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## HAIDILAO INTERNATIONAL HOLDING LTD.

### 海底捞国际控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 6862)

## ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED DECEMBER 31, 2024

The board (the “**Board**”) of directors (the “**Directors**”) of Haidilao International Holding Ltd. (the “**Company**”) hereby announces the audited consolidated results of the Company and its subsidiaries (together, the “**Group**”) for the year ended December 31, 2024 (the “**Reporting Period**”), together with comparative audited figures for 2023. The results have been reviewed by the audit committee of the Company (the “**Audit Committee**”).

In this announcement, “we”, “us”, and “our” refer to the Company and where the context otherwise requires, the Group. Certain amounts and percentage figures included in this announcement have been subject to rounding adjustments or have been rounded to one or two decimal places. Any discrepancies in any tables, charts or elsewhere between totals and sums of amounts listed therein are due to rounding.

### KEY FINANCIAL HIGHLIGHTS

	For the year ended December 31,	
	2024	2023
	RMB'000	RMB'000
Revenue	42,754,687	41,453,348
Revenue from restaurant operation	40,880,951	39,612,779
Profit before tax	6,624,055	5,833,072
Profit for the year	4,700,278	4,495,399
Profit attributable to owners of the Company	4,708,084	4,499,080
Basic earnings per share (RMB)	0.87	0.83
Core operating profit (non-IFRS measure) <sup>Note</sup>	6,229,880	5,246,494

*Note:* Core operating profit (non-IFRS measure) represents the profit for the year excluding the following: interest income, additional tax deduction, share of results of associates, share of result of a joint venture, gain on disposal of certain restaurant business to franchisees, net foreign exchange (loss) gain, net gain arising on financial assets at fair value through profit or loss, gain arising from redemption of long term bonds, finance costs and income tax expense.

## KEY BUSINESS HIGHLIGHTS

	As of and for the year ended December 31,	
	2024	2023
Number of self-operated Haidilao restaurants	1,355	1,374
Number of franchised Haidilao restaurants	13	–
Average table turnover rate for self-operated Haidilao restaurants (times/day)	4.1	3.8
Average spending per guest for self-operated Haidilao restaurants (RMB)	97.5	99.1
System sales growth of Haidilao restaurants		3.0%

## 2024 PERFORMANCE REVIEW

### Overview

In 2024, China's economy overall maintained a stable yet progressive momentum. Within the catering segment, local governments rolled out a series of policies aimed at stimulating consumption, proactively boosting food and beverage consumption. Catering industry peers also actively innovated and diversified their types of catering operation, with categories such as tea beverages and stir-fried dishes developing and growing rapidly, providing consumers with richer and more diversified choices and facilitating the overall revival and high-quality development of the catering industry. Haidilao steadfastly adhered to its management philosophy of "customer satisfaction and employee efforts" and its core value of "changing your future with your own hands". As the competition in the catering market becomes increasingly fierce, while steadily advancing our core hot pot business, we initiated the "Pomegranate plan" and vigorously expanded our secondary brands. We are on the lookout for new growth drivers and strive to overcome challenges and risks to ensure long-term sustainable development.

For the year ended December 31, 2024, the Group's total revenue amounted to RMB42,754.7 million, representing a year-on-year increase of 3.1%. The core operating profit in 2024 reached RMB6,229.9 million, up by 18.7% year-on-year. The profit for the year in 2024 witnessed a 4.6% uptick compared to the previous year, reaching RMB4,700.3 million. In 2024, the average table turnover rate for our Haidilao restaurants was 4.1 times per day, compared to 3.8 times per day in 2023. Throughout the year, a total of 415.0 million customer visits were tallied, reflecting a 4.5% increase from the previous year.

We kept a relatively stable pace of expansion while continuing to adjust and optimize our restaurants. In 2024, the Haidilao brand launched 62 new restaurants, with 59 being self-operated and 3 being franchised and resumed the operations of 2 Haidilao restaurants that were previously suspended. Meanwhile, 70 Haidilao restaurants were either closed or relocated during the year. By the end of the year, the Haidilao brand had operated a total of 1,368 restaurants. Among them, 1,332 self-operated restaurants were located in mainland China and 23 in the Hong Kong, Macau and Taiwan regions, and 13 were franchised restaurants.

The Group officially launched the “Pomegranate plan”, aiming to encourage the incubation and development of more new catering brands and promote innovation in catering services. As of the end of 2024, the Group had established a total of 11 catering brands through internal entrepreneurship, such as “YEAH QING BBQ (焰請烤肉舖子)”, “BarBecue (火焰官)” and “XIAOHAI HUOGUO (小嗨火鍋)”, which collectively operated 74 restaurants. In 2024, revenue from other restaurants amounted to RMB483.3 million, representing a year-on-year growth of 39.6%. We will continue to pay close attention to the market’s practical testing on the operation, growth and risks of the new brands.

The Board is dedicated to enhancing returns for shareholders. Considering the Group’s performance in 2024, the Board will recommend the distribution of a final cash dividend of HK\$0.507 (equivalent to RMB0.468) per share (amounting to a total dividend of approximately RMB2,534.2 million) for the year ended December 31, 2024 at the forthcoming annual general meeting (the “AGM”) of the Company.

## **Business Review**

Reflecting on 2024, the Group encountered challenges such as shifts in the external economic landscape and rapid iteration within the industry. Our efforts were primarily concentrated on the following areas:

- I. Creating “Different Haidilao” Powered by Differentiated Operation.** The Group has set a fundamental limit on restaurant management. As long as it never exceeds the limit, a frontline restaurant is more entitled and fully encouraged to act on differentiated operation in a bid to satisfy customers’ individual demands, thereby creating “Different Haidilao”. In 2024, each Haidilao restaurant continued to make flexible adjustments to its products, ambiance and pricing based on the specific dynamics of their local business districts and daily customer flow, aiming to fulfill diverse customer needs and attract potential patrons. We customized our menu offerings and seasoning table options according to regional dietary preferences and ingredient availability. To cater to the extended needs of specific customers, we gradually introduced different forms of specialty themed restaurants in 2024, including private dining rooms, family-oriented venues and late-night snack shops, as well as enterprise restaurants in cooperation with large corporations.

In 2025, we will continue to deepen our understanding of customer preferences, ensuring that every restaurant aligns more closely with customer demands. Our product offerings will highlight a blend of “popular” and “personalized” choices, with a focus on a “fresh-cut” series for meat dishes, while other categories will emphasize “seasonal” items. In terms of ambiance, our central theme will remain “happiness”, leading to the creation of a variety of themed restaurants. Regarding pricing, we will adopt a strategy of “absolute quality at a relatively low price”, enabling our restaurants to implement differentiated pricing strategies tailored to their individual circumstances. We will maintain vigilant monitoring of market changes, assess the risks involved, gain insights into consumer needs, and strive for dual growth in attracting new customers as well as promoting repurchase actions.

