This summary aims to give you an overview of the information contained in this listing document. As this is a summary, it does not contain all the information that may be important to you and is qualified in its entirety by, and should be read in conjunction with, the full text of this listing document. You should read the whole listing document including the appendices hereto, which constitute an integral part of this listing document.

OVERVIEW

We are the third largest Chinese cuisine restaurant brand in the international market in terms of 2021 revenue[(1)]. We are a self-operated restaurant brand, primarily serving Haidilao hot pot in the international market. According to F&S Report, we were also the largest Chinese cuisine restaurant brand originating from China in the international market in terms of 2021 revenue and the largest Chinese cuisine restaurant brand in the international market in terms of number of countries covered by self-operated restaurants as of December 31, 2021.

Food is an expression of cultural identity, values and a way of life. Chinese cuisine is one of the richest and most diverse culinary heritages in the world. However, due to challenges in standardization, scalability and localization across countries, very few Chinese cuisine restaurant brands have successfully expanded internationally while maintaining consistent quality and a brand identity that resonates across cultures. Chinese cuisine restaurant brands with over 10 stores and brands covering two or more countries only accounted for approximately 13.0% and less than 5% of the international market in terms of number of restaurants in 2021, respectively. With our signature dining experience and service quality, Haidilao has become a worldwide brand. Since opening our first restaurant in Singapore in 2012, we have expanded to 110 restaurants in 11 countries across four continents as of the Latest Practicable Date, namely Singapore, Thailand, Vietnam, Malaysia, Indonesia, Japan, Korea, the U.S., Canada, the United Kingdom, and Australia.

We have built an international Haidilao restaurant network with highly standardized operations, effective management systems, motivated employees and a high level of guest satisfaction. Due to the impact of the COVID-19 pandemic and as new restaurants has accounted for a large portion of our restaurants, we have incurred net losses of US$33.0 million, US$53.8 million, US$150.8 million and US$51.5 million, and US$55.7 million in 2019, 2020, 2021 and the six months ended June 30, 2021 and 2022, respectively. Nevertheless, we have achieved business growth during the Track Record Period.

- *Restaurant expansion*. Our restaurant network expanded from 24 restaurants in five countries as of January 1, 2019 to 103 restaurants in 11 countries as of June 30, 2022. Our revenue increased from US$233.1 million in 2019 to US$312.4 million

(1) Unless otherwise specified, "international market" in this listing document refers to the global market excluding mainland China, Hong Kong, Macau and Taiwan.

in 2021 at a CAGR of 15.8%. We also gradually recovered from the COVID-19 pandemic since 2022, with our revenue increasing from US$134.8 million in the six months ended June 30, 2021 to US$245.8 million in the six months ended June 30, 2022.

- *Entering new markets*. Prior to the start of the COVID-19 pandemic, we expanded into six new countries in 2019, including four countries in Southeast Asia, namely Vietnam, Malaysia, Thailand and Indonesia, the UK and Australia. In the same year, we achieved table turnover rates of over 4.8 times per day on average in these countries. During the pandemic, we focused primarily on expansion within existing countries and enhancing their operating performance, opening a total of 67 new restaurants from January 1, 2020 to June 30, 2022.

- *Guest traffic*. Prior to the COVID-19 pandemic, we recorded a total of approximately 8.1 million guest visits at our restaurants in 2019. While our guest traffic was significantly affected by COVID-19, through our efforts, we increased guest visits from approximately 7.1 million in the height of the pandemic in 2020 to approximately 9.8 million in 2021. In the first half of 2022, we recorded approximately 9.3 million guest visits in total as the pandemic gradually eased in certain countries, doubling from approximately 4.5 million for the same period in 2021.

- *Table turnover rate*. We recorded an overall table turnover rate of 4.1 times per day in 2019. During the pandemic, we implemented a number of measures, such as offering discounts, reactivating existing guests and offering off-peak hour meals, to improve table turnover rates. In the first half of 2022, our overall table turnover rate was 3.0 times per day, improving from the overall table turnover rate of 2.4 times per day and 2.1 times per day in 2020 and 2021, respectively.

OUR VALUE PROPOSITIONS

We uphold Haidilao's core values to satisfy two critical groups of people—"changing your future with your own hands" (用雙手改變命運) to motivate our employees, and delivering an exceptional and fun dining experience to our guests. Guided by our proven management philosophy, "aligned interests and disciplined management" (連住利益,鎖住管理), we believe we are well positioned to expand our self-operated brand internationally by balancing standardization and localization.

We believe striking a balance between Haidilao's reputed management philosophy and continuous efforts for localization has been the foundation of our growth and expansion in the international market.

Brand legacy. Leveraging the renowned Haidilao brand and our extensive experience in standardized restaurant operation, we seek to address challenges faced in international expansion through implementing our operating paradigm of "aligned interests and disciplined management."

- *Brand image*. After close to 30 years of cultivation, Haidilao has become a household name worldwide. Our Haidilao brand commands customer loyalty and brand equity through our commitment to a Haidilao-signature dining experience and service quality, as well as stringent food safety and quality control. With a brand recognition that precedes our presence, we believe the Haidilao brand will enable us to steadily expand in the international market.

- *Management philosophy*. Haidilao's management philosophy of "aligned interests and disciplined management" fuels our international expansion. Under this philosophy, the interests of our employees are highly aligned to ours, motivating them to drive our bottom-up dynamic growth. Meanwhile, our disciplined management systematically ensures our high-quality expansion by controlling operational risks and providing key resources and support to our restaurants. We believe that this principle appeals to human nature across different cultures and regions and has been proven in Haidilao's expansion both in China and international markets.

- *Standardized operations*. Over the years, we have gained extensive experience in standardizing restaurant operations in different countries. We maintain strict control over key aspects of restaurant operation, including restaurant network expansion, employee training and promotion, food safety, service quality control and supply chain, which, we believe, have been crucial to our continuous expansion and efficient operations.

Localization. Under the framework of standardized operations and guided by core Haidilao values, we seek to adapt restaurant operations to local customs, tastes and preferences in order to provide a Haidilao-signature dining experience to guests and keep employees incentivized in different regional markets. We continue to innovate in the following aspects.

- *Food and menu*. We continuously develop and launch new menu items (including food ingredients, soup bases and dipping sauces) tailored to local tastes and preferences and introduce local food ingredients into our menu. Generally, a significant portion of our menu in each restaurant is localized.

- *Guest services*. We give employees the autonomy to discover how to best serve our guests and encourage them to adjust how we effectuate warm and personalized services based on local customs and cultural norms. For example, we organize themed events and decorate our restaurants to celebrate holidays in local cultures, such as Easter and Halloween. We also recommend optimal cooking times for each hot pot ingredient and dipping sauce combos in countries that are relatively new to hot pot dining.

- *Management structure*. We have established a three-layer structure consisting of our headquarters, senior regional managers and restaurant managers, to effectively manage our restaurants. Our headquarters hold control over critical restaurant management functions to ensure standardization across our multi-national operations and optimized resource allocation. Leveraging local know-how, our senior regional managers act as bridges between the strategic objectives of our headquarters and individual restaurants. They play key roles in expanding localized supply chains and building local teams to support operations, developing business strategies with our headquarters and implementing our strategies at the local level. Our restaurant managers are responsible for managing the day-to-day operations of our restaurants.

