	(238,102)
Total Deficits		(224,651)	(187,182)

CONDENSED COMBINED STATEMENT OF CHANGES IN EQUITY

	Combined capital	Other reserve	Translation reserve	Merger reserve	Accumulated losses	Total
	USD'000	*USD'000*	*USD'000*	*USD'000*	*USD'000*	*USD'000*
	(Note i)	*(Note ii)*		*(Note iv)*		
As at January 1, 2022 (audited)	50,920	9,380	(684)	–	(246,798)	(187,182)
Loss for the period	–	–	–	–	(28,499)	(28,499)
Other comprehensive income	–	–	2,292	–	–	2,292
Total comprehensive income (expense) for the period	–	–	2,292	–	(28,499)	(26,207)
Adjustment arising from group reorganization *(Note iv)*	(43,630)	–	–	23,270	–	(20,360)
Additional paid-in capital	7,497	–	–	–	–	7,497
Net contribution from the Retained Group *(Note iii)*	–	314	–	–	1,287	1,601
As at March 31, 2022 (unaudited)	14,787	9,694	1,608	23,270	(274,010)	(224,651)
As at January 1, 2021 (audited)	33,854	2,658	(2,781)	–	(100,701)	(66,970)
Loss for the period	–	–	–	–	(25,185)	(25,185)
Other comprehensive income	–	–	2,946	–	–	2,946
Total comprehensive income (expense) for the period	–	–	2,946	–	(25,185)	(22,239)
Net contribution from the Retained Group *(Note iii)*	–	888	–	–	1,089	1,977
As at March 31, 2021 (unaudited)	33,854	3,546	165	–	(124,797)	(87,232)

Notes:

i. Combined capital represents the aggregate amount of the paid-in capital of the subsidiaries attributable to the Controlling Shareholders (as defined in Note 1) at the respective dates before the Company became the holding company of the Group.

ii. Other reserve represents the net investment of Central Kitchen Business (as defined in Note 1) and IFS Business (as defined in Note 1) from the Retained Group (as defined in Note 1) prior to the transfer of such businesses to the Group as part of the Group Reorganization (as defined in Note 1).

iii. The net contribution from/return to the Retained Group represents the funding provided by/transferred to the Retained Group to/from the Central Kitchen Business prior to the transfer of such business as a part of the Group Reorganization and funding provided by the Retained Group to settle the expenses attributable/allocated to the Spin-off Business (as defined in Note 1) prior to the completion of the Group Reorganization.

iv. The merge reserve all represents the difference between the acquisition considerations of group entities comprising the Group under the Group Reorganization and the paid-in capital of relevant group entities at the date of acquisition. During the three months ended March 31, 2022, the Company acquired the equity interests of the companies engaged in the Spin-off Business, which were under the common control of the Controlling Shareholders, at an aggregate consideration of USD20,360,000 (as detailed in Note 1.2(ii)(a) to (f)). The difference of USD23,270,000 between the consideration and the paid-in capital of the companies acquired was recognized as merger reserve.

CONDENSED COMBINED STATEMENT OF CASH FLOWS

Prior to completion of the Group Reorganization (as defined and detailed in Note 1), the Central Kitchen Business (as defined in Note 1 below) were operated under the Retained Group (as defined in Note 1) and certain expenses attributable/allocated to the Spin-off Business (as defined in Note 1) were paid by the Retained Group. No separate bank accounts were maintained by the Central Kitchen Business and the treasury functions of the Central Kitchen Business were centrally administrated under the Retained Group. The net cash flows used in the Central Kitchen Business and spent on the certain expenses attributable/allocated to the Spin-off Business or the net cash flows generated by the Central Kitchen Business were funded by the Retained Group or kept in the bank accounts of the Retained Group, which is reflected in "Net contribution from (return to) the Retained Group" under cash flow. Accordingly, the funds provided for or withdrawn from the Retained Group were presented as movements in the equity as there are no cash and cash equivalents balance for the Central Kitchen Business and the cash spent on the certain expenses attributable/allocated to the Spin-off Business will not be repaid to the Retained Group as agreed among relevant entities.

For the IFS Business, there are separate bank accounts maintained and solely used for the payment and collection pertaining to the IFS Business. Therefore, bank balances and cash of the IFS Business were included in the Group's combined statements of financial position.

For the purpose of presenting a completed set of condensed combined financial statements of the Group, the following comprises the information of cash inflow/outflow of the Group (including the IFS Business), cash inflow/outflow of the Central Kitchen Business received/paid by the Retained Group and the cash outflow of certain expenses attributable/allocated to the Spin-off Business paid by the Retained Group prior to the completion of the Group Reorganization.

	For the three months ended March 31,	
	2022	**2021**
	USD'000 *(Unaudited)*	*USD'000* *(Unaudited)*
Operating activities		
Loss before tax	(28,007)	(24,898)
Adjustments for:		
Finance costs	4,596	4,182
Interest income	(446)	(331)
Depreciation of property, plant and equipment	8,560	7,667
Depreciation of right-of-use assets	7,831	7,919
Amortization of other intangible assets	19	11
Impairment loss, net of reversal		
– property, plant and equipment	5,821	1,950
– right-of-use assets	2,430	1,209
– expected credit loss on rental deposits	2,283	–

	For the three months ended March 31,	
	2022	2021
	USD'000 *(Unaudited)*	*USD'000* *(Unaudited)*
Loss on disposal of property, plant and equipment and termination of lease, net	1,351	8
Net loss (gain) arising on financial assets at fair value through profit or loss	226	(127)
Covid-19-related rent concessions	(450)	(684)
Net foreign exchange loss	4,874	6,824
Operating cash flows before movements in working capital	9,088	3,730
Increase in inventories	(1,914)	(1,279)
Decrease (Increase) in trade and other receivables and prepayments	774	(2,811)
Increase in rental deposits	(321)	(262)
Increase in amounts due from related parties	(141)	(298)
Decrease in trade payables	(563)	(1,481)
Decrease in other payables	(4,670)	(3,658)
Decrease in contract liabilities	(400)	(388)
Decrease in amounts due to related parties	(414)	(760)
Cash generated from (used in) operations	1,439	(7,207)
Income taxes paid	(248)	(238)
Net cash from/(used in) operating activities	1,191	(7,445)
Investing activities		
Interest received from bank deposits	21	8
Interest received from related parties	181	162
Interest received from other financial assets	106	81
Purchase of financial assets at fair value through profit or loss	–	(63,000)
Purchase of property, plant and equipment	(12,332)	(16,075)
Proceeds on disposals of property, plant and equipment	437	131
Payments for rental deposits	(1,200)	(1,783)
Purchase of other intangible assets	(84)	(2)
New addition of loans to related parties	(144)	(2,169)
Collection of loans to related parties	8	146