- II. Focusing on Enhancing Frontline Operation and Management.** We have optimized the evaluation system for regional and restaurant managers, empowering regional managers with the authority to make product decisions. The restaurant management team monitors performance through tools like the “Three Tables (三張表)” and “Four-color Cards (四色卡)” and take timely actions to ensure steady improvement in our two core metrics “customer satisfaction” and “employee dedication”. In 2024, we implemented the “twin-restaurant manager” model and the “multi-restaurant manager” model to encourage exceptional restaurant managers and employees to increase their earnings through hard work and strengthen their job skills, thereby truly embodying our core value of “changing your future with your own hands”. To further strengthen the relationship between customers and Haidilao and to energize restaurant employees, we introduced a dedicated customer manager program at the end of 2024, which will enable our employees to interact more closely with customers, thereby improving customer satisfaction.
- III. Advancing the “Pomegranate Plan” to Achieve Diversified Development.** As of the end of 2024, the “Pomegranate plan” has incubated and developed 11 sub-brands that cover different consumption scenarios, including full-service dining, casual dining, and fast food. Meanwhile, to further unleash the potential of internal entrepreneurship, we started with the entrepreneurship mechanism and encouraged more ace employees to participate in the “Pomegranate plan” by means including optimizing the incentives and submission process. By integrating with the “twin-restaurant manager” and the “multi-restaurant manager” models, we achieved the sharing of outstanding talents. Meanwhile, we are also fully aware that the new brand will inevitably face fierce competition and market testing, and we will pay close attention to consumer acceptance and potential risks.
- IV. Bolstering Customer Experience through Brand Upgrade.** In 2024, Haidilao carried out a brand upgrade based on its brand mission of “Igniting joy with delicious food”. We launched a new brand slogan, “Haidilao, Happy Now”, a global brand ambassador named Xiaolaolao, and a brand song. Throughout the year, Haidilao collaborated with multiple well-known IPs to boost the dining experience of customers with added fun. As of the end of 2024, the number of members of Haidilao had exceeded 188.7 million. The number of active members this year exceeded 52 million, representing an increase of 8.8% compared to the previous year. On the other hand, we have introduced and optimized exclusive privileges for our “Black Sea” members, including access to express queue channels, distinctive badges, and invitation-only off-line events, delivering even greater value and exceptional experiences for our “Black Sea” members.

**V. Steadily Developing the Franchise Business for Contributing an Impetus to the Group's Development.** In 2024, the Company officially launched the franchise business. As of the end of 2024, the Company had successfully completed the review and establishment of 13 franchised restaurants, preliminarily verifying the feasibility of the franchise model for large-scale expansion. Since launching the franchise model, we have observed robust demand in the lower-tier markets. Over 70% of franchise applications originated from third-tier cities and cities in lower tiers, and quite a few were from county-level cities. To ensure the quality of franchisees and business operations of franchised restaurants, the Company established a three-round screening mechanism encompassing “qualification review, operational capacity assessment, and long-term development compatibility” to guarantee the service quality of restaurants and maintain the brand's style right from the source. Moving forward, we will remain committed to our principle of “quality first and steady progress.” By optimizing regional resource coordination and enhancing training support systems, we aim to methodically expand our high-quality franchise network.

**VI. Boosting the Efficiency of Management and Operation through Digital Operation.** We have been exploring the use of digital means to improve management and operational efficiency. In terms of enhancing customer experience, by analyzing consumption data, we identified over 3.4 million pieces of feedback data throughout the year. The follow-up rate by restaurants was over 88% and our customer stickiness has improved with lower customer churn rate. Leveraging the analysis of AI-powered post-meal evaluation system, we implemented targeted improvements across key areas such as product quality, service, hygiene, and dining environment. We are also actively exploring the application of new technologies to empower restaurant operations. In the future, our technology department will closely track the development and application of emerging technologies. Empowered by AI, Haidilao will upgrade all working systems in place on all fronts.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Revenue

The revenue of the Group increased by 3.1% from RMB41,453.3 million for the year ended December 31, 2023 to RMB42,754.7 million in 2024.

### Revenue by Segment

We generate substantially all of our revenue from (i) restaurant operation, (ii) delivery business, (iii) sales of condiment products and food ingredients, and (iv) franchise business. The following table sets forth the components of our revenue for the period indicated:

	For the year ended December 31,			
	2024		2023	
	<i>(RMB'000 except percentages)</i>			
Haidilao restaurant operation	<b>40,397,616</b>	<b>94.5%</b>	39,266,603	94.7%
Delivery business	<b>1,253,869</b>	<b>2.9%</b>	1,041,475	2.5%
Sales of condiment products and food ingredients	<b>575,140</b>	<b>1.4%</b>	788,651	1.9%
Other restaurant operation	<b>483,335</b>	<b>1.1%</b>	346,176	0.9%
Franchise business	<b>16,706</b>	<b>0.0%</b>	–	–
Others	<b>28,021</b>	<b>0.1%</b>	10,443	0.0%
<b>Total revenue</b>	<b><u>42,754,687</u></b>	<b><u>100.0%</u></b>	<b><u>41,453,348</u></b>	<b><u>100.0%</u></b>

The revenue of our Group is mainly generated from Haidilao restaurant operation, which accounted for 94.5% of our total revenue in 2024. The revenue of Haidilao restaurant operation increased by 2.9% from RMB39,266.6 million in 2023 to RMB40,397.6 million in 2024, mainly due to the increase in the restaurants' table turnover rate, which reached 4.1 times per day in 2024. The average spending per guest of our Haidilao restaurants decreased from RMB99.1 in 2023 to RMB97.5 in 2024, primarily due to the change in dishes consumption structure.

Revenue from delivery business increased by 20.4% from RMB1,041.5 million in 2023 to RMB1,253.9 million in 2024, mainly attributed to the revenue generated from the single-serving high-quality fast food business, which commenced in the second half of 2023.

Revenue from other restaurant operation increased by 39.6% from RMB346.2 million in 2023 to RMB483.3 million in 2024, primarily attributed to other innovative catering brands launched under the “Pomegranate plan”, and the contribution from various catering scenarios, for instance, camping hot pot restaurants, campus hot pot restaurants and corporate hot pot restaurants.