OUR BUSINESS

We are a self-operated restaurant brand, primarily serving Haidilao hot pot in the international market, aiming to bring our Haidilao-signature dining experience to our guests. Originally from Sichuan, China, Haidilao has grown to be a worldwide brand, delivering a signature dining experience with attention to service, food and restaurant atmosphere. To give our guests a classic Haidilao dining experience, we offer our signature menu items (e.g. spicy Sichuan-style soup base and hand-pulled noodles (撈麵)) and services (e.g. providing birthday celebration) across all our restaurants. Understanding that a great dining experience means different things in different parts of the world, we also make adjustments to our services and food based on local culture, tastes and preferences.

During the Track Record Period, we generated substantially all of our revenue from Haidilao restaurant operations. To a lesser extent, we also generated revenue from food delivery and sales of hot pot condiment products and food ingredients. In addition, in October 2022, we acquired 80% of the issued and outstanding common stock of Hao Noodle and Tea Holdings Inc. ("**HN&T Holdings**"), which operates two restaurants, "Hao Noodle" and "Hao Noodle and Tea by Madam Zhu's Kitchen" located in New York that provides light food, beverages and alcohol. The following table sets forth the components of our revenue in absolute amounts and as percentages of the total revenue for the period indicated.

	For the Year Ended December 31,						For the Six Months Ended June 30,			
	2019		2020		2021		2021		2022	
	(US$ in thousands, except for percentages)									
							(Unaudited)			
Restaurant operation	232,542	99.8%	209,275	94.5%	296,059	94.8%	127,050	94.2%	239,757	97.5%
Delivery business	158	0.1%	10,225	4.6%	11,783	3.8%	6,030	4.5%	4,203	1.7%
Others[(1)]	419	0.1%	1,911	0.9%	4,531	1.4%	1,740	1.3%	1,879	0.8%
Total	233,119	100.0%	221,411	100.0%	312,373	100.0%	134,820	100.0%	245,839	100.0%

Note:

(1) Others primarily represented revenue generated from sales of hot pot condiment products and food ingredients.

Our Restaurant Network

We opened our first restaurant in Singapore in 2012. Since then, we have gradually expanded our restaurant network to 103 restaurants in 11 countries in Asia, North America, Europe and Oceania as of June 30, 2022. The following table summarizes the number of Haidilao restaurants and breakdown of our revenue from restaurant operation by geographic region as of the date and for the period indicated.

	As of/For the Year Ended December 31,															As of/For the Six Months Ended June 30,									
	2019					2020					2021					2021					2022				
	# of restaurants		Revenue		Average Revenue per Restaurant(2)	# of restaurants		Revenue		Average Revenue per Restaurant(2)	# of restaurants		Revenue		Average Revenue per Restaurant(2)	# of restaurants		Revenue		Average Revenue per Restaurant(2)	# of restaurants		Revenue		Average Revenue per Restaurant(2)
	(US$ in thousands, except for number of restaurants)																								
																		(Unaudited)							
Southeast Asia	20	52.6%	128,933	55.4%	6,447	39	52.7%	136,263	65.1%	3,494	55	58.5%	165,942	56.1%	3,017	48	55.8%	77,376	60.9%	1,612	61	59.2%	146,329	61.0%	2,399
East Asia	10	26.3%	49,910	21.5%	4,991	17	23.0%	34,309	16.4%	2,018	17	18.1%	37,251	12.6%	2,191	17	19.8%	16,679	13.1%	981	17	16.5%	25,218	10.5%	1,483
North America	6	15.8%	37,888	16.3%	6,315	13	17.6%	25,203	12.0%	1,939	16	17.0%	68,064	23.0%	4,254	16	18.6%	21,882	17.2%	1,368	17	16.5%	47,197	19.7%	2,776
Others(1)	2	5.3%	15,811	6.8%	7,906	5	6.7%	13,500	6.5%	2,700	6	6.4%	24,802	8.3%	4,134	5	5.8%	11,113	8.8%	2,223	8	7.8%	21,013	8.8%	2,627
Total	**38**	**100.0%**	**232,542**	**100.0%**	**6,120**	**74**	**100.0%**	**209,275**	**100.0%**	**2,828**	**94**	**100.0%**	**296,059**	**100.0%**	**3,150**	**86**	**100.0%**	**127,050**	**100.0%**	**1,477**	**103**	**100.0%**	**239,757**	**100.0%**	**2,328**

Note:

(1) Others include Australia and the United Kingdom.

(2) Average revenue per restaurant is calculated by dividing revenue generated from restaurant operations in the region by the number of restaurants as of year/period end. As such, average revenue per restaurant has not taken into consideration of the different operating days for each restaurant.

Impact of the COVID-19 Pandemic

As of December 31, 2019, 2020 and 2021 and June 30, 2022, we had 38, 74, 94 and 103 restaurants. Starting from 2020, our business was significantly affected by the COVID-19 pandemic as many countries, including all the countries that we currently have operations in, have imposed restrictive measures on restaurant dine-in and social gatherings, resulting in lower guest traffic and the temporary closure of many of our restaurants. In 2020 and 2021, all of our restaurants were subject to some form of COVID-19 restrictions, including temporary closures, limited operating hours, guest traffic control and social distancing. In the same years, 28 and 82, representing 37.8% and 87.2% of our restaurants as of year-end 2020 and 2021, were temporarily closed in 2020 and 2021 due to lockdown measures imposed by the relevant local governments, respectively. The average length of the temporary restaurant closure per restaurant was 23 days and 78 days in 2020 and 2021, respectively. For example, dining-in at nine of our ten restaurants in Malaysia and 14 of our 17 restaurants in Singapore in 2021 was suspended for 147 days and 52 days on average in 2021, respectively. In 2020 and 2021, we also permanently closed nil and two restaurants, respectively.

Starting from 2022, with the COVID-19 pandemic gradually coming under control, many of these restrictions have gradually eased. Currently, all of the countries that we currently have operations in, except for Indonesia where restaurants are only allowed to operate to 10 p.m. every day, have lifted all the material COVID-19 related restrictions in relation to restaurant operations. Especially since June 2022, our overall restaurant performance has significantly improved.

Key Operating Data

The following table sets forth certain key performance indicators of our restaurants for the period indicated.

	For the Year Ended December 31,			For the Six Months Ended June 30,
	2019	2020	2021	2022
Total guest visits (million)	8.1	7.1	9.8	9.3
Table turnover rate (times per day)	4.1	2.4	2.1	3.0
Average spending per guest (US$)	28.7	29.4	30.3	25.8
Average daily revenue per restaurant (in thousands of US$)	20.8	11.6	10.0	14.2

Starting from 2020, our results of operations were adversely affected by the COVID-19 pandemic. As such, we experienced a decrease in our table turnover rates from 4.1 times per day in 2019 to 2.4 times per day in 2020 and 2.1 times per day in 2021. In 2022, the performance of our restaurants gradually recovered as the COVID-19 pandemic has come under control. Many local governments have lifted restrictive measures, enabling us to operate normally. Our table turnover rates bounced back to 3.0 times per day in the six months ended June 30, 2022.

Generally, our average spending per guest is affected by the number of guests per table. As the number of soup bases ordered per table, a major cost component in hot pot meals, is not necessarily tied to the number of guests dining at the table, having fewer guests per table may increase average spending per guest. In addition, our average spending per guest may also be affected by our restaurant mix, the discounts we provided, adjustment of our pricing and introduction of new menu items. Our average spending per guest increased in 2020 due to a decreased average number of guests per table as various social distancing measures were implemented against the COVID-19 pandemic. In 2021, our overall average spending per guest continued to increase as we opened new restaurants in regions with higher consumption levels, such as the United States and Singapore. This increase was partially offset by the increase in guests per table as governments gradually relaxed social distancing restrictions in certain regions. The decrease in our average spending per guest in the six months ended June 30, 2022 was primarily because (i) our business recovery in Southeast Asia, where the average spending per guest is generally lower, outpaced other geographical regions; and (ii) many countries have eased and lifted restrictions on maximum number of guests per table as well as other social gathering measures in 2022.