	For the three months ended March 31,	
	2022	2021
	USD'000 *(Unaudited)*	*USD'000* *(Unaudited)*
Withdrawal of pledged bank deposits	833	52
Placement of pledged bank deposits	–	(3)
Net cash used in investing activities	(12,175)	(82,453)
Financing activities		
Repayments of bank borrowings	(22)	–
New bank borrowings raised	–	3,150
Acquisition of subsidiaries under Group Reorganization	(14,398)	–
New addition of loans from related parties raised	40,277	94,172
Repayments of loans from related parties	(26,321)	(251)
Repayments of lease liabilities	(9,089)	(5,841)
Proceeds from capital injection	1,535	–
Interest paid	(2,306)	(2,043)
Net cash from financing activities	(10,324)	89,187
Net decrease in cash and cash equivalents	(21,308)	(711)
Net contribution from the Retained Group	1,601	1,977
Cash and cash equivalents at beginning of the period	89,546	51,564
Effect of foreign exchange rate changes	291	832
Cash and cash equivalents at end of the period	70,130	53,662
Represented by:		
Bank balances and cash	70,130	53,662

NOTES TO THE CONDENSED COMBINED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2022

1. GENERAL INFORMATION, GROUP REORGANIZATION, BASIS OF PREPARATION AND PRESENTATION OF THE CONDENSED COMBINED FINANCIAL STATEMENTS

1.1 General Information

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on May 6, 2022 under the Companies Act, Cap. 22 (as consolidated and revised) of the Cayman Islands. The address of the Company's registered office is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111 in Cayman Islands, and the address of the principal place of business in Singapore is 80 Robinson Road, #02-00, 068898 Singapore. Mr. Zhang Yong and his spouse namely Ms. Shu Ping have been collectively controlling the entities now comprising the Group throughout the three months ended March 31, 2022 and 2021 (the "Controlling Shareholders").

The Company is an investment holding company and its subsidiaries are principally engaged in restaurants operation, delivery business and sales of hot pot condiment products and food ingredients located in overseas market outside Mainland China, Hong Kong, Macau and Taiwan (the "Spin-off Business").

Upon the completion of the Group Reorganization (as defined and detailed below), Newpai Ltd. ("Newpai"), a company incorporated in the British Virgin Islands ("BVI") and a wholly-owned subsidiary of Haidilao International Holding Ltd. ("Haidilao International"), became the immediate holding company of the Company. The ultimate holding company of the Company is Haidilao International, a company incorporated in Cayman Islands with its shares listed on the Main Board of the Stock Exchange (Stock Code: 6862). Haidilao International and its subsidiaries, excluding the Group, are collectively referred to as the "Retained Group".

Items included in the financial statements of each of the Group's entities are recorded using the currency of the primary economic environment in which the entity operates (the "functional currency"). The condensed combined financial statements is presented in United States dollar (the "USD"), which is also the functional currency of the Company.

1.2 Group reorganization and basis of preparation and presentation of the condensed combined financial statements

The condensed combined financial statements have been prepared based on accounting policies set out in Note 3 which conform with International Financial Reporting Standards ("IFRS") issued by International Accounting Standards Board (the "IASB") and conventions applicable for Group Reorganization (details are set out below).

Prior to the Group's reorganization as described below, the Spin-off Business was carried out by certain then subsidiaries of Haidilao International. To rationalized the structure of the Group in preparation for the listing of the Company's shares on the Main Board of the Stock Exchange, the companies and business now comprising the Group underwent a group reorganization (the "Group Reorganization") which involves major steps as follows:

i. On December 9, 2020, Singapore Super Hi Dining Pte. Ltd. ("Singapore Super Hi") was incorporated in Singapore by Hai Di Lao Holdings Pte. Ltd. ("Haidilao Singapore"), a wholly-owned subsidiary of Newpai, with an issued share capital of Singapore Dollar ("SGD") 1. On March 25, 2021, 1,999,999 shares were further allotted and issued to Haidilao Singapore, increasing the share capital of Singapore Super Hi to SGD2,000,000. On February 7, 2022, Haidilao Singapore transferred all the shares of Singapore Super Hi to Newpai at a cash consideration of USD1,501,000. Upon completion of the transfer, Singapore Super Hi became a wholly-owned subsidiary of Newpai.

ii. Since February 2022, Singapore Super Hi has undergone a series of transactions to acquire the Spin-off Business from Haidilao Singapore and other subsidiaries of Haidilao International, as set out in further details below:

    a. In February 2022, Singapore Super Hi acquired 100% equity interest of Haidilao Korea Co., Ltd., HAI DI LAO MALAYSIA SDN. BHD., Hai Di Lao Melbourne Proprietary Limited, Haidilao New Zealand Limited, U.K. Haidilao Pte. Ltd., Hai Di Lao (Switzerland) Ltd and Hai Di Lao Canada Restaurants Group Ltd. from Haidilao Singapore at a cash consideration of USD13,416,000 in aggregate.

b. On February 28, 2022, HDL Management USA Corporation, a wholly-owned subsidiary of Haidilao Singapore located in the United States of America (the "USA"), acquired the 100% equity interests of another 17 subsidiaries of Haidilao Singapore (as detailed in Note 38) established in the USA by issuing 500,000 ordinary shares to Haidilao Singapore, at a total consideration of USD5,820,000. On March 1, 2022, Haidilao Singapore transferred its 100% equity interest in HDL Management USA Corporation to Newpai by way of dividend in specie. On March 2, 2022, Singapore Super Hi acquired 100% equity interest of HDL Management USA Corporation by issuing 10,000,000 ordinary shares to Newpai, at a consideration of USD5,962,000.