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

	<b>For the year ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
<b>Average spending per guest<sup>(1)</sup> (RMB)</b>		
Tier 1 cities <sup>(2)</sup>	<b>104.0</b>	105.7
Tier 2 cities <sup>(3)</sup>	<b>96.9</b>	98.3
Tier 3 cities and below <sup>(4)</sup>	<b>91.4</b>	92.8
<i>Mainland China restaurants</i>	<b>95.7</b>	97.3
Hong Kong, Macau and Taiwan regions	<b>199.7</b>	202.8
<b>Overall</b>	<b>97.5</b>	99.1
<b>Table turnover rate<sup>(5)</sup> (times/day)</b>		
Tier 1 cities <sup>(2)</sup>	<b>4.0</b>	3.8
Tier 2 cities <sup>(3)</sup>	<b>4.1</b>	3.9
Tier 3 cities and below <sup>(4)</sup>	<b>4.0</b>	3.6
<i>Mainland China restaurants</i>	<b>4.0</b>	3.8
Hong Kong, Macau and Taiwan regions	<b>4.3</b>	4.2
<b>Overall</b>	<b>4.1</b>	3.8
Newly-opened restaurants <sup>(6)</sup>	<b>4.4</b>	3.7
Other restaurants	<b>4.1</b>	3.8
<b>Overall</b>	<b>4.1</b>	3.8

*Notes:*

- (1) Calculated by dividing gross revenue generated from restaurant operation for the period by total guests served for the period.
- (2) Beijing, Shanghai, Guangzhou and Shenzhen.
- (3) All municipalities and provincial capitals excluding tier 1 cities, plus Qingdao, Xiamen, Ningbo, Dalian, Zhuhai, Suzhou and Wuxi.
- (4) All the cities and regions excluding tier 1 cities and tier 2 cities.
- (5) Calculated by dividing the total tables served for the period by the product of total operation days for the period and average table count during the period.
- (6) We define our newly-opened restaurants as those that commenced operations during the Reporting Period.

The following table sets forth details of our same store sales of self-operated Haidilao restaurants for the period indicated.

	<b>For the year ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
<b>Number of same stores<sup>(1)</sup></b>		
Tier 1 cities		<b>203</b>
Tier 2 cities		<b>478</b>
Tier 3 cities and below		<b>520</b>
Hong Kong, Macau and Taiwan regions		<b>21</b>
<b>Overall</b>		<b>1,222</b>
<b>Same store sales<sup>(2)</sup> (in thousands of RMB)</b>		
Tier 1 cities	<b>6,628,970</b>	6,511,516
Tier 2 cities	<b>14,508,547</b>	14,283,862
Tier 3 cities and below	<b>15,182,082</b>	14,246,340
Hong Kong, Macau and Taiwan regions	<b>1,309,742</b>	1,286,259
<b>Overall</b>	<b>37,629,341</b>	36,327,977
<b>Average same store sales per day<sup>(3)</sup> (in thousands of RMB)</b>		
Tier 1 cities	<b>89.4</b>	88.1
Tier 2 cities	<b>83.2</b>	82.2
Tier 3 cities and below	<b>80.0</b>	75.4
Hong Kong, Macau and Taiwan regions	<b>171.6</b>	168.7
<b>Overall</b>	<b>84.4</b>	81.8
<b>Average same store table turnover rate<sup>(4)</sup> (times/day)</b>		
Tier 1 cities	<b>4.1</b>	3.9
Tier 2 cities	<b>4.1</b>	4.0
Tier 3 cities and below	<b>4.0</b>	3.7
Hong Kong, Macau and Taiwan regions	<b>4.3</b>	4.2
<b>Overall</b>	<b>4.1</b>	3.8

*Notes:*

- (1) Includes restaurants that had commenced operations prior to the beginning of the periods under comparison and opened for more than 300 days in both 2023 and 2024.
- (2) The gross revenue from restaurant operation at our same stores for the period indicated.
- (3) Calculated by dividing the gross revenue from restaurant operation at our same stores for the period by the total operation days at our same stores for the period.
- (4) Calculated by dividing the total tables served at our same stores for the period by the total operation days for the period and average table count during the period.

## Revenue from Haidilao Restaurant Operation by Geographic Region

Our business was mainly conducted in mainland China, Hong Kong, Macau and Taiwan regions. The following table sets forth our breakdown of gross revenue from Haidilao restaurant operation by location for the periods indicated:

	As of and for the year ended December 31,					
	2024			2023		
	Number of restaurants	Gross Revenue/ Revenue (RMB'000)		Number of restaurants	Gross Revenue/ Revenue (RMB'000)	
<b>Mainland China</b>						
Tier 1 cities	220	7,156,988	17.7%	232	7,195,389	18.3%
Tier 2 cities	531	15,700,301	38.7%	538	15,610,835	39.7%
Tier 3 cities and below	581	16,177,821	40.0%	581	15,160,451	38.5%
Subtotal	1,332	39,035,110	96.4%	1,351	37,966,675	96.5%
Hong Kong, Macau and Taiwan regions	23	1,446,043	3.6%	23	1,369,938	3.5%
<b>Total restaurants/gross revenue</b>	<b>1,355</b>	<b>40,481,153</b>	<b>100%</b>	<b>1,374</b>	<b>39,336,613</b>	<b>100%</b>
Net of: Customer loyalty program		(83,537)			(70,010)	
<b>Total restaurants/revenue</b>	<b>1,355</b>	<b>40,397,616</b>		<b>1,374</b>	<b>39,266,603</b>	

## System Sales Growth for Haidilao Restaurants

In 2024, Haidilao restaurants achieved a year-on-year system sales growth of 3.0%.

The system sales for Haidilao restaurants represent the total sales generated by all Haidilao-branded restaurants, including both self-operated and franchised restaurants. Although sales from franchised restaurants are not directly recognized as part of the Company's revenue in the consolidated statement of profit or loss and other comprehensive income, they contribute to our revenues through ongoing royalty fees. We consider system sales growth a valuable metric for investors, as it serves as a key driver of our revenue and profit, while reflecting the overall performance of our business.

## Raw Materials and Consumables Used

Our raw materials and consumables used decreased by 4.3% from RMB16,946.2 million in 2023 to RMB16,211.1 million in 2024. As a percentage of revenue, our raw materials and consumables used decreased from 40.9% in 2023 to 37.9% in 2024, mainly because of the decrease in the purchase price of raw materials and consumables.

## **Staff Costs**

Our staff costs increased by 8.2% from RMB13,039.8 million in 2023 to RMB14,113.3 million in 2024. As a percentage of revenue, our staff costs increased from 31.5% in 2023 to 33.0% in 2024, mainly attributable to the Company's efforts to raise employees' overall salary and benefit levels, as well as the addition of certain positions to better incentivise staff and enhance the customer experience.

## **Rentals and Related Expenses**

Our rentals and related expenses increased by 17.6% from RMB361.9 million in 2023 to RMB425.5 million in 2024, primarily driven by the increase in short-term leases and other lease-related expenses, as well as higher variable lease payments resulting from revenue growth. As a percentage of revenue, our rentals and related expenses remained stable at 0.9% and 1.0% in 2023 and 2024, respectively.