As a result of the above, our average daily revenue per restaurant, which is calculated by dividing the revenue from restaurant operation for the year/period by the total restaurant operation days for the year/period in the same geographic region, was US$20.8 thousand, US$11.6 thousand, US$10.0 thousand and US$14.2 thousand in 2019, 2020 and 2021 and the six months ended June 30, 2022, respectively.

For details, see "Business—Our Business—Our Haidilao Restaurant Business."

Same-store Analysis

Our same store sales decreased by 39.3% and 1.4% in 2020 and 2021 as compared to the previous year, respectively. Starting from 2022, we experienced a gradual recovery in our restaurant business as the COVID-19 pandemic gradually came under control. We recorded same store sales growth of 57.3% in the six months ended June 30, 2022 as compared to the same period in 2021. The following table sets forth details of our same store sales during the Track Record Period.

	As of/For the Year Ended December 31,				As of/For the Six Months Ended June 30	
	2019	2020	2020	2021	2021	2022
Number of Same Stores[(1)]						
Southeast Asia	10		17		34	
East Asia	9		10		12	
North America	4		5		13	
Others	–		2		4	
Overall	23		34		63	
Same Store Sales[(2)] **(US$ in thousands)**						
Southeast Asia	103,475	67,157	102,521	91,790	66,254	97,409
East Asia	44,312	27,953	29,322	25,846	14,477	22,118
North America	28,847	12,040	13,411	23,524	19,117	38,488
Others	–	–	8,949	10,875	10,587	15,686
Total	176,634	107,150	154,203	152,035	110,435	173,701
Same Store Sales (Decrease)/Growth (%)						
Southeast Asia	(35.1)		(10.5)		47.0	
East Asia	(36.9)		(11.9)		52.8	
North America	(58.3)		75.4		101.3	
Others	–		21.5		48.2	
Overall	(39.3)		(1.4)		57.3	

	As of/For the Year Ended December 31,				As of/For the Six Months Ended June 30	
	2019	2020	2020	2021	2021	2022
Average Same Store Sales Per Day(3) (US$ in thousands)						
Southeast Asia	28.5	18.4	16.9	15.2	11.2	16.0
East Asia	13.5	8.7	8.3	7.3	6.8	10.3
North America	19.8	8.6	7.7	12.9	8.1	16.4
Others	–	–	12.7	14.9	14.7	21.7
Overall	21.1	13.0	12.8	12.5	10.0	15.4
Same Store Table Turnover Rate(4) (Time/Day)						
Southeast Asia	4.3	2.9	3.1	2.7	2.3	3.5
East Asia	3.5	2.2	2.0	2.3	2.0	3.0
North America	4.3	2.1	1.8	2.5	1.4	2.8
Others	–	–	2.0	2.1	2.1	2.9
Overall	4.0	2.5	2.6	2.6	2.1	3.2

Notes:

(1) Includes restaurants that commenced operations prior to the beginning of the periods under comparison and opened for more than 300 days in both 2019 and 2020 and in both 2020 and 2021, and more than 150 days in the six months ended June 30, 2021 and 2022.

(2) Refers to the aggregate gross revenue from restaurant operation at our same stores for the period indicated.

(3) Calculated by dividing the revenue from restaurant operation for the period by the total restaurant operation days at our same stores for the period.

(4) Calculated by dividing the total tables served for the period by the product of total restaurant operation days for the period and average table count at our same stores during the period.

OUR PROCUREMENT

Our procurement primarily includes (i) soup base for our hot pot; (ii) food ingredients; and (iii) decoration materials and related services. During the Track Record Period and up to the Latest Practicable Date, Yihai Group was our primary supplier of soup base. For our food ingredients, we primarily adopt a centralized procurement for markets where we have a larger business scale. We have set up a central kitchen in Singapore in January 2017, which is responsible for manufacturing and processing food ingredients used in our restaurants nearby, including meats that require processing and flavoring and vegetables that require washing and cutting. For other markets, we normally procure food ingredients from local suppliers directly.

In each of the years ended December 31, 2019, 2020 and 2021 and the six months ended June 30, 2022, our purchase amount from our five largest suppliers was US$18.2 million, US$22.0 million, US$28.4 million and US$19.3 million. respectively, accounting for 8.2%, 8.5%, 10.1% and 11.0% of our total purchases for the same period.

CONNECTED TRANSACTIONS

Our Group has entered into and will continue to engage in certain transactions in our ordinary and usual course of business with connected persons of our Company. For details, see "Continuing Connected Transactions."

OUR COMPETITIVE STRENGTHS

We believe that the following strengths have contributed to our historical growth and will drive our future development: (i) we are the third largest Chinese cuisine restaurant brand in the international market; (ii) Haidilao has become a global brand that embodies China's culinary heritage; (iii) we have strong local know-how and international operating capabilities; (iv) we are guided by a proven management philosophy that enables sustainable international expansion; and (v) we are led by a seasoned management team with a corporate culture that prescribes acting with kindness.

OUR STRATEGIES

We strongly believe that there is significant opportunity for growth in the international Chinese cuisine restaurant market. Capitalizing on our decade-long international operating experience and our broad and loyal guest base, we believe we are well-positioned to continue our growth and to spread Chinese cuisine culture across the globe. We intend to implement the following business strategies going forward: (i) continue to grow our international Haidilao brand, enhance our dining experience and spread Chinese culinary heritage internationally; (ii) enhance restaurant performance and explore new sources of revenue; (iii) strategically expand and optimize our restaurant network; and (iv) identify opportunities for organic growth and seek potential acquisition opportunities.

COMPETITION

Currently, the international Chinese cuisine restaurant market is very fragmented, with over 600,000 restaurants in the international market. We primarily compete with other chain and single-store restaurants with respect to food quality and consistency, brand reputation, price-value relationship, ambiance, service, location, supply of quality food ingredients and availability of trained employees. For details, see "Industry Overview."

THE DISTRIBUTION AND SPIN-OFF

We are applying a listing of our Shares on the Main Board pursuant to Rule 8.05(2) of the Listing Rules, assuming that the Company has [**REDACTED**] Shares in issue immediately upon the completion of the Spin-off and the Listing.

As approved and authorized by the Haidilao International Shareholders on August 22, 2022, on [**REDACTED**], the Haidilao International Board declared the Haidilao International Distribution to the Qualifying Haidilao International Shareholders. The Haidilao International Distribution will be satisfied wholly by way of a distribution in specie to the Qualifying Haidilao International Shareholders of an aggregate of [**REDACTED**] Shares, representing 90% of the issued share capital of our Company, being the entire interest to which Haidilao International will be entitled immediately before the Haidilao International Distribution and the Spin-off, in proportion to their respective shareholdings in Haidilao International as of the [**REDACTED**]. Pursuant to the Haidilao International Distribution, the Qualifying Haidilao International Shareholders will be entitled to one Share for every [**REDACTED**] Haidilao International Shares held as of the [**REDACTED**].

The Spin-off will be implemented by way of a distribution alone, which will not constitute a transaction of Haidilao International under Chapter 14 of the Listing Rules and accordingly, Haidilao International is not required to comply with the requirements under Chapter 14 of the Listing Rules. The Haidilao International Distribution was approved by the Haidilao International Shareholders on August 22, 2022 as required under Article 134 of the articles of association of Haidilao International.