c. On February 28, 2022, Singapore Super Hi acquired 49% equity interest of Hai Di Lao Proprietary (Thailand) Limited from Haidilao Singapore at a cash consideration of USD1. The beneficial ownership of the remaining 51% equity interest of Hai Di Lao Proprietary (Thailand) Limited, including all economic, voting, and other rights and obligations, was possessed to Singapore Super Hi through a series of contractual arrangements effective from February, 2022.

d. On February 28, 2022, Singapore Super Hi acquired 100% equity interest of Hai Di Lao Germany GmbH from Haidilao Singapore at a cash consideration of European Monetary Unit ("EUR") 244,000 (equivalent to USD283,000).

e. In March 2022, Singapore Super Hi acquired 100% equity interests of Singapore Hai Di Lao Dining Pte. Ltd., Hai Di Lao Sydney Proprietary Limited and Hai Di Lao Spain S.L.U. from Haidilao Singapore at a cash consideration of USD4,000 in aggregate.

f. On March 29, 2022, Singapore Super Hi acquired 99% equity interest of PT Haidilao Indonesia Restaurants from Haidilao Singapore at a cash consideration of approximately USD695,000. The remaining 1% equity interest of PT Haidilao Indonesia Restaurants was held by Singapore Hai Di Lao Dining Pte. Ltd., a wholly-owned subsidiary of the Company.

g. On April 6, 2022, Singapore Super Hi acquired 100% equity interest of Hai Di Lao Vietnam Co., Ltd. from Haidilao Singapore at a cash consideration of USD1,387,000.

h. On May 20, 2022, Singapore Super Hi acquired 100% equity interest of Haidilao International Treasury Pte. Ltd. from Haidilao Singapore at a cash consideration of SGD1,000,000 (equivalent to USD729,000).

i. In May 2022, Singapore Super Hi acquired 100% equity interest of Singapore Hiseries Pte. Ltd. and Jomamigo Dining Malaysia Sdn. Bhd. from Haidilao Singapore at a total cash consideration of USD3,661,000.

j. On June 28, 2022, Singapore Super Hi acquired 100% equity interest of Haidilao International Food Services Malaysia Sdn. Bhd. from Haidilao International Food Services Pte. Ltd., a wholly-owned subsidiary of Haidilao International, at a cash consideration of Malaysian Ringgit ("MYR") 6,294,000 (equivalent to USD1,429,000).

k. On June 2, 2022, Singapore Super Hi acquired 100% equity interest of HAIDILAO JAPAN CO., LTD from Haidilao Singapore at a cash consideration of USD457,000.

l. In June, 2022, Singapore Super Hi acquired the central kitchen business from Haidilao Singapore (the "Central Kitchen Business") and raw material procurement business from Haidilao International Food Services Pte. Ltd. (the "IFS Business"), respectively, at a cash consideration of USD9,553,000 in aggregate.

iii. On May 6, 2022, the Company was incorporated in the Cayman Islands as an exempted company with limited liability. The authorized share capital of the Company was USD50,000 divided into 10,000,000,000 Shares with a par value of USD0.000005 each. Upon incorporation, one share was allotted and issued to an independent third party subscriber and such share was then transferred to Newpai. On June 1, 2022, two shares were further allotted and issued to Newpai.

iv. On June 20, 2022 , all the shares of Singapore Super Hi were transferred from Newpai to the Company at a consideration of SGD10,117,000 (equivalent to USD7,370,000). Upon completion of the transfer, Singapore Super Hi became a direct wholly-owned subsidiary of the Company.

Pursuant to the Group Reorganization as detailed above, the Company became the holding company of the companies, the Central Kitchen Business and the IFS Business now comprising the Group on June 30, 2022. The Group comprising the Company and its subsidiaries (including the Central Kitchen Business and the IFS Business) resulting from the Group Reorganization has been under the common control of the Controlling Shareholders throughout the three months ended March 31, 2022 and 2021 or since their respective dates of incorporation, where there is a shorter period, and is regarded as a continuing entity. Therefore, the merger accounting has been applied for the preparation of the condensed combined financial statements.

The condensed combined statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the three-month periods ended March 31, 2022 and 2021, included the results, changes in equity and cash flows of the companies now comprising the Group (including the Central Kitchen Business and the IFS Business) as if the current group structure had been in existence throughout the three months ended March 31, 2022 and 2021, or since their respective dates of incorporation, where there is a shorter period.

The combined statements of financial position of the Group as at March 31, 2022 and December 31, 2021 have been prepared to present the assets and liabilities of the companies now comprising the Group (including the Central Kitchen Business and the IFS Business) at the carrying amounts shown in the financial statements of the group entities, as if the current group structure upon the completion of the Group Reorganization had been in existence at those dates taking into account their respective dates of incorporation, where applicable.

Intra-group balances, transactions and unrealized gains/losses on intra-group transactions are eliminated in full in preparing the Historical Financial Information.

Historically and prior to the business transfers as above mentioned, the Central Kitchen Business and IFS Business were carried out by Haidilao Singapore and Haidilao International Food Services Pte. Ltd., respectively. Besides, Haidilao Singapore and Haidilao International Food Services Pte. Ltd. also carried out other business which have not been transferred to the Group. The financial information of Central Kitchen Business and IFS Business, which is prepared in accordance with uniform accounting policies to the Group that conform with IFRSs, were derived and extracted from the accounting records Haidilao Singapore and Haidilao International Food Services Pte. Ltd., on the following bases: for the assets, liabilities, income and expenses that were specifically attributed to the Central Kitchen Business and IFS Business, they were included in the condensed combined financial statements. Items that do not meet the criteria above are not included in the condensed combined financial statements.

In addition, historically and prior to the Group Reorganization as above mentioned, certain expenses incurred by Haidilao International and its subsidiaries were specifically attributable to the Spin-off Business or related to both the Spin-off Business and the other business (the "Retained Business"). For the purpose of preparation of the condensed combined financial statements, those expenses that are specifically attributable to the Spin-off Business were included in the condensed combined financial statements throughout the three months ended March 31, 2022 and 2021 and the expenses that have been incurred commonly for both the Spin-off Business and the Retained Business were allocated between the Spin-off Business and the Retained Business on a reasonable basis.