## **Utilities Expenses**

Our utilities expenses increased by 6.6% from RMB1,374.3 million in 2023 to RMB1,465.7 million in 2024, broadly in line with the overall revenue growth trend. As a percentage of revenue, utilities expenses remained stable at 3.3% and 3.4% in 2023 and 2024, respectively.

## **Travelling and Communication Expenses**

Our travelling and communication expenses increased by 26.0% from RMB204.3 million in 2023 to RMB257.4 million in 2024, primarily due to a higher frequency of employee travel for inspections and business communication. As a percentage of revenue, our travelling and communication expenses remained relatively stable at 0.5% in 2023 and 0.6% in 2024, respectively.

## **Depreciation and Amortization**

Our depreciation and amortization decreased by 13.1% from RMB2,945.4 million in 2023 to RMB2,558.5 million in 2024, primarily due to the full depreciation and amortization of property, plant and equipment at certain restaurants in prior periods. As a percentage of revenue, depreciation and amortization decreased from 7.1% in 2023 to 6.0% in 2024, primarily due to the decrease in depreciation and amortization.

## **Other Expenses**

Our other expenses increased by 15.7% from RMB1,611.0 million in 2023 to RMB1,864.1 million in 2024. As a percentage of revenue, our other expenses increased from 3.9% in 2023 to 4.4% in 2024, primarily due to (i) an increase of RMB219.6 million in business support and development expenses, driven by more diverse marketing activities in 2024 and higher promotion and support fees associated with our delivery business; and (ii) an increase of RMB69.0 million in daily maintenance expenses, bank charges, and storage expenses in line with revenue growth.

## Share of Results of Associates and a Joint Venture

Our share of results in relation to (i) our associate Fuhai (Shanghai) Food Technology Co., Ltd. (馥海(上海)食品科技有限公司) (“**Fuhai**”), in which we held a 40% equity interest; (ii) our joint venture Ying Hai Holdings Pte. Ltd., in which we held a 51% equity interest and which had been deregistered as of the date of this announcement; and (iii) other associates invested by Beijing Youdingyou Catering Co., Ltd. (北京優鼎優餐飲管理有限公司), increased from RMB45.9 million in 2023 to RMB51.8 million in 2024.

## Other Gains and Losses

Regarding other gains and losses, we recorded gains amounting to RMB352.2 million in 2024, compared to RMB227.5 million in 2023. This increase was primarily attributable to: (i) an increase of RMB141.9 million in net gains arising from financial assets at fair value through profit or loss; and (ii) an increase of RMB99.2 million in gains from the disposal of certain restaurant business to franchisees; partially offset by (iii) the net foreign exchange loss with the amount of RMB63.7 million in 2024, mainly resulting from currency exchange activities, compared to a net foreign exchange gain of RMB84.6 million in 2023.

## Finance Costs

Our finance costs decreased by 21.8% from RMB351.4 million in 2023 to RMB274.7 million in 2024, primarily due to the decrease in interests on bank borrowings and lease liabilities.

## Income Tax Expense

Our income tax expense increased by 43.8% from RMB1,337.7 million in 2023 to RMB1,923.8 million in 2024, primarily due to the decrease in utilization of tax losses and the increase in profit before tax in 2024.

## Profit for the Year

As a result of the foregoing, we recorded profit of RMB4,700.3 million in 2024, as compared to the profit of RMB4,495.4 million recorded in 2023.

## Core Operating Profit (Non-IFRS Measure)

To supplement our consolidated financial statements that are presented in accordance with IFRS, we also use core operating profit that is not required by or presented in accordance with IFRS. The core operating profit (non-IFRS measure) represents the profit for the year excluding the following: interest income, additional tax deduction, share of results of associates, share of result of a joint venture, gain on disposal of certain restaurant business to franchisees, net foreign exchange (loss) gain, net gain arising on financial assets at fair value through profit or loss, gain arising from redemption of long term bonds, finance costs and income tax expense.

The following table sets out a reconciliation of the core operating profit (non-IFRS measure) for the year indicated to the profit for the year (the most directly comparable financial measure calculated and presented under IFRS):

	<b>For the year ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
	<b>RMB'000</b>	<b>RMB'000</b>
<b>Profit for the year</b>	<b>4,700,278</b>	4,495,399
<i>Net of the following gains/(losses):</i>		
Interest income	<b>382,926</b>	326,889
Additional tax deduction	–	427,470
Share of results of associates	<b>56,897</b>	53,372
Share of result of a joint venture	<b>(5,122)</b>	(7,509)
Gain on disposal of certain restaurant business to franchisees	<b>99,158</b>	–
Net foreign exchange (loss) gain	<b>(63,708)</b>	84,633
Net gain arising on financial assets at fair value through profit or loss	<b>194,297</b>	52,365
Gain arising from redemption of long term bonds	<b>4,405</b>	788
Finance costs	<b>(274,678)</b>	(351,430)
Income tax expense	<b>(1,923,777)</b>	(1,337,673)
<b>Core operating profit (non-IFRS measure)</b>	<b>6,229,880</b>	5,246,494

We present the non-IFRS financial measures because they are used by our management to evaluate our operating performance and formulate business plans. These non-IFRS financial measures are not intended to be a substitute for the presentation of the Company's financial results in accordance with IFRS. Rather, the Company believes that the presentation of such non-IFRS financial measures provides investors with additional information, and removes items that the Company does not believe are indicative of its core operations, to better compare past and current results. We believe that the presentation of core operating profit (non-IFRS measure) provides additional information to further enhance the comparability of our historical results of operations with the trends in their underlying results of operations, while we utilize this metric to assess the performance of our core operations. We consider both quantitative and qualitative factors when assessing whether to adjust for the impact of items that may be material or that may affect the understanding to our ongoing financial and business performance or trends.

The core operating profit (non-IFRS measure) should not be considered in isolation or construed as an alternative to profit for the year or any other measure of performance. Investors are encouraged to examine our historical non-IFRS financial measures with the most directly comparable IFRS measures. The core operating profit (non-IFRS measure) presented here may not be comparable to similarly titled measures presented by other companies. Other companies may calculate similarly titled measures differently, limiting their usefulness as comparative measures to our data. We encourage investors and others to review our financial information in its entirety and not rely on a single financial measure.

## **Capital Liquidity and Financial Resources**

For year ended December 31, 2024, we primarily funded our operations, expansion and capital expenditures through cash generated from our operations. We monitor our cash flows and cash balance on a regular basis and strive to maintain an optimum liquidity that can meet our working capital needs while supporting continuing business expansion.