Our Group incurred net losses during the Track Record Period, primarily due to the adverse effects of the COVID-19 pandemic as well as our rapid restaurant expansion. Despite this, our Group expects to further improve the financial performance and achieve net profitability in the near future through continuous revenue growth and improve cost efficiency, primarily by (a) improving performance at the restaurant level, (b) ramping up new restaurants, namely targeting to achieve monthly breakeven and generate operating profit with respect to the new restaurants, while controlling the pace of new restaurant openings, and (c) controlling costs. Notwithstanding the loss-making status of our Group, Haidilao International considers that the Spin-off is in the interests of the Retained Group, our Group and their/our shareholders as a whole and the Spin-off will position each of the Retained Group and our Group better for growth in their/our respective businesses and deliver clear benefits to both due to the following reasons: (i) by way of a distribution in specie, Haidilao International Shareholders will be entitled to the entire interest of the Company to which Haidilao International will be entitled immediately before the Haidilao International Distribution and the Spin-off on a pro-rata basis, and therefore the interest of Haidilao International Shareholders will not be diluted as a result of the Spin-off. Haidilao International Shareholders will continue to enjoy the benefits from our future development and growth through their shareholdings in both the Retained Group and our Group; (ii) the Spin-off will provide the Shareholders and potential investors of the Company with more disclosure on the business development, financial performance and operation management of our Group in a detailed and periodical manner to the extent as required under the Listing Rules as a public company, and therefore the Shareholders and potential investors of the Company shall have access to sufficient information for them to make an informed investment decision on the Company; (iii) Haidilao International Group has always been strengthening its presence in non-Greater China regions as one of the key strategies to drive future growth for the benefits of its shareholder as a whole considering the proven multi-regional operations and increasing popularity of Chinese cuisine in the international market as well as the commitment to deliver constantly high-quality foods and services to global customers. The Spin-off will provide our Group with an independent listing status which would enable the Company to further cultivate its customer bases and better grasp the market potentials of Chinese cuisine restaurants in the international markets, and thereby providing the Haidilao International Shareholders with potential investment returns in both the short and long terms; (iv) the Spin-off will enable more focused development and strategic planning, better allocation of resources for the respective businesses given their/our distinctive geographic nature; (v) the Spin-off will enable our Group to obtain a separate listing status and an independent fund-raising platform; and (vi) the Spin-off will strengthen the operational management ability of both the Retained Group and our Group where their/our respective management teams can focus more efficiently and effectively on each business. For details, see "The Distribution and Spin-off—The Spin-off and Listing by Introduction—Reasons for and Benefits of the Spin-off."

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The summary historical data of financial information set forth below has been derived from, and should be read in conjunction with, our consolidated audited financial statements for the three years ended December 31, 2021 and the six months ended June 30, 2022, including the accompanying notes, set forth in Appendix I to this listing document, respectively, as well as the information set forth in "Financial Information" of this listing document. Our financial information was prepared in accordance with IFRSs.

Summary of Consolidated Statements of Profit or Loss

The following table sets forth summary data from our consolidated statements of profit or loss in absolute amounts and as percentages of the total revenue for the years ended December 31, 2019, 2020 and 2021 and the six months ended June 30, 2021 and 2022.

	For the Year Ended December 31,						For the Six Months Ended June 30,			
	2019		2020		2021		2021		2022	
	(US$ in thousands, except percentages)									
							(Unaudited)			
Revenue	233,119	100.0%	221,411	100.0%	312,373	100.0%	134,820	100.0%	245,839	100.0%
Raw materials and consumables used	(81,287)	(34.9)%	(79,043)	(35.7)%	(113,760)	(36.4)%	(47,735)	(35.4)%	(86,661)	(35.3)%
Staff costs	(112,174)	(48.1)%	(100,430)	(45.4)%	(143,343)	(45.9)%	(63,686)	(47.2)%	(90,461)	(36.8)%
Depreciation and amortization	(32,338)	(13.9)%	(50,809)	(22.9)%	(69,916)	(22.4)%	(33,685)	(25.0)%	(33,330)	(13.6)%
Loss before tax	(32,245)	(13.8)%	(51,746)	(23.4)%	(149,592)	(47.9)%	(51,802)	(38.4)%	(51,705)	(21.0)%
Loss for the year/period	(33,019)	(14.2)%	(53,760)	(24.3)%	(150,752)	(48.3)%	(51,496)	(38.2)%	(55,723)	(22.7)%
Total comprehensive expense for the year/period	(33,363)	(14.3)%	(56,021)	(25.3)%	(148,655)	(47.6)%	(51,194)	(38.0)%	(38,805)	(15.8)%

We recorded net losses of US$33.0 million, US$53.8 million, US$150.8 million and US$51.5 million, and US$55.7 million in 2019, 2020, 2021 and the six months ended June 30, 2021 and 2022, respectively. The increase in our net losses in 2020 and 2021 was primarily because dine-in business was adversely affected by the COVID-19 pandemic as local governments have imposed a series of restrictions on social gatherings and dining-in. These measures were especially restrictive and comprehensive in 2020 and 2021. In 2020 and 2021, all of our restaurants were subject to some form of COVID-19 restrictions, including temporary closures, limited operating hours, guest traffic control and social distancing. In particular, 28 and 82 of our restaurants were temporarily closed for 23 days and 78 days on average in 2020 and 2021, respectively due to the lockdown measures imposed by the relevant local governments. For example, our restaurants in Malaysia and Singapore were closed for 147 days and 52 days on average in 2021, respectively. As a result, our guest traffic and table turnover rate decreased in 2020 and 2021, contributing to our net loss in these periods. In addition, in 2021, we recognized a larger impairment loss in respect of property, plant and equipment and right-of-use assets in view of the unfavorable future prospects of some restaurants and the planned temporary closure of certain restaurants primarily as a result of uncertainty relating to COVID-19. For the years ended December 31, 2019, 2020 and 2021 and the six months ended June 30, 2022, we recognized impairment losses in respect of property, plant and equipment and right-of-use assets of nil, US$5.7 million, US$63.1 million and US$9.1 million, respectively. For details, see "Financial Information." To a lesser extent, our losses during the Track Record Period was also due to our rapid pace of expansion, as new restaurants have pre-opening costs and capital expenditures and require time to ramp up. Government subsidies and rent concessions in relation to the COVID-19 pandemic in the amount of US$11.9 million, US$19.1 million and US$3.0 million were granted to our Group in 2020, 2021 and the six months ended June 30, 2022, respectively. As the COVID-19 pandemic has gradually alleviated, we expect that the amount of government subsidies and rent concessions in relation to the COVID-19 pandemic will decrease in the future. For details, see "Risk Factors—Risks Relating to Our Business—We have received certain government subsidies and rent concessions during the Track Record Period."