Prior to the completion of the Group Reorganization, no separate bank accounts were maintained by the Central Kitchen Business and the treasury functions of the Central Kitchen Business were centrally administrated under the Retained Group. The net cash flows used in the Central Kitchen Business and spent on the certain expenses attributable/allocated to the Spin-off Business or the net cash flows generated by the Central Kitchen Business were funded by the Retained Group or kept in the bank accounts of the Retained Group, which is reflected in "Net contribution from (return to) the Retained Group" under cash flow. Accordingly, the funds provided for or withdrawn from the Retained Group were presented as net contribution from/return to the Retained Group in the combined statements of changes in equity as there are no cash and cash equivalents balance for the Central Kitchen Business and the cash spent on the certain expenses attributable/allocated to the Spin-off Business will not be repaid to the Retained Group as agreed among relevant entities.

As at March 31, 2022, the Group's net current liabilities amounted to USD422,768,000. Subsequently in June 2022, pursuant to the resolutions of directors of Newpai and the Company, amounts due to related parties of USD471,336,000 in aggregate have been settled by capitalizing as equity of the Company. In addition, Newpai contributed additional capital to the Company in cash with the amount of USD23,144,000 in June 2022. In consideration of the above and the expected future cash flows from its business operations, in the opinion of the directors of the Company, the Group will have sufficient financial resources to meet its liabilities and obligations in the foreseeable future. The Group also monitors the utilization of cash and repayment of bank borrowings to ensure the Group will have sufficient working capital. As a result, the condensed combined financial statements have been prepared on a going concern basis.

2. APPLICATION OF IFRSs

For the purpose of preparing and presenting the condensed combined financial statements for the three months ended March 31, 2022, the Group has consistently applied the accounting policies which conform with IFRSs, which are effective for the accounting periods beginning on or after January 1, 2022, throughout the three months ended March 31, 2022 and 2021.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies used in the condensed combined financial statements for the three months ended March 31, 2022 are the same as those followed in the preparation of the Group's the condensed combined financial statements for the three years ended December 31, 2021 included in the accountants' report as set out in Appendix IA to the Listing Document.

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of each reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next twelve months.

Estimated impairment of property, plant and equipment and right-of-use assets

Property, plant and equipment and right-of-use assets are stated at costs less accumulated depreciation and impairment, if any. In determining whether an asset is impaired, the Group has to exercise judgment and make estimation, particularly in assessing: (1) whether an event has occurred or any indicators that may affect the asset value; (2) whether the carrying value of an asset can be supported by the recoverable amount, in the case of value in use, the net present value of future cash flows which are estimated based upon the continued use of the asset; and (3) the appropriate key assumptions to be applied in estimating the recoverable amounts including cash flow projections and an appropriate discount rate. When it is not possible to estimate the recoverable amount of an individual asset (including right-of-use assets), the Group estimates the recoverable amount of the cash generating unit to which the assets belongs, including allocation of corporate assets when a reasonable and consistent basis of allocation can be established, otherwise recoverable amount is determined at the smallest group of cash generating units, for which the relevant corporate assets have been allocated. Changing the assumptions and estimates, including the discount rates or the growth rates in the cash flow projections, could materially affect the recoverable amounts. Furthermore, the cash flows projections, growth rates and discount rates are subject to greater uncertainties in the current year due to uncertainty on how the Covid-19 pandemic may progress and evolve and volatility in financial markets, including potential disruptions in the Group's restaurant operations.

As at March 31, 2022, the carrying amounts of property, plant and equipment and right-of-use assets subject to impairment assessment were USD130,444,000 (unaudited) (December 31, 2021: USD117,007,000) and USD111,988,000 (unaudited) (December 31, 2021: USD113,330,000), respectively, before taking into account the accumulated impairment losses of USD40,483,000 (unaudited) (December 31, 2021: USD 34,662,000) and USD36,002,000 (unaudited) (December 31, 2021: USD 34,052,000) in respect of property, plant and equipment and right-of-use assets that have been recognized as at March 31, 2022, respectively. Details of the impairment of property, plant and equipment and right-of-use assets are disclosed in Note 13.

Determination on discount rates of lease contracts

The Group applies incremental borrowing rates as the discount rates of lease liabilities, which require financing spread adjustments and lease specific adjustments based on the relevant market rates. The assessments of the adjustments in determining the discount rates involved management judgment, which may significantly affect the amount of lease liabilities and right-of-use assets. As at March 31, 2022, the carrying amounts of right-of-use assets and lease liabilities are USD174,584,000 (unaudited) (December 31, 2021: USD202,020,000) and USD214,256,000 (unaudited) (December 31, 2021: USD243,194,000), respectively.

Deferred tax asset

As at March 31, 2022, a deferred tax asset of USD142,000 (unaudited) (December 31, 2021: USD144,000) has been recognized in the condensed combined statement of financial position. No deferred tax asset has been recognized on the tax losses of USD139,052,000 (unaudited) (December 31, 2021: USD122,384,000), due to the unpredictability of future profit streams. The realizability of the deferred tax asset mainly depends on whether sufficient future taxable profits or taxable temporary differences will be available in the future, which is a key source of estimation uncertainty especially the uncertainty on how the Covid-19 pandemic may progress and evolve. In cases where the actual future taxable profits generated are less or more than expected, or change in facts and circumstances which result in revision of future taxable profits estimation, a material reversal or further recognition of deferred tax assets may arise, which would be recognized in profit or loss for the period in which such a reversal or further recognition takes place.

As at March 31, 2022, the Group has other deductible temporary differences of USD112,897,000, (December 31, 2021: USD95,732,000). No deferred tax asset has been recognized in relation to such deductible temporary difference as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilized.

Useful lives of property, plant and equipment

The Group determines the estimated useful lives of its property, plant and equipment in determine the related depreciation charge. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions.

The Group will increase the depreciation charge where useful lives are shorter than previously estimated lives, or will write-off or write-down obsolete assets that have been abandoned or sold. As at March 31, 2022, the carrying amount of property, plant and equipment is USD189,829,000 (unaudited) (December 31, 2021: USD194,978,000).