## **Cash and Cash Equivalents**

Our principal uses of cash are for procuring food ingredients and consumables, paying staff costs, renovating and decorating our restaurants and other business activities. Our cash and cash equivalents decreased from RMB6,475.5 million as of December 31, 2023 to RMB6,406.9 million as of December 31, 2024. In addition, as of December 31, 2024, the Group held certain time deposits with original maturity over three months, and the total amount of bank balances and cash was RMB7,474.8 million.

## **Right-of-use Assets**

Under International Financial Reporting Standards 16 Leases (“IFRS 16”), we recognize right-of-use assets with respect to our property and land leases. Our right-of-use assets are depreciated over the lease term or the useful life of the underlying asset, whichever is shorter. As of December 31, 2024, the carrying amount of right-of-use assets was of RMB3,018.8 million.

## **Inventories**

Our inventories mainly represented our food ingredients, condiment products, beverage and other materials used in our restaurant operation. Our inventories decreased from RMB1,074.6 million as of December 31, 2023 to RMB1,060.6 million as of December 31, 2024. The inventories turnover days remained relatively stable at 23.9 days for the year ended December 31, 2023 and 24.0 days for the year ended December 31, 2024.

## **Trade Receivables**

The majority of our trade receivables were in connection with bills settled through payment platforms such as Alipay or WeChat Pay. Receivables from these payment platforms were normally settled within a short period of time. Our trade receivables decreased from RMB412.0 million as of December 31, 2023 to RMB346.3 million as of December 31, 2024. The turnover days of trade receivables remained relatively stable at 3.2 days for the year ended December 31, 2023 and 2024.

## **Trade Payables**

Trade payables mainly represent the balances due to the independent third party suppliers of food ingredients and consumables. Our trade payables decreased from RMB1,859.4 million as of December 31, 2023 to RMB1,796.4 million as of December 31, 2024. The turnover days of trade payables increased from 34.3 days for the year ended December 31, 2023 to 41.2 days for the year ended December 31, 2024.

## **Bank Borrowings**

As of December 31, 2024, we had bank borrowings of RMB97.5 million. In 2024, the Group obtained new bank borrowings amounting to RMB97.1 million and repaid bank borrowings amounting to RMB619.7 million.

## **Other Borrowing**

As of December 31, 2024, all of our other borrowing had been settled.

## **Contingent Liabilities**

As of December 31, 2024, we did not have any material contingent liabilities, guarantees or any litigations or claims of material importance, pending or threatened against any member of our Group that is likely to have a material and adverse effect on our business, financial condition or results of operations.

## **Charge of Assets**

As of December 31, 2024, the Group's pledged/restricted bank deposits amounted to RMB373.8 million, primarily as a guarantee for our foreign exchange currency forward contracts.

As of December 31, 2024, no fixed asset was charged by the Group.

## **Debt-to-equity Ratio**

As of December 31, 2024, the Group's debt-to-equity ratio was 20.8%.

*Note:* Equals long-term bonds, bank borrowings divided by total equity as of the same date and multiplied by 100%.

## **Foreign Exchange Risk and Hedging**

The Group mainly operates in mainland China with most of the transaction denominated and settled in RMB. However, the Group has certain business operations outside mainland China and monetary assets and monetary liabilities denominated in other currencies, which is exposed to foreign currency exchange risks. We manage foreign exchange risk by performing periodic reviews of our net foreign exchange exposures and try to minimise these exposures through natural hedges, wherever possible and may enter into forward foreign exchange contracts, when necessary.

## **Employees and Remuneration Policy**

As of December 31, 2024, the Group had a total of 137,178 employees. For the year ended December 31, 2024, the Group has incurred a total staff costs (including salaries, wages, allowance and benefits) of RMB14,113.3 million.

## **Material Acquisitions and Disposals**

The Group had no material acquisitions and disposals during the Reporting Period.

## **No Material Changes**

Saved as disclosed in this announcement, during the Reporting Period, there were no material changes affecting the Group's performance that needs to be disclosed under Paragraphs 32 and 40(2) of Appendix D2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

## **Future Plans for Material Investments or Capital Assets**

As of December 31, 2024, the Group has no specific plans for any material investments or acquisition of capital assets.

The Group will continue to extensively identify potential strategic investment opportunities and seek to acquire potential high-quality target businesses and assets that create synergies for the Group.

## **FUTURE PROSPECT**

Going forward, our development initiatives mainly include:

- continuing to enhance the dining experience at Haidilao, including the continuous refinement of our service capabilities, offering further value-added services for customers, and empowering management with digital operations;
- continuing to explore a diversified business strategy, implementing the “Pomegranate plan”, and keeping exploring franchise models; and
- strategically pursuing acquisitions of high-quality assets to further diversify our catering business patterns and customer base.

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	For the year ended December 31,	
		2024 RMB'000	2023 RMB'000
Revenue	3	42,754,687	41,453,348
Other income	4	635,651	940,781
Raw materials and consumables used		(16,211,077)	(16,946,214)
Staff costs		(14,113,263)	(13,039,844)
Rentals and related expenses		(425,543)	(361,903)
Utilities expenses		(1,465,696)	(1,374,307)
Depreciation and amortization		(2,558,496)	(2,945,399)
Travelling and communication expenses		(257,408)	(204,302)
Other expenses		(1,864,070)	(1,611,015)
Share of results of associates		56,897	53,372
Share of result of a joint venture		(5,122)	(7,509)
Other gains and losses	5	352,173	227,494
Finance costs	6	(274,678)	(351,430)
<b>Profit before tax</b>		<b>6,624,055</b>	5,833,072
Income tax expense	7	(1,923,777)	(1,337,673)
<b>Profit for the year</b>	8	<b>4,700,278</b>	<b>4,495,399</b>
<b>Other comprehensive income (expense)</b>			
<b><i>Item that will not be reclassified to profit or loss:</i></b>			
Fair value gain on investments in equity instruments at fair value through other comprehensive income		174,076	102,609
<b><i>Items that may be reclassified subsequently to profit or loss:</i></b>			
Exchange differences arising on translation of foreign operations		20,792	(38,930)
Share of other comprehensive income of associates, net of related income tax		(22)	75
		20,770	(38,855)
Other comprehensive income for the year		194,846	63,754
<b>Total comprehensive income for the year</b>		<b>4,895,124</b>	<b>4,559,153</b>

		<b>For the year ended December 31,</b>	
	<i>Notes</i>	<b>2024</b>	2023
		<b>RMB'000</b>	<b>RMB'000</b>
Profit (loss) for the year attributable to:			
Owners of the Company		<b>4,708,084</b>	4,499,080
Non-controlling interests		<b>(7,806)</b>	(3,681)
		<u><b>4,700,278</b></u>	<u>4,495,399</u>
Total comprehensive income (expense) attributable to:			
Owners of the Company		<b>4,902,930</b>	4,562,834
Non-controlling interests		<b>(7,806)</b>	(3,681)
		<u><b>4,895,124</b></u>	<u>4,559,153</u>
<b>EARNINGS PER SHARE</b>			
Basic (RMB)	<i>10</i>	<b>0.87</b>	0.83
Diluted (RMB)	<i>10</i>	<b>0.87</b>	0.83