Since 2022, we have experienced a gradual recovery in our revenue and margins. COVID-19-related restrictions in many countries have improved and our table turnover rate and guest traffic have increased significantly in the first half of 2022 compared to the same period in 2021. Our total guest visits increased from approximately 4.5 million in the first half of 2021 to approximately 9.3 million in the first half of 2022. Our overall table turnover rates increased from 2.4 and 2.1 times per day in 2020 and 2021, respectively, to 3.0 times per day in the six months ended June 30, 2022. As a result, our average daily revenue per restaurant increased by 41.6% from US$10.0 thousand in 2021 to US$14.2 thousand in the first half of 2022. Moreover, in response to the COVID-19 pandemic, we adjusted our expansion plan in 2021 and 2022 to control the pace of new restaurant openings and focus on existing restaurant operations. Although we recorded a slight increase of our net losses from US$51.5 million in the six months ended June 30, 2021 to US$55.7 million in the six months ended June 30, 2022, such increase was primarily due to (i) increasing net foreign exchange losses as a result of the appreciation of US dollars and (ii) listing expenses, which was partially offset by our business recovery from the COVID-19 pandemic. As our new restaurants ramp up and with fewer new restaurants being opened, we have gradually improved restaurant performance as a whole. For details, see "Business—Our Haidilao Restaurant Business—Restaurant Performance."

Summary of Consolidated Statements of Financial Position

The following table sets forth summary data from our consolidated statements of financial positions as of December 31, 2019, 2020 and 2021 and June 30, 2022.

	As of December 31,			As of June 30,
	2019	2020	2021	2022
	(US$ in thousands)			
Current Assets	129,640	128,660	206,732	172,098
Current Liabilities	298,168	452,725	596,614	131,323
Non-current Assets	267,672	472,925	419,991	381,082
Non-current Liabilities	109,804	215,830	217,291	187,996
Net Current (Liabilities) Assets	(168,528)	(324,065)	(389,882)	40,775
Net (Liabilities) Assets	(10,660)	(66,970)	(187,182)	233,861

We recorded net current liabilities of US$168.5 million, US$324.1 million, US$389.9 million as of December 31, 2019, 2020 and 2021, respectively, primarily due to amounts due to our related parties.

Our net current liabilities increased from US$168.5 million as of December 31, 2019 to US$324.1 million as of December 31, 2020 and further increased to US$389.9 million as of December 31, 2021 primarily due to (i) the increase in amounts due to related parties, which mainly represented loans we received from Haidilao International Group to support our business expansion; and (ii) the decrease in amounts due from related parties because we received repayment of loans we provided to Haidilao International Group for (a) the purchase of certain equipment; and (b) Haidilao restaurants in Hong Kong, Macau and Taiwan. We have settled a significant portion of such amounts due to our related parties in June 2022 and therefore recorded net current assets of US$40.8 million as of June 30, 2022. For a discussion of our working capital sufficiency, see "—Business Sustainability."

We also recorded net liabilities of US$10.7 million, US$67.0 million and US$187.2 million as of December 31, 2019, 2020 and 2021, respectively, which primarily reflected our losses during the Track Record Period, partially offset by the capital injections and net contributions we received from the Retained Group. Our net liabilities increased from US$10.7 million as of December 31, 2019 to US$67.0 million as of December 31, 2020 primarily due to the increase in loss for the year of 2020. Our net liabilities further increased to US$187.2 million as of December 31, 2021, primarily due to the increase in loss for the year of 2021, partially offset by the increase in capital injections and net contribution from the Retained Group. We recorded net assets of US$233.9 million as of June 30, 2022, primarily reflecting our loan capitalization of US$471.3 million, partially offset by loss for the period of US$55.7 million and deemed distribution arising from the group reorganization of US$42.1 million. For details, see "Financial Information" and "Appendix—Accountants' Report—Consolidated Statement of Changes in Equity."

Summary of Consolidated Statements of Cash Flows

The following table sets forth summary data from our consolidated statements of cash flows for the period indicated.

	For the Year Ended December 31,			For the Six Months Ended June 30,	
	2019	2020	2021	2021	2022
	(US$ in thousands)				
				(Unaudited)	
Net cash from (used in) operating activities	16,529	2,757	4,382	(8,536)	30,361
Net cash (used in) from investing activities	(146,379)	(91,822)	(87,464)	(135,703)	41,442
Net cash from (used in) financing activities	147,749	109,752	108,502	137,149	(36,422)
Net increase (decrease) in cash and cash equivalents	17,899	20,687	25,420	(7,090)	35,381
Cash and cash equivalents at beginning of the year/period	13,468	36,327	51,564	51,564	89,546
Cash and cash equivalents at end of the year/period	36,327	51,564	89,546	54,395	122,942

During the Track Record Period, our net cash from operating activities fluctuated as a result of the COVID-19 pandemic and the performance of our new restaurants. Our net cash from operating activities decreased from US$16.5 million in 2019 to US$2.8 million in 2020 mainly due to the COVID-19 pandemic, and we opened 36 restaurants in 2020, which took several months to ramp up. We recorded net cash used in operating activities of US$8.5 million for the six months ended June 30, 2021 primarily due to our loss before tax of US$51.8 million as a result of the impact of the COVID-19 pandemic, as adjusted for non-cash and non-operating items, which primarily include depreciation of property, plant and equipment, depreciation of right-of-use assets and finance costs. The amount was further adjusted by changes in working capital, including a decrease in trade payables of US$9.0 million, a decrease in other payables of US$3.2 million. Our net cash from operating activities increased from US$2.8 million in 2020 to US$4.4 million in 2021 as a larger number of our restaurants has achieved initial monthly breakeven and started to generate operating cash inflow.

Starting from early 2022, we experienced a gradual recovery in our restaurant business as the COVID-19 pandemic gradually came under control. As such, we recorded net cash from operating activities of US$30.4 million in the six months ended June 30, 2022. Assuming that the COVID-19 pandemic continues to ease, we expect our operating cash flow position to further improve in 2022.

BUSINESS SUSTAINABILITY

Our Historical Business Growth and Focus

We are a fast-growing business with the goal to build a leading international Chinese restaurant brand to spread Chinese culinary heritage across the globe. Leveraging the Haidilao brand, our international restaurant operations experience and vast opportunities in the international Chinese cuisine restaurant market, we have grown our restaurant network from 24 restaurants in five countries in the beginning of 2019 to 103 in 11 countries as of June 30, 2022. As we expand our restaurant network, we recorded revenues of US$233.1 million, US$221.4 million, US$312.4 million, US$134.8 million and US$245.8 million in 2019, 2020, 2021 and the six months ended June 30, 2021 and 2022, respectively.

As we expand, we have focused on building a solid foundation for long-term business success. We are committed to upholding our brand image, applying Haidilao's proven management philosophy and executing high-quality and standardized restaurant operations, which we believe is crucial to our success. At the same time, we complement our commitments to launching new menu items to adapt our operations to local customs, tastes and preferences.

By focusing on brand building and high-quality operations, we have been able to create demand for Haidilao hotpot and meet the needs of consumers in the international market. Before the COVID-19 pandemic, we have achieved an overall table turnover rate of 4.1 times per day and total guest visits per restaurant of 207.7 thousand. Moreover, we believe our restaurants are in demand and well run with a healthy cash flow, reflected by a net cash inflow from operating activities for all periods during the Track Record Period, even in 2020 when COVID-19 was at its peak. However, in implementing our long-term vision for our business, we experienced losses due to the negative impact of the COVID-19 pandemic and our fast pace of expansion. Key factors affecting our financial performance are set out below:

- *Impact of the COVID-19 pandemic.* Since early 2020, our business and financial performance were significantly affected by the COVID-19 pandemic. In order to control the outbreak, various restrictions were implemented around the world, including lockdowns, restaurant closures, limited dining hours and social distancing seating, among others. During the pandemic, our overall table turnover rates decreased significantly from 4.1 times per day in 2019 to 2.4 times per day and 2.1 times per day in 2020 and 2021, and our total guest visits per restaurant decreased from 207.7 thousand in 2019 to 96.3 thousand and 101.9 thousand in 2020 and 2021, respectively. As a result, our average daily revenue per restaurant decreased from US$20.8 thousand in 2019 to US$11.6 thousand and US$10.0 thousand in 2020 and 2021, respectively. As the pandemic gradually eases, we are experiencing a recovery in restaurant performance, especially since 2022.

- *High proportion of new restaurants.* During the Track Record Period, we opened a total of 82 new restaurants, which accounted for 79.6% of restaurants we operated as of June 30, 2022. Opening new restaurants incurs pre-opening costs and capital expenditures. Moreover, new restaurants need time to achieve breakeven and investment payback. Particularly due to challenges during COVID-19, the breakeven period of certain new restaurants opened during the Track Record Period was longer. New restaurants also involve significant pre-opening costs and capital expenditures. Generally, our pre-opening costs per restaurant in Asia typically ranged from US$170,000 to US$400,000 and our capital expenditure per restaurant in Asia typically ranged from US$1.4 million to US$3.0 million. In other countries, pre-opening costs per restaurant typically ranged from approximately US$500,000 to US$1,500,000 and capital expenditure per restaurant typically ranged from US$2.5 million to US$6.5 million, depending on the size of the restaurant and the country it is located in. As our new restaurants accounted for a significant portion of total number of restaurants during the Track Record Period, their extended breakeven period and initial costs and expenses contributed to our net losses.

For details on the analysis of our historical financial performance, see "—Summary of Historical Financial Information" and "Financial Information."

Our Strategies to Deliver Sustainable Growth and Profitability

We continue to believe that our industry has significant growth opportunities, primarily driven by the growing popularity of Chinese culture and increasing acceptance of Chinese food, as well as increasing adaptation of Chinese cuisine tailored to local guests. According to the F&S Report, the international Chinese cuisine restaurant market increased from US$281.8 billion in 2016 to US$334.3 billion in 2019. Despite a decrease in market size in 2020 due to the COVID-19 pandemic, the international Chinese cuisine restaurant market began to recover and is expected to grow from US$261.1 billion in 2021 to US$409.8 billion in 2026 at a CAGR of 9.4%.

Although restaurant performance during the COVID-19 pandemic has deteriorated significantly, we strongly believe that the pandemic situation will stabilize and that the renowned Haidilao brand identity and Haidilao-signature dining experience have and will continue to have strong global demand. As such, we remain confident that restaurant network expansion will enable us (a) to grow our brand recognition in the international market and achieve network effects, and (b) leverage on our growing business scale to streamline operations and increase economies of scale. In light of the continued impact of the COVID-19 pandemic, we made the following adjustments to its expansion strategy since 2021 to ensure healthy and sustainable business expansion:

- We increased focus on new restaurant openings in regions or countries where we already had restaurant presence. This allow us to leverage experiences and resources accumulated from opening and operating existing restaurants in the region, which can lower expansion risks and increase efficiency. In 2021 and six months ended June 30, 2022, all the new restaurants we opened were located in countries where we already had restaurant presence.

- We slowed the pace of new restaurant openings in order to decrease the proportion of new restaurants as to total restaurant number. As of December 31, 2021 and June 30, 2022, new restaurants opened within one year accounted for 23.4% and 18.4% of total restaurants, compared to 48.6% as of December 31, 2020. Considering the substantial pre-opening costs and capital expenditure of new restaurants, a lowered proportion is expected to improve our results of operations and financial position.

- We increased focus on improving the operating performances of existing restaurants amidst the pandemic. This involved developing enhancing supervision over restaurant performance at the headquarter and regional level, developing delivery business, adopting new compensation structures tied to overall restaurant performance among restaurant staff, and launching new menu items, customized meal combos and marketing campaigns, and offering tailored menus and discounts during off-peak hours. In addition, we also implemented a series of measures to incentivize our restaurant managers and regional managers to improve the performance of existing restaurants and to open new restaurants more prudently. For each country, we set benchmark table turnover rates for all our restaurants to ensure restaurant profitability and we require our senior regional manager to closely monitor monthly restaurant performance metrics, including table turnover rate and monthly restaurant expenses of each restaurant. Since 2021, if a new restaurant's table turnover rate does not reach the benchmark table turnover rate in the six months after its opening, we may penalize the restaurant manager and the respective senior regional manager's performance may also be affected. In addition, starting from the second half of 2022, we evaluate the restaurant performance to determine whether it is under-performing based on its operating profit and table turnover rate on a monthly basis, taking into account its performance for the past three months as well as any unforeseeable events that occurred. If a restaurant is identified to be under-performing, we will normally provide a three-month rectification period. During such period, the senior regional manager will closely work with the restaurant manager to improve its restaurant performance, including providing trainings to restaurant manager and restaurant staff and making suggestions on marketing campaigns. We may consider to replace the restaurant manager if the restaurant performance does not show indications of improvement during the rectification period. In July, August, September and October 2022, we identified 36, 43, 50 and 42 under-performing restaurants, including 18, 16, 21 and 10 loss-making restaurants. Of the 36 under-performing restaurants we identified in July 2022, we have observed positive improvements in terms of table turnover rates and/or restaurant level profit in 29 restaurants by October 2022, and 12 restaurants have met our performance evaluations in at least one of the following three months. The 42 under-performing restaurants in October 2022 included 30 in Southeast Asia, five in North America, four in East Asia and three in other regions and they recorded a table turnover rate of 2.8 times per day in the ten months ended October 31, 2022.

As of the Latest Practicable Date, we had opened 16 new restaurants in 2022. Based on our current market analysis, our planned total new restaurants in 2022 is expected to be in the high teens to low twenties as market demand in most countries are expected to recover as COVID-19 restrictions ease. In the mid- to long-term, we will continue to evaluate our expansion plan, which will be adjusted on an ongoing basis considering a number of factors, including the performance of existing restaurants, market conditions, local business environments and the evolving COVID-19 pandemic.

As a leading player in the market with a proven management philosophy and a globally-recognized brand, we believe we are well-positioned to thrive and realize our long-term business goals. Going forward, we believe we will become profitable for the following reasons:

- *Measures to further align interests and standardize management.* Since April 2022, we implemented a series of measures to further align employee interests and standardize restaurant management and operations. For instance, we have adjusted our employee compensation and assessment system such that our employees not only share in the profits of restaurants, but are also penalized for underperformance. Management staff of underperforming restaurants may even be demoted if their restaurant underperforms for an extended time period. We believe that these measures will incentivize employees to take restaurant performance into their own hands and give us stricter control over restaurant operations, which will in turn drive revenue growth and increase productivity.

- *Accumulated experience and economies of scale*. We have dedicated the last decade of our operations to accumulating international restaurant operations experience and establishing our presence in target markets. In the initial stage of entering new markets, we devoted substantial efforts and resources to build a base of local knowledge and resources, including developing a local talent pool, understanding local laws and customs, building local supply chains and exploring ways to optimize restaurant operations in each market. As our operations in each market mature, we expect to leverage our accumulated experience and resources to achieve economies of scale and a higher degree of operational efficiency as we expand and deepen our presence in the region. As of June 30, 2022, we had opened at least ten stores in each of five countries, namely, Singapore, the United States, Japan, Malaysia and Vietnam.