5. REVENUE AND SEGMENT INFORMATION

During the three months ended March 31, 2022 and 2021, the Group's revenue which represents the amount received and receivable, net of discounts and sales related taxes, from the restaurant operation, delivery business and others, which primarily generated from sales of hot pot condiment products to local guests and food ingredients to retailers, is as follows:

	For the three months ended March 31,	
	2022	**2021**
	USD'000 *(Unaudited)*	*USD'000* *(Unaudited)*
Restaurant operation	105,043	65,019
Delivery business	2,596	2,588
Others	1,436	665
Total	109,075	68,272

Information reported to Mr. Zhou Zhaocheng, who is identified as the chief operating decision maker of the Company, in order to allocate resources and to assess performance, focuses on the operating results of the Group as a whole as the Group's resources are integrated and no discrete operating segment financial information is reviewed. Accordingly, no operating segment information is presented.

No revenue from individual customer contributes over 10% of total revenue of the Group during the three months ended March 31, 2022 (three months ended March 31, 2021: USD Nil (unaudited)).

The following table sets forth the breakdown of the Group's revenue during the three months ended March 31, 2022 and 2021, and the breakdown of the Group's non-current assets as at March 31, 2022 and December 31, 2021 based on location of operation:

	Revenue For the three months ended March 31,		Non-current assets (Note) As at	
			March 31,	**December 31,**
	2022	**2021**	**2022**	**2021**
	USD'000 *(Unaudited)*	*USD'000* *(Unaudited)*	*USD'000* *(Unaudited)*	*USD'000* *(Audited)*
Southeast Asia	66,206	45,693	129,079	134,073
East Asia	12,291	8,884	44,496	48,150
North America	20,726	8,970	99,186	121,289
Others	9,852	4,725	92,091	93,861
Total	109,075	68,272	364,852	397,373

Note: Non-current assets presented above excluded other financial assets, rental deposits and deferred tax assets.

6. OTHER INCOME

	For the three months ended March 31,	
	2022	**2021**
	USD'000	*USD'000*
	(Unaudited)	*(Unaudited)*
Interest income on:		
– loans to related parties	181	162
– rental deposits	134	136
– other financial assets	110	25
– bank deposits	21	8
	446	331
Government grants *(Note)*	2,441	2,982
Others	215	57
	3,102	3,370

Note: The amounts represent the subsidies received from the local government for the Group's business development. The Group recognized government grants of USD1,723,000 (unaudited) and USD2,846,000 (unaudited) for the three months ended March 31, 2022 and 2021 in respect of Covid-19-related subsidies, of which USD1,473,000 (unaudited) and USD2,534,000 (unaudited) for the three months ended March 31, 2022 and 2021 related to employment support scheme provided by the local government, respectively. There were no unfulfilled conditions for all the government grants in the periods in which they were recognized.

7. OTHER GAINS AND LOSSES

	For the three months ended March 31,	
	2022	**2021**
	USD'000	*USD'000*
	(Unaudited)	*(Unaudited)*
Impairment loss recognized in respect of:		
– property, plant and equipment	(5,821)	(1,950)
– right-of-use assets	(2,430)	(1,209)
	(8,251)	(3,159)
Expected credit loss on rental deposits	(2,283)	–
Loss on disposal of property, plant and equipment, and termination of leases, net	(1,351)	(8)
Net foreign exchange loss	(4,874)	(6,824)
Net (loss) gain arising on financial assets at FVTPL	(226)	127
Others	567	503
	(16,418)	(9,361)

8. FINANCE COSTS

	For the three months ended March 31,	
	2022	**2021**
	USD'000 *(Unaudited)*	*USD'000* *(Unaudited)*
Interests on loans from related parties	2,330	2,032
Interests on lease liabilities	2,141	2,073
Interests charge on unwinding of discounts	75	66
Interests on bank borrowings	50	11
	4,596	4,182

9. INCOME TAX EXPENSE

	For the three months ended March 31,	
	2022	**2021**
	USD'000 *(Unaudited)*	*USD'000* *(Unaudited)*
Current tax	245	38
Deferred tax *(Note 14)*	247	249
	492	287

The Company is incorporated as an exempted company and as such is not subject to Cayman Islands taxation.

The taxation of the Group is calculated at the rates prevailing in the relevant jurisdictions at 17% to 35% (unaudited) and 17% to 35% (unaudited) on the estimated assessable profits for the three months ended March 31, 2021 and 2022, respectively.

10. LOSS FOR THE PERIOD

The Group's loss for the period has been arrived at after charging (crediting):

	For the three months ended March 31,	
	2022	**2021**
	USD'000 *(Unaudited)*	*USD'000* *(Unaudited)*
Depreciation of property, plant and equipment	8,560	7,667
Depreciation of right-of-use assets	7,831	7,919
Amortization of other intangible assets	19	11
Total depreciation and amortization	16,410	15,597
Property and equipment rentals – office premises and equipment (short-term leases)	52	30

	For the three months ended March 31,	
	2022	2021
	USD'000 *(Unaudited)*	*USD'000* *(Unaudited)*
– restaurants		
– Covid-19-related rent concessions *(Note 13)*	(450)	(684)
– variable lease payments *(Note)*	446	452
Subtotal	(4)	(232)
– other rental related expenses	2,100	2,036
Total rentals and related expenses	2,148	1,834
Directors' emoluments	191	222
Other staff costs:		
Salaries and other allowance	39,244	27,291
Employee welfare	1,110	989
Retirement benefit scheme contribution	3,062	2,034
Total staff costs	43,607	30,536

Note: The variable lease payments refer to the property rentals based on pre-determined percentages of revenue less minimum rentals of the respective leases.

11. DIVIDENDS

No dividend was paid nor declared by the group entities comprising the Group during the three months ended March 31, 2022 and 2021 and no dividend was paid nor declared by the Company since its incorporation.

12. LOSS PER SHARE

Loss per share information is not presented as its inclusion, for the purpose of this report, is not considered meaningful due to the Group Reorganization has not been completed by March 31, 2022 and the results of the Group for the three months ended March 31, 2022 and 2021 are presented on a combined basis as disclosed in Note 1 above.

13. PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

During the three months ended March 31, 2022, the Group purchased property, plant and equipment amounting to USD12,287,000 (unaudited) (three months ended March 31, 2021: USD15,192,000 (unaudited)), consisting of leasehold improvement, machinery, motor vehicles, furniture and fixtures and construction in progress.

In addition, during the three months ended March 31, 2022, the Group disposed of certain plant and machinery with an aggregate carrying amount of USD441,000 (unaudited) (three months ended March 31, 2021: USD131,000 (unaudited)) with a loss of USD4,000 (unaudited) (three months ended March 31, 2021: USD Nil (unaudited)).

During the three months ended March 31, 2022, certain leases were terminated by lessors, with right-of-use assets of USD21,384,000 (unaudited) (three months ended March 31, 2021: USD10,265,000 (unaudited)) and lease liabilities of USD25,909,000 (unaudited) (three months ended March 31, 2021: USD10,257,000 (unaudited)) derecognized, resulting in a loss of USD1,347,000 (unaudited) (three months ended March 31, 2021: USD8,000 (unaudited)), which was recognized in other gains and losses, after taking in account of the provision accrued for early termination of leases amounted USD5,872,000 (unaudited) (three months ended March 31, 2021: USD Nil (unaudited)), which was recognized in other gains and losses.

During the three months ended March 31, 2022, the Group entered into several new lease agreements for the use of restaurant operation and office premises with lease terms ranged from 2 to 20 years (three months ended March 31, 2021: 12 months to 20 years). The Group is required to make fixed-term payments with predetermined annual incremental rental adjustments.

During the three months ended March 31, 2022, on lease commencement, the Group recognized right-of-use assets of USD3,356,000 (unaudited) (three months ended March 31, 2021: USD17,647,000 (unaudited)) and lease liabilities of USD3,332,000 (unaudited) (three months ended March 31, 2021: USD17,227,000 (unaudited)).

During the three months ended March 31, 2022, lessors of the relevant restaurants provided rent concessions that occurred as a direct consequence of the Covid-19 pandemic to the Group through monthly rent reductions ranging from 20% to 100% of monthly rents over 1 to 3 months.

During the three months ended March 31, 2021, certain lessors of restaurants provided rent concessions to the Group through rent reductions ranging from 10% to 100% of monthly rents over 0.5 to 10 months.

These rent concessions occurred as a direct consequence of Covid-19 pandemic and met of all of the conditions in IFRS 16.46B, and the Group applied the practical expedient not to assess whether the changes constitute lease modifications. During the three months ended March 31, 2022, the effects on changes in lease payments due to forgiveness or waiver by the lessors for the relevant leases of USD450,000 (unaudited) (three months ended March 31, 2021: USD684,000 (unaudited)) were recognized as negative variable lease payments.

Impairment assessment

During the three months ended March 31, 2022, in view of the unfavorable future prospects of some restaurants, the management of the Group concluded there were indications for impairment and conducted impairment assessment on certain property, plant and equipment and right-of-use assets. As at March 31, 2022, the Group performed impairment testing and recognized impairment loss of USD5,821,000 (unaudited) and USD2,430,000 (unaudited) related to property, plant and equipment and right-of-use assets, respectively (three months ended March 31, 2021: USD1,950,000 (unaudited) and USD1,209,000 (unaudited)).

The Group estimates the recoverable amount of the several cash generating units ("CGUs") of restaurants to which the asset belongs when it is not possible to estimate the recoverable amount individually. The recoverable amounts of CGUs have been determined based on value in use calculation. That calculation uses cash flow projections based on financial budgets approved by the management of the Group covering the remaining lease periods with a before-tax discount rate ranging from 6.8% to 13.7% (unaudited) as at March 31, 2022 (March 31, 2021: 7% to 14.5% (unaudited)), which varies for restaurants operating in different countries. Other key assumptions for the value in use calculations are related to the estimation of cash inflows/outflows which included revenue compound growth rate and average percentage of costs and operating expenses of revenue for the forecast period, which are based on the CGUs' past performance and the management's expectations for the market development.

14. DEFERRED TAX ASSETS/LIABILITIES

For the purpose of presentation in the condensed combined statement of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

	As at March 31, 2022	**As at December 31, 2021**
	USD'000	*USD'000*
	(Unaudited)	*(Audited)*
Deferred tax assets	142	144
Deferred tax liabilities	(1,378)	(1,127)
	(1,236)	(983)

The followings represent the major deferred tax assets and liabilities recognized and movements thereon during the periods:

	Accelerated tax depreciation	Customer loyalty scheme	Right-of-use assets/lease liabilities	Tax Loss	Total
	USD'000	*USD'000*	*USD'000*	*USD'000*	*USD'000*
At January 1, 2021 (audited)	(367)	66	(658)	67	(892)
Charge to profit or loss *(Note 9)*	(87)	(2)	(155)	(3)	(247)
Exchange adjustments	17	(1)	6	–	22
At March 31, 2021 (unaudited)	(437)	63	(807)	64	(1,117)
Charge to profit or loss *(Note 9)*	375	–	(165)	(39)	171
Exchange adjustments	(12)	(1)	(24)	–	(37)
At January 1, 2022 (audited)	(74)	62	(996)	25	(983)
Charge to profit or loss *(Note 9)*	(73)	3	(154)	(25)	(249)
Exchange adjustments	(2)	1	(3)	–	(4)
At March 31, 2022 (unaudited)	(149)	66	(1,153)	–	(1,236)

As at March 31, 2022, no deferred tax asset has been recognized in relation to the unused tax losses of USD139,052,000 (unaudited) (December 31, 2021: USD122,384,000), which are available for offset against future profits, due to the unpredictability of future profit streams of those loss-making subsidiaries and it is not probable that taxable profit will be available against which the tax losses can be utilized.

As at March 31, 2022, the Group has other deductible temporary differences of USD112,897,000 (unaudited) (December 31, 2021: USD95,732,000). No deferred tax asset has been recognized in relation to such deductible temporary difference as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilized.

15. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	As at March 31,	As at December 31,
	2022	2021
	USD'000	*USD'000*
	(Unaudited)	*(Audited)*
Trade receivables	3,927	6,334
Other receivables and prepayments:		
Prepayment to suppliers	17,553	16,699
Prepaid operating expenses	3,661	1,714
Input value-added tax recoverable	2,034	2,212
Interest receivable	42	38
Others	2,258	3,256
Subtotal	25,548	23,919
Total trade and other receivables and prepayments	29,475	30,253

Note: Majority of trade receivables are due from payment platforms and are normally settled within 30 days. Trade receivables are aged within 30 days based on the date of rendering of services. There were no past due trade receivables at each end of the reporting period.

16. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at March 31, 2022	As at December 31, 2021
	USD'000 *(Unaudited)*	*USD'000* *(Audited)*
Private fund investments *(Note)*	35,925	36,074

Note: As at March 31, 2022, the private fund investment represented investment in private equity investment funds initiated by certain asset management corporations in the overseas.

17. TRADE PAYABLES

Trade payables are non-interest bearing and the majority are with a credit term of 30 to 90 days. An aged analysis of the Group's trade payables, as at the end of each reporting period, based on the invoice date, is as follows:

	As at March 31, 2022	As at December 31, 2021
	USD'000 *(Unaudited)*	*USD'000* *(Audited)*
Within 60 days	25,986	26,549

As at March 31, 2022 and December 31, 2021, included in the trade payable balances above were amounts of USD1,514,000 (unaudited) and USD1,633,000, respectively, which were attributable to the IFS Business and Central Kitchen Business but the contractual relationship were between the Retained Group and the creditors. Further details of the basis of preparation of the financial information are set out in Note 1.2 above.

18. OTHER PAYABLES

	As at March 31, 2022	As at December 31, 2021
	USD'000 *(Unaudited)*	*USD'000* *(Audited)*
Staff cost payable	13,882	16,183
Other taxes payables	3,052	4,446
Renovation fee payables	288	266
Others	2,333	3,233
	19,555	24,128

19. BANK BORROWINGS

	As at March 31, 2022	As at December 31, 2021
	USD'000 *(Unaudited)*	*USD'000* *(Audited)*
Guaranteed and unsecured *(Note)*	714	774
Unguaranteed and unsecured	2,964	3,025
	3,678	3,799

The carrying amounts of the above bank borrowings are repayable:

	As at March 31, 2022	As at December 31, 2021
	USD'000 *(Unaudited)*	*USD'000* *(Audited)*
Within one year	3,047	3,111
Within a period of more than one year but not exceeding two years	83	87
Within a period of more than two years but not exceeding five years	548	601
	3,678	3,799
Less: Amounts due within one year shown under current liabilities	3,047	3,111
Amounts shown under non-current liabilities	631	688

Notes: As at March 31, 2022, bank borrowings of Japanese Yen ("JPY") 86,656,000 (unaudited) (equivalent to approximately USD714,000 (unaudited)) were guaranteed by 張航 (Zhang Hang), the legal representative of Haidilao Japan Co., Ltd., which is a subsidiary of the Company.

As December 31, 2021, bank borrowings of JPY89,158,000 (equivalent to approximately USD774,000) are guaranteed by 張航 (Zhang Hang), the legal representative of Haidilao Japan Co., Ltd., which is a subsidiary of the Company.

The exposure of the Group's bank borrowings are as follows:

	As at March 31, 2022	As at December 31, 2021
	USD'000 *(Unaudited)*	*USD'000* *(Audited)*
Fixed-rate borrowings *(Note i)*	714	774
Variable-rate borrowings *(Note ii)*	2,964	3,025
	3,678	3,799

Notes:

i. As at March 31, 2022, fixed-rate borrowings of JPY86,656,000 (unaudited) (equivalent to approximately USD714,000 (unaudited)) carry interest at 2% per annum with interest free in the first three years, as the support was provided by the local government for the relief of Covid-19 pandemic.

As at December 31, 2021, fixed-rate borrowings of JPY89,158,000 (equivalent to approximately USD774,000) carry interest at 2% per annum with interest free in the first three years, as the support was provided by the local government for the relief of Covid-19 pandemic.

ii. As at March 31, 2022, variable-rate borrowings of South Korean Won ("KRW") 3,600,000,000 (unaudited) (equivalent to approximately USD2,964,000 (unaudited)) carry interest at the final return rate of Korea 91 days certificate of deposit plus 1% per annum.

As at December 31, 2021, variable-rate borrowings of KRW3,600,000,000 (equivalent to approximately USD3,025,000) carry interest at the final return rate of Korea 91 days certificate of deposit plus 1% per annum.

20. CONTRACT LIABILITIES

	As at March 31, 2022	As at December 31, 2021
	USD'000 *(Unaudited)*	*USD'000* *(Audited)*
Customer loyalty scheme *(Note i)*	2,074	2,524
Prepaid cards and issued vouchers *(Note ii)*	324	276
Advance from customers	2	–
	2,400	2,800

Note:

i. The customer loyalty points have a valid period between 2 years to 5 years since the award credits were granted to customers and can be redeemed anytime within the valid period at customers' discretion. The amounts disclosed above represented the Group's expectation on the timing of redemption made by customers.

ii. The Group issued prepaid cards and vouchers which have no expiration and can be utilized in the future consumption in restaurants at customers' direction. The amounts disclosed above represented the Group's expectation on the timing of utilization made by customers.

21. CAPITAL COMMITMENTS

As at March 31, 2022 and December 31, 2021, the Group had the following capital commitments:

	As at March 31, 2022	As at December 31, 2021
	USD'000 *(Unaudited)*	*USD'000* *(Audited)*
Capital expenditure in respect of acquisition of property, plant and equipment contracted for but not provided in the condensed combined financial statements	21,133	20,282

22. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Some of the Group's financial assets are measured at fair for financial reporting. In estimating the fair value, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group determines the appropriate valuation techniques and inputs for fair value measurements and works closely with the qualified valuer to establish the appropriate valuation techniques and inputs to the model.

Except for financial assets at FVTPL as set out below, there is no financial instrument measured at fair value on a recurring basis.