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at December 31,	
	Notes	2024	2023
		RMB'000	RMB'000
<b>Non-current Assets</b>			
Property, plant and equipment		3,319,749	3,921,154
Right-of-use assets	11	3,018,798	3,461,284
Goodwill		84,845	84,845
Other intangible assets		52,198	73,690
Interests in associates		179,959	295,184
Interest in a joint venture		–	8,336
Deferred tax assets		602,527	617,029
Other financial assets		1,981,265	947,489
Financial assets at fair value through profit or loss		17,227	13,433
Financial assets at fair value through other comprehensive income		323,929	149,853
Rental deposits		174,430	195,539
Pledged/restricted bank deposits		2,172	2,123
		<u>9,757,099</u>	<u>9,769,959</u>
<b>Current Assets</b>			
Inventories		1,060,641	1,074,627
Trade and other receivables and prepayments	12	1,517,431	2,028,657
Amounts due from related parties		274,395	397,632
Other financial assets		964,975	1,255,082
Financial assets at fair value through profit or loss		1,139,998	778,745
Rental deposits		70,244	25,848
Security deposits for other borrowing		–	5,060
Pledged/restricted bank deposits		371,676	11,373
Bank balances and cash		7,474,820	9,330,015
		<u>12,874,180</u>	<u>14,907,039</u>
Assets classified as held for sale		<u>149,978</u>	<u>–</u>
		<u>13,024,158</u>	<u>14,907,039</u>

	<i>Notes</i>	<b>As at December 31,</b>	
		<b>2024</b>	2023
		<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
<b>Current Liabilities</b>			
Trade payables	<i>13</i>	<b>1,796,362</b>	1,859,438
Other payables	<i>14</i>	<b>2,246,186</b>	2,134,231
Amounts due to related parties		<b>373,495</b>	360,721
Long term bonds		<b>45,308</b>	44,266
Dividend payable		<b>3,805</b>	3,805
Tax payable		<b>620,244</b>	379,016
Lease liabilities		<b>888,821</b>	933,093
Bank borrowings		<b>97,549</b>	618,898
Other borrowing		–	17,014
Contract liabilities		<b>938,400</b>	859,066
Provisions		<b>10,867</b>	32,264
		<b>7,021,037</b>	7,241,812
Liabilities associated with assets classified as held for sale		<b>82,784</b>	–
		<b>7,103,821</b>	7,241,812
<b>Net Current Assets</b>		<b>5,920,337</b>	7,665,227
<b>Total Assets less Current Liabilities</b>		<b>15,677,436</b>	17,435,186
<b>Non-current Liabilities</b>			
Long term bonds		<b>2,027,867</b>	2,076,067
Deferred tax liabilities		<b>106,144</b>	210,282
Lease liabilities		<b>3,108,701</b>	3,614,744
Provisions		<b>17,228</b>	17,153
		<b>5,259,940</b>	5,918,246
<b>Net Assets</b>		<b>10,417,496</b>	11,516,940
<b>Capital and Reserves</b>			
Share capital	<i>15</i>	<b>183</b>	183
Reserves		<b>10,433,611</b>	11,526,447
Equity attributable to owners of the Company		<b>10,433,794</b>	11,526,630
Non-controlling interests		<b>(16,298)</b>	(9,690)
<b>Total Equity</b>		<b>10,417,496</b>	11,516,940

## NOTES:

### 1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on July 14, 2015 under the Companies Act, Cap. 22 (Law 3 of 1961, 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 is 7th Floor, No. 1 Building, No. 398 Yard, Zhongdong Road, Dongxiaokou Town, Changping District in Beijing, the PRC. The ultimate controlling parties are Mr. Zhang Yong and his spouse namely Ms. Shu Ping (collectively the "Controlling Shareholders").

The shares of the Company have been listed on The Stock Exchange of Hong Kong Limited with effect from September 26, 2018.

The Company is an investment holding company. Its subsidiaries are engaged in restaurant operation, delivery business, sales of condiment products and food ingredients, franchise business and others mainly located in mainland China and Hong Kong, Macau and Taiwan regions.

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 consolidated financial statements are presented in Renminbi ("RMB"), which is also the functional currency of the Company and its subsidiaries in mainland China.

### 2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

#### *Amendments to IFRS Accounting Standards that are mandatorily effective for the current year*

In the current year, the Group has applied the following amendments to IFRS Accounting Standards issued by the International Accounting Standards Board for the first time, which are mandatorily effective for the Group's annual period beginning on January 1, 2024 for the preparation of the consolidated financial statements:

Amendments to IFRS 16	Lease Liability in a Sale and Leaseback
Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 1	Non-current Liabilities with Covenants
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements

The application of the amendments to IFRS Accounting Standards in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

#### *New and amendments to IFRS Accounting Standards in issue but not yet effective*

The Group has not early applied the following new and amendments to IFRS Accounting Standards that have been issued but are not yet effective:

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments <sup>3</sup>
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature – dependent Electricity <sup>3</sup>
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>1</sup>
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards – Volume 11 <sup>3</sup>
Amendments to IAS 21	Lack of Exchangeability <sup>2</sup>
IFRS 18	Presentation and Disclosure in Financial Statements <sup>4</sup>

<sup>1</sup> Effective for annual periods beginning on or after a date to be determined

<sup>2</sup> Effective for annual periods beginning on or after January 1, 2025

<sup>3</sup> Effective for annual periods beginning on or after January 1, 2026

<sup>4</sup> Effective for annual periods beginning on or after January 1, 2027

Except for IFRS 18 mentioned below, the directors of the Company anticipate that the application of other amendments to IFRS Accounting Standards as stated above will have no material impact on the Group's consolidated financial statements in the foreseeable future.

### ***IFRS 18 Presentation and Disclosure in Financial Statements***

IFRS 18 *Presentation and Disclosure in Financial Statements*, which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 *Presentation of Financial Statements*. This new IFRS Accounting Standard, while carrying forward many of the requirements in IAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Minor amendments to IAS 7 *Statement of Cash Flows* and IAS 33 *Earnings per Share* are also made.

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after January 1, 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of IFRS 18 on the Group's consolidated financial statements.

### **3. REVENUE AND SEGMENT INFORMATION**

During the year, the Group's revenue which represents the amount received and receivable, net of discounts and sales related taxes, from the restaurant operation, delivery business, sales of condiment products and food ingredients, franchise business and others, are as follows:

	<b>For the year ended December 31,</b>	
	<b>2024</b>	2023
	<b>RMB'000</b>	RMB'000
<b>Types of services or goods:</b>		
Restaurant operation	<b>40,880,951</b>	39,612,779
Delivery business	<b>1,253,869</b>	1,041,475
Sales of condiment products and food ingredients	<b>575,140</b>	788,651
Franchise business	<b>16,706</b>	–
Others	<b>28,021</b>	10,443
	<b>42,754,687</b>	41,453,348
<b>Timing of revenue recognition:</b>		
At a point in time	<b>42,737,981</b>	41,453,348
Over time	<b>16,706</b>	–
	<b>42,754,687</b>	41,453,348

Information reported to the chief executive officer of the Company, 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 contributing over 10% of total revenue of the Group during the year ended December 31, 2024 (2023: Nil).

The following table set forth the breakdown of the Group’s revenue during the years ended December 31, 2024 and 2023, and the breakdown of the Group’s non-current assets as at December 31, 2024 and 2023 based on location of operation:

	Revenue		Non-current assets (Note)	
	For the year ended December 31,		As at December 31,	
	2024	2023	2024	2023
	RMB’000	RMB’000	RMB’000	RMB’000
Mainland China	41,254,963	39,980,748	5,973,857	7,113,534
Outside mainland China	1,499,724	1,472,600	681,692	730,959
	<u>42,754,687</u>	<u>41,453,348</u>	<u>6,655,549</u>	<u>7,844,493</u>

*Note:*

Non-current assets presented above excluded other financial assets, financial assets at fair value through profit or loss (“FVTPL”), financial assets at fair value through other comprehensive income (“FVTOCI”), rental deposits, pledged/restricted bank deposits and deferred tax assets.

#### 4. OTHER INCOME

	For the year ended December 31,	
	2024	2023
	RMB’000	RMB’000
Interest income on:		
– bank deposits	275,632	264,794
– other financial assets	98,275	52,411
– rental deposits	9,019	9,245
– financial assets at FVTOCI	–	439
	<u>382,926</u>	<u>326,889</u>
Government grants ( <i>Note i</i> )	68,713	56,360
Compensation claim income	29,570	26,182
Additional tax deduction ( <i>Note ii</i> )	–	427,470
Others	154,442	103,880
	<u>635,651</u>	<u>940,781</u>

*Notes:*

- i. The amounts represent the subsidies received from the local governments for the Group’s business development. There were no unfulfilled conditions or contingencies relating to these government grants in the years that the relevant income was recognized.
- ii. The amounts represent the additional input value added tax deduction, pursuant to the announcement of the Ministry of Finance, the State Administration of Taxation and the General Administration of Customs of the PRC, which became effective from April 1, 2019 onwards and was terminated as at December 31, 2023.

## 5. OTHER GAINS AND LOSSES

	<b>For the year ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Net impairment loss (recognized) reversed in respect of		
– property, plant and equipment	(3,595)	4,174
– right-of-use assets	(9,279)	7,942
– Interests in associates	(4,100)	–
	<u>(16,974)</u>	<u>12,116</u>
Expected credit loss on rental deposits	(2,670)	(4,978)
Gain on disposal of property, plant and equipment, other intangible assets and termination of leases, net	93,853	43,620
Gain on disposal of certain restaurant business to franchisees	99,158	–
Net foreign exchange (loss) gain	(63,708)	84,633
Net gain arising on financial assets at FVTPL	194,297	52,365
Gain arising from redemption of long term bonds	4,405	788
Others	43,812	38,950
	<u>352,173</u>	<u>227,494</u>

## 6. FINANCE COSTS

	<b>For the year ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Interests on lease liabilities	213,345	244,697
Interests on bank borrowings	11,987	56,147
Interests on long term bonds	48,379	48,623
Interests on other borrowing	260	1,275
Interests charge on provisions	707	688
	<u>274,678</u>	<u>351,430</u>

## 7. INCOME TAX EXPENSE

	<b>For the year ended December 31,</b>	
	<b>2024</b>	2023
	<b>RMB'000</b>	RMB'000
Current tax:		
– current year		
– PRC Enterprise Income Tax (“EIT”)	<b>1,672,027</b>	1,070,036
– withholding tax	<b>283,510</b>	179,965
– other jurisdictions	<b>54,143</b>	59,358
	<b>2,009,680</b>	1,309,359
– under (over) provision in prior years		
– PRC EIT	<b>926</b>	(8,349)
– other jurisdictions	<b>2,807</b>	–
	<b>3,733</b>	(8,349)
	<b>2,013,413</b>	1,301,010
Deferred tax	<b>(89,636)</b>	36,663
	<b>1,923,777</b>	1,337,673

Under the Law of the PRC on Enterprise Income Tax (“EIT Law”) and Implementation Regulation of the EIT Law, the statutory tax rate of the PRC subsidiaries is 25% for both years.

Under the EIT Law, withholding tax is also imposed on dividends declared and paid to non-PRC resident in respect of profits earned by the PRC subsidiaries from January 1, 2008 onwards. As at December 31, 2024, deferred tax liability RMB102,650,000 (2023: RMB190,000,000) was recognized in respect of the undistributed earnings expected to be distributed in the foreseeable future with the tax rate of 5%.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions at 8.25 % to 28% (2023: 8.25% to 25%) on the estimated assessable profits for the year.

No provision for taxation in Hong Kong has been made as no taxable profit derived from Hong Kong in 2024 and 2023.

The income tax expense for the years ended December 31, 2024 and 2023 can be reconciled to the profit before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

	<b>For the year ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Profit before tax	<b>6,624,055</b>	5,833,072
Tax at 25%	<b>1,656,014</b>	1,458,268
Tax effect of expenses not deductible for tax purposes	<b>165,908</b>	88,114
Tax effect of income not taxable for tax purposes	<b>(14,224)</b>	(13,475)
Tax effect of tax losses not recognized	<b>103,768</b>	34,941
Tax effect of deductible temporary differences not recognized	<b>11,028</b>	7,809
Utilization of tax losses previously not recognized	<b>(96,997)</b>	(316,066)
Tax effect of deductible temporary differences previously not recognized	<b>(67,060)</b>	(130,529)
Withholding tax	<b>196,160</b>	273,965
Under (over) provision of current tax in respect of prior years	<b>3,733</b>	(8,349)
Effect of different tax rates of subsidiaries operating in other jurisdictions	<b>(34,553)</b>	(57,005)
Income tax expense for the year	<b>1,923,777</b>	1,337,673

## 8. PROFIT FOR THE YEAR

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

	<b>For the year ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Depreciation of property, plant and equipment	<b>1,808,050</b>	2,178,211
Depreciation of right-of-use assets	<b>726,607</b>	730,634
Amortization of other intangible assets	<b>23,839</b>	36,554
Total depreciation and amortization	<b>2,558,496</b>	2,945,399
Cost of inventories recognized as an expense	<b>16,211,077</b>	16,946,214
Property and equipment rentals		
– office premises, quarters and equipment (short-term leases)	<b>11,152</b>	4,370
– restaurants (variable lease payments)	<b>114,927</b>	100,209
	<b>126,079</b>	104,579
Other rental related expenses	<b>299,464</b>	257,324
Total rentals and related expenses	<b>425,543</b>	361,903
Directors' emoluments	<b>161,575</b>	98,291
Other staff cost:		
Salaries and other allowances	<b>11,568,116</b>	10,822,859
Employee welfare	<b>1,085,560</b>	982,806
Retirement benefit scheme contributions	<b>1,296,644</b>	1,134,930
Share-based payment expense	<b>1,368</b>	958
Total staff costs	<b>14,113,263</b>	13,039,844
Auditor's remuneration	<b>7,380</b>	7,380

## 9. DIVIDENDS

	<b>For the year ended December 31,</b>	
	<b>2024</b>	2023
	<b>RMB'000</b>	RMB'000
Dividends for ordinary shareholders of the Company recognized as distribution during the year		
– Interim dividend ( <i>Note i</i> )	1,934,312	–
– Final dividend ( <i>Note ii</i> )	4,061,454	553,798
	<u>5,995,766</u>	<u>553,798</u>
Total	<u><u>5,995,766</u></u>	<u><u>553,798</u></u>

### Notes:

- i. On August 27, 2024, an interim dividend of HKD0.391 (equivalent to RMB0.358) per share with a total amount of HKD2,117,265,000 (equivalent to RMB1,934,312,000) was declared to the shareholders for the six months ended June 30, 2024 by the Company out of retained earnings. The dividend was paid in October 2024.
- ii. On June 5, 2024, as approved by the shareholders at the annual general meeting, a final dividend of HKD0.824 (equivalent to RMB0.750) per share with a total amount of HKD4,461,960,000 (equivalent to RMB4,061,454,000) was declared to be distributed to shareholders for the year ended December 31, 2023 by the Company out of share premium. The dividend was paid in July 2024.

On June 7, 2023, as approved by the shareholders at the annual general meeting, a final dividend of HKD0.116 (equivalent to RMB0.102) per share with a total amount of HKD628,488,926 (equivalent to RMB553,798,000) was declared to shareholders for the year ended December 31, 2022 by the Company out of share premium. The dividend was paid in July 2023.

Subsequent to the end of the Reporting Period, a final dividend in respect of the year ended December 31, 2024 of HKD0.507 (equivalent to RMB0.468) per share, amounting to approximately HKD2,745,405,000 (equivalent to RMB2,534,220,000) has been proposed by the Directors and is subject to approval by the shareholders at the forthcoming annual general meeting, which will be held on May 19, 2025.

## 10. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

	<b>For the year ended December 31,</b>	
	<b>2024</b>	2023
	<b>RMB'000</b>	RMB'000
Earnings for the purpose of basic earnings per share	<u>4,708,084</u>	<u>4,499,080</u>
	<u><u>4,708,084</u></u>	<u><u>4,499,080</u></u>
	<u><u>5,415,000</u></u>	<u><u>5,415,000</u></u>
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	<u>5,415,000</u>	<u>5,415,000</u>
	<u><u>5,415,000</u></u>	<u><u>5,415,000</u></u>

No diluted earnings per share for the years ended December 31, 2024 and 2023 were calculated as there were no potential ordinary shares in issue for the years ended December 31, 2024 and 2023.

## 11. RIGHT-OF-USE ASSETS

	<b>Leased properties RMB'000</b>	<b>Leasehold lands RMB'000</b>	<b>Total RMB'000</b>
<b>At December 31, 2024</b>			
Carrying amount	2,815,215	203,583	3,018,798
<b>At December 31, 2023</b>			
Carrying amount	3,252,420	208,864	3,461,284
<b>For the year ended December 31, 2024</b>			
Depreciation charge	721,327	5,280	726,607
Net impairment loss recognized	9,279	–	9,279
<b>For the year ended December 31, 2023</b>			
Depreciation charge	729,046	1,588	730,634
Net impairment loss reversed	7,942	–	7,942
<b>For the year ended December 31,</b>			
	<b>2024</b>	<b>2023</b>	
	<b>RMB'000</b>	<b>RMB'000</b>	
Expense relating to short-term leases	11,152	4,370	
Variable lease payments not included in the measurement of lease liabilities	114,927	100,209	
Total cash outflow for leases ( <i>Note</i> )	1,017,894	1,155,367	
Additions to right-of-use assets of leased properties	457,287	347,833	
Additions to right-of-use assets of leasehold lands	–	210,452	
Increase (decrease) due to lease modification	30,836	(96,035)	
Decrease due to lease termination	129,023	143,952	
Reclassified as held for sale	65,700	–	

### *Note:*

The amount includes payments of principal and interest portion of lease liabilities, variable lease payments and short-term leases, which could be presented in financing or operating cash flows, respectively.

For the years ended December 31, 2024 and 2023, the Group leases various buildings or lands for its operations. For the year ended December 31, 2024, lease contracts are entered into for fixed terms of 12 months to 40 years (2023: 12 months to 40 years), but may have termination options as described below. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

## Variable lease payments

Leases of restaurants, office premises and lands are either with only fixed lease payments or contain variable lease payment that are based on 0.5% to 15% of sales with or without minimum annual lease payments that are fixed over the lease term for the year ended December 31, 2024 (2023: 1% to 12%). The payment terms are common in restaurants in the areas where the Group operates. The amounts of fixed and variable lease payments paid to relevant lessors for the years are as follows:

For the year ended December 31, 2024

	Number of leases	Fixed payments <i>RMB'000</i>	Variable payments <i>RMB'000</i>	Total payments <i>RMB'000</i>
Office premises, quarters and equipment without variable lease payments	20	23,842	–	23,842
Restaurants without variable lease payments	1,124	524,056	–	524,056
Restaurants with variable lease payments	529	351,408	114,927	466,335
Lands without variable lease payments	2	3,661	–	3,661
	<u>1,675</u>	<u>902,967</u>	<u>114,927</u>	<u>1,017,894</u>

For the year ended December 31, 2023

	Number of leases	Fixed payments <i>RMB'000</i>	Variable payments <i>RMB'000</i>	Total payments <i>RMB'000</i>
Office premises, quarters and equipment without variable lease payments	19	21,059	–	21,059
Restaurants without variable lease payments	1,042	514,144	–	514,144
Restaurants with variable lease payments	