- *Ramp-up of new restaurants.* As of the Latest Practicable Date, we only had four restaurants that have not yet achieved initial monthly breakeven, including only three restaurants that had been in operation for over six months. As the pandemic eases, we also expect restaurants we recently opened to achieve initial monthly breakeven in a shorter period of time. Moreover, with the pre-opening costs of these restaurants already accounted for in our financial statements during the Track Record Period, we believe the costs and expenses associated with new restaurants to have a lesser impact on our financial performance going forward. As a result of these factors, we believe the performance of new restaurants will boost our financial performance and enhance our profitability going forward.

- *Lower proportion of new restaurants.* We adjust our expansion plan dynamically based on market conditions and restaurant performance. For example, due to the extended impact of the pandemic, we adjusted our expansion plan in 2021 to prioritize optimizing the performance of our existing restaurants and decelerate the number and breadth of new restaurant openings. Accordingly, the number of new restaurants we opened decreased from 36 in 2020 to 22 in 2021, and we opened nine new restaurants in the first half of 2022. The proportion of new restaurants to total restaurants decreased from over 35% in 2019 and 2020 to 23.4% in 2021 and we expect to maintain a slow expansion pace in 2022, during which new restaurants are expected to account for approximately 20% of total restaurants. We expect that the decrease in proportion of new restaurants to total restaurant number will positively affect our profitability.

- *Business recovery from the impact of the COVID-19 pandemic.* Gradually since 2021 and particularly in 2022, many countries have eased restrictive COVID-19 measures, enabling us to resume normal operations. This trend has continued in the second quarter of 2022 as many countries further ease COVID-19 restrictions. For example, in Singapore, where we currently have the most restaurants, social distancing and seating limits were further lifted in late April 2022. In the six months ended June 30, 2022, we have experienced a gradual rebound in restaurant performance. Our total guest visits doubled from 4.5 million in the first half of 2021 to approximately 9.3 million in the first half of 2022. Our overall table turnover rate increased from 2.4 times per day and 2.1 times per day in 2020 and 2021, respectively, to 3.0 times per day in the six months ended June 30, 2022. Currently, all of the countries that we currently have operations in, except for Indonesia where restaurants are only allowed to operate to 10 p.m. every day, have lifted all the material COVID-19 related restrictions in relation to restaurant operations. As such, we expect our business performance to continue to normalize going forward as the COVID-19 pandemic continues to stabilize.

- *Improve restaurant performance through continuous localization efforts*. We will continue to improve our table turnover rates and daily revenue per restaurant through continuous localization efforts. We will continue to launch new menu items and combo meal combinations to adapt our restaurant operations to local customs, tastes and dining preferences to attract more guests. For example, in the six months ended June 30, 2022, we launched over 120 new menu items, such as spicy crayfish in Singapore and "lou mei" (鹵味) in Vietnam.

- *Improve cost structure*. As we continue to improve our restaurant performance, we have also focused on improving the cost effectiveness to achieve margin expansion. Along with our restaurant network expansion, we have gradually achieved stronger economies of scale by streamlining operations and supply chain, leveraging local know-how and resources from existing restaurants and increasing bargaining power against vendors. For example, we have adopted various measures to optimize staff efficiency. We have improved restaurant operating efficiency and streamlined the number of staff per restaurant by approximately 30% from 2019 to the six months ended June 30, 2022. In addition, we regularly update the compensation structure in different countries. For example, we started to implement a piece rate compensation system in Vietnam in 2020 and have continued to adjust and refine the metrics and rates we use in countries where the piece rate compensation system is already adopted. As a result, our staff costs as a percentage of revenue decreased from 48.1% in 2019 to 45.4% in 2020, 45.9% in 2021 and further decreased to 36.8% in the six months ended June 30, 2022.

In light of the above, we believe that we will be able to turn around our financial performance in the next two years. We plan to enhance supervision over restaurant performance dynamically at the headquarter and regional level, adopt new compensation structures tied to overall restaurant performance among restaurant staff and launch new menu items, customized meal combos and marketing campaigns, and offer tailored menus and discounts during off-peak hours. In line with the gradual recovery from the COVID-19 pandemic, we believe we will be able to maintain an overall table turnover rate of over three times per day in the next two years, as we expect our guest visits will significantly improve. In addition, we also plan to take initiatives to strengthen our cost structure and improve operating efficiency and we expect our major expense items, in particular, raw materials and consumables and staff costs, as a percentage of revenue will further decrease in the next two years. This is based on the following key assumptions, including (i) there will be no material changes in existing political, legal, regulatory, fiscal, market or economic conditions in the territories in which we operate that will materially adversely affect our operations and financial conditions in the future; (ii) there will be no material deterioration in the operating environment of the industry we operate in and our operation will not be materially or adversely affected by any of the risk factors set out in the section headed "Risk Factors" of the listing document; (iii) there will be no material changes in the bases and rates of income tax and value-added tax in the territories where we operate; and (iv) the adverse impact of COVID-19 will not further escalate, among others. The turnaround plan has also taken into account the price fluctuations of our key supplies in light of the global inflations during the Track Record Period. Considering that we have already started to gradually recover from the COVID-19 pandemic as well as our latest restaurant operation performance as of the Latest Practicable Date, our Directors believe these assumptions are fair, appropriate and reasonable.

Working Capital Sufficiency

Based on the financial resources available to us, which include our cash and cash equivalents on hand, and considering our expansion plan and the estimated cash generated from operating activities, our Directors are of the view that we will have sufficient working capital for at least the next 12 months from the date of this listing document for the reasons set out below. After due consideration of the following factors and discussions with the management of the Company, nothing has come to the attention of the Joint Sponsors that would reasonably cause them to disagree with the Directors' foregoing view in any material respects.

- *Settlement of amounts due to related parties of a non-trade nature*. We had amounts due to related parties of a non-trade nature of US$234.3 million, US$366.1 million and US$499.8 million as of December 31, 2019, 2020 and 2021, respectively. These amounts primarily represented loans obtained from Haidilao International Group to support our business expansion and the interests arising from these loans. Pursuant to the Reorganization, we settled US$471.3 million of such amounts by issuing equity to Newpai, a wholly-owned subsidiary of Haidilao International, in June 2022. As of June 30, 2022, we had amounts due to related parties of a non-trade nature of US$15.6 million, which has been fully settled with cash by October 31, 2022.

- *Cash flow generated from our business*. In 2019, 2020 and 2021, we had net cash generated from operating activities of US$16.5 million, US$2.8 million and US$4.4 million, respectively. As the COVID-19 pandemic eased, we experienced a gradual recovery in our restaurant business and recorded net cash flow generated from operating activities of US$30.4 million in the six months ended June 30, 2022. We expect our business performance to continue to normalize and our cash flow position to further improve going forward as the COVID-19 pandemic continues to stabilize.

Based on the foregoing, our Directors are of the view that our Group has a sustainable business. The foregoing forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future. These forward-looking statements involve known and unknown risks, uncertainties and other factors, some of which are beyond our control, which may cause the actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. For related risks, see "Risk Factors—Risks Relating to the Spin-off and Our Shares—Forward-looking information in this listing document may prove inaccurate."

OUR CONTROLLING SHAREHOLDERS

Immediately after the completion of the Haidilao International Distribution, our Company will cease to be a subsidiary of Haidilao International and Mr. ZHANG Yong, Ms. SHU Ping, together with ZY NP LTD, SP NP LTD and NP United Holding Ltd will be collectively interested in approximately [**REDACTED**]% of our total issued share capital and continue to be our Controlling Shareholders.

There is a clear delineation between the businesses of our Group and the remaining business of the Retained Group after the Spin-off and our Group is able to function and operate independently from Haidilao International. For details, see "Relationship with our Controlling Shareholders".

SHARE AWARD SCHEME

Our Company has adopted the Share Award Scheme to provide incentives or rewards to eligible participants for their contribution to our Group. For details, see "History, Reorganization and Corporate Structure—Share Award Scheme" and "General Information—D. Share Award Scheme" in Appendix IV to this listing document.

UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following unaudited pro forma statement of our adjusted consolidated total tangible assets less liabilities attributable to the owners of the Company prepared in accordance with Rule 4.29 of the Listing Rules is set out below to illustrate the effect of the Listing on our consolidated total tangible assets less liabilities attributable to the owners of the Company as of June 30, 2022, as if the Listing had taken place on such date.

The unaudited pro forma statement of our adjusted consolidated net tangible assets attributable to the owners of the Company has been prepared for illustrative purposes only and because of its hypothetical nature, it may not give a true picture of our consolidated net tangible assets of the Group attributable to the owners of the Company as of June 30, 2022 or at any future dates. It is prepared based on the audited consolidated net tangible assets of our Group attributable to the owners of the Company as of June 30, 2022 as derived from Accountants' Report as set out in Appendix I to this listing document, and adjusted as follows.

	Audited consolidated net tangible assets of the Group attributable to the owners of the Company as of June 30, 2022	**Estimated listing expenses**	**Unaudited pro forma adjusted consolidated net tangible assets attributable to the owners of the Company as of June 30, 2022**	**Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company as of June 30, 2022 per Share**	
	USD'000	*USD'000*	*USD'000*	*USD*	*HKD*
	(Note 1)	*(Note 2)*		*(Note 3)*	*(Note 4)*
Based on [**REDACTED**] Shares assumed to be in issue immediately prior to the Listing	233,459	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]

Notes:

1. The audited consolidated net tangible assets of the Group attributable to the owners of the Company as of June 30, 2022 is derived from the Accountants' Report as set out in Appendix I to this listing document, which is based on the audited consolidated net assets of the Group attributable to the owners of the Company as of June 30, 2022 of USD233,861,000 with adjustments for other intangible assets of the Group attributable to the owners of the Company as of June 30, 2022 of USD402,000.

2. The estimated listing expenses mainly include professional fees payable to the Joint Sponsors, the legal advisors and Reporting Accountants and other listing related expenses, which are expected to be incurred by the Group subsequent to June 30, 2022.

3. The unaudited pro forma adjusted consolidated net tangible assets per Share is arrived at after the adjustments as described in Note 2 above and is based on [**REDACTED**] Shares which consists of 3 Shares that were issued to the immediate holding company of the Company as at June 30, 2022 and [**REDACTED**] new Shares assumed to be allotted and issued at par value to the immediate holding company of the Company immediately prior to the Listing, not taking into account any Shares which may be issued to the ESOP Platforms under the Share Award Scheme or Shares which may be issued or repurchased by the Company pursuant to the general mandates granted to the Directors to issue or repurchase Shares.

4. For the purpose of this pro forma adjusted consolidated net tangible assets attributable to the owners of the Company, the balances stated in USD are converted into HKD at a rate of USD1 to HKD[7.8474]. No representation is made that the USD amounts have been, could have been or may be converted into HKD, or vice versa at that rate or at any other rates or at all.

5. No adjustment has been made to the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company as at June 30, 2022 to reflect any trading result or other transactions of the Group entered into subsequent to June 30, 2022.

DIVIDEND

No dividend has been paid or declared by our Company during the Track Record Period. Any future declarations and payments of dividends (other than interim dividends) will be at the recommendation of our Board at its absolute discretion for approval by our shareholders at a general meeting. Interim dividends may be paid by our Board if justified by the profits of the Company. There can be no assurance that we will be able to declare or distribute any dividend in the amount set out in any plan of the Board or at all. As advised by our Cayman Islands counsel, under the Companies Act and the Memorandum and Articles, the Company may declare and pay a dividend out of either profits or share premium account, provided always that in no circumstances may a dividend be declared or paid out of share premium if such payment would result in the Company being unable to pay its debts as they fall due in the ordinary course of business. In the future, we may rely to some extent on dividends and other distributions on equity from our principal operating subsidiaries to fund offshore cash and financing requirements. In light of our accumulated losses as disclosed in this document, it is unlikely that we will be eligible to pay a dividend out of our profits in the foreseeable future. As advised by our Cayman legal advisors, we may, however, pay a dividend out of our share premium account unless the payment of such a dividend would result in our Company being unable to pay our debts as they fall due in the ordinary course of business.

RECENT DEVELOPMENTS

Since June 30, 2022 we continued to observe rebound in restaurant performance as the COVID-19 pandemic gradually came under control. From June 30, 2022 and up to the Latest Practicable Date, we opened seven restaurants in South East Asia and North America. We recorded a total of approximately 17.4 million guest visits and an overall table turnover rate of 3.2 times per day in the ten months ended October 31, 2022. The following table summarizes our guest visits and table turnover rates by geographic regions for the ten months ended October 31, 2022.

Total guest visits (million)	
Southeast Asia	13.0
East Asia	1.7
North America	1.7
Others	1.0
Total	17.4
Table turnover rate (times per day)	
Southeast Asia	3.3
East Asia	3.0
North America	3.0
Others	3.0
Overall	3.2

Despite the gradual recovery from the COVID-19 pandemic, we currently expect that we will continue to make loss in the year ending December 31, 2022 as our business only started to recover from the COVID-19 pandemic in 2022. Our Directors confirm that, there has been no material adverse change in our financial, operational or trading position or prospects since June 30, 2022 and up to the date of this listing document.

LISTING EXPENSES

The total listing expenses for the Listing are estimated to be approximately US$[**REDACTED**] million, including (i) professional fees paid and payable to the professional parties for their services rendered in relation to the Listing, including sponsor fees, fees paid and payable to legal advisors, reporting accountants, the internal control consultant, the independent industry consultant and compliance advisor of approximately US$[**REDACTED**] million; and (ii) other fees and miscellaneous expenses in relation to the Listing of approximately US$[**REDACTED**] million. There is no issue of new Shares of our Company, and we will not receive any fundraising proceeds through the Listing. Therefore, such listing expenses will be charged to our consolidated statement of profit or loss and other comprehensive income for the year ending December 31, 2022.

RISK FACTORS

There are certain risks in our operations and in connection with the Spin-off, many of which are beyond our control. We believe the most significant risks we face include but not limit to the following: (i) we have in recent years expanded our restaurant coverage internationally, which leads to increasing risks and uncertainties and our management system may not be effective to address risks and uncertainties in our international restaurant operations; (ii) we only recently started to recover from the COVID-19 pandemic, which may be an one-off impact and therefore our financial and business performance in the six months ended June 30, 2022 may not be indicative of future performances; (iii) we face risks related to health epidemics and outbreaks, particularly the COVID-19 outbreak, as well as the instance of any food safety incidents and food-borne illnesses; (iv) we face risks of shortfalls in liquidity as we had significant net current liabilities and net liabilities as of December 31, 2019, 2020 and 2021; (v) our continued success depends on our ability to deliver and maintain our high-quality services and dining experience; (vi) failure of our food quality control system could have a material and adverse effect on our reputation, financial conditions and results of operations; (vii) our operations are susceptible to increases in our purchase costs of food ingredients and labor costs, which could adversely affect our margins and results of operations; (viii) we may fail to maintain or enhance brand recognition or reputation; and (ix) we have recognized, and may continue to recognize impairment losses for property, plant and equipment and right-of-use assets. For details, see "Risk Factors."