Fair value of the Group's financial assets that are measured at fair value on a recurring basis

	Fair value as at				
Financial assets	March 31, 2022	December 31, 2021	Fair value hierarchy	Valuation technique(s)	Significant unobservable input(s)
	USD'000 *(Unaudited)*	*USD'000* *(Audited)*			
Private fund investment	35,925	36,074	Level 3	Asset based approach	Net value of the underlying investments, adjusted by related fees.

Note: There was no transfer between level 1, level 2 and level 3 during the three months ended March 31, 2022.

Reconciliation of Level 3 Measurements

The following table represents the reconciliation of Level 3 fair value measurements throughout the three months ended March 31, 2022 and 2021:

	Private fund investment
	USD'000
At January 1, 2021 (Audited)	–
Purchase	63,000
Net gain	127
At March 31, 2021 (Unaudited)	63,127

	Private fund investment
	USD'000
At January 1, 2022 (Audited)	36,074
Net loss	(226)
Exchange adjustments	77
At March 31, 2022 (Unaudited)	35,925

23. RELATED PARTY DISCLOSURES

(A) Related party transactions

During the three months ended March 31, 2022 and 2021, the Group has entered into the following transactions with related parties:

Purchase of goods/services from related parties

Relationship	Nature of transaction	For the three months ended March 31, 2022	2021
		USD'000 *(Unaudited)*	*USD'000* *(Unaudited)*
Related companies controlled by the Controlling Shareholders	Purchase of condiment products and instant hot pot products	3,062	274
Related companies controlled by the Controlling Shareholders	Interest expenses	2,330	2,032
Related companies controlled by the Controlling Shareholders	Office expenses charges	77	59

Income from related parties

Relationship	Nature of transaction	For the three months ended March 31, 2022	2021
		USD'000 *(Unaudited)*	*USD'000* *(Unaudited)*
Related companies controlled by the Controlling Shareholders	Interest income	181	162

[The Group is licensed by Sichuan Haidilao Catering Co., Ltd., a company controlled by the Controlling Shareholders, to use the trademark on an exclusive and royalty-free basis for a perpetual term.

The Group owns the proprietary rights to the formulas of Haidilao Customized Products (the "Condiments Formulae") and licenses the Condiments Formulae to Yihai International Holding Ltd. and its subsidiaries (companies controlled by the Controlling Shareholders) and its contracted manufacturers to use for production on a royalty-free basis.]

(B) Related party balances

Amounts due from related parties:

	As at March 31, 2022	As at December 31, 2021
	USD'000 *(Unaudited)*	*USD'000* *(Audited)*
Trade nature		
Prepayments for goods made to related companies controlled by the Controlling Shareholders	418	277
Non-Trade nature		
Loans to related companies controlled by the Controlling Shareholders *(Note)*	29,242	29,106
Total	29,660	29,383

Note: As at March 31, 2022 and December 31, 2021, loans to related companies controlled by the Controlling shareholders of USD28,062,000 (unaudited) and USD28,558,000 bore interest at 2.64% (unaudited) and 2.64% per annum, respectively, while the remaining amount were non-interest bearing. Those amounts are unsecured and unguaranteed and payable on demand. All of those amounts have been settled in cash before June 2022.

Amounts due to related parties:

	As at March 31, 2022	As at December 31, 2021
	USD'000 *(Unaudited)*	*USD'000* *(Audited)*
Trade nature *(Note i)*		
Amounts payable to related companies controlled by the Controlling Shareholders	354	768
Non-Trade nature		
Loans from related companies controlled by the Controlling Shareholders *(Note ii)*	512,531	498,575
Interest payables to related companies controlled by the Controlling Shareholders	1,293	1,219
Subtotal	513,824	499,794
Total	514,178	500,562

Notes:

i. Amounts due to related parties arising from the purchase of food ingredients and condiment products were with a credit term of 30 to 60 days. As at March 31, 2022 and December 31, 2021, the amounts were aged within 30 to 60 days from the invoice date.

ii. As at March 31, 2022 and December 31, 2021, loans from related companies controlled by the Controlling shareholders of USD483,880,000 (unaudited) and USD468,423,000 bore interest at 2.00% to 3.90% (unaudited) and 2.00% to 3.90% per annum, respectively, while the remaining amount were non-interest bearing. Those amounts are unsecured and unguaranteed and payable on demand or within one year. Majority of those amounts have been settled in June 2022 by capitalizing as equity of the Company pursuant to the resolutions of directors of Newpai and the Company and the remaining balances will be settled before hearing.

As at March 31, 2022 and December 31, 2021, included in the loans from related companies controlled by the Controlling Shareholders above were amounts of USD16,000,000 (unaudited) and USD12,905,000, respectively, which were attributable to the IFS Business but the contractual relationship were between Haidilao International Food Services Pte. Ltd., a wholly-owned subsidiary of the Retained Group and the related parties. Further details of the basis of preparation of the financial information are set out in Note 1.2 above.

(C) Remuneration of key management personnel of the Group

	For the three months ended March 31,	
	2022	**2021**
	USD'000	*USD'000*
	(Unaudited)	*(Unaudited)*
Short term employee benefits	270	311
Performance related bonuses	–	1
Retirement benefit scheme contribution	5	–
	275	312

24. SUBSEQUENT FINANCIAL STATEMENTS

[Save as elsewhere disclosed in this report, events and transactions took place subsequent to March 31, 2022 are detailed as below:

- [On June 1, 2022, pursuant to the resolutions of directors of Newpai and the Company, amounts due to related parties of USD471,336,000 in aggregate have been settled by capitalizing as equity of the Company. In addition, Newpai contributed additional capital to the Company in cash with the amount of USD23,144,000 on the same day.]

- On [●], 2022, in order to implement the share award scheme, one share was allotted and issued to the trustee appointed by the Company to manage and administer the share award scheme (the "ESOP Platform") and six shares were allotted and issued to Newpai.

- On [●], 2022, the Company resolved to allot and issue a total of [**REDACTED**] new shares for cash at par with the amount of [**REDACTED**] to Newpai and the ESOP Platform in proportion to their existing shareholdings. Upon completion of the issue, the total issued share number of the Company is [**REDACTED**] shares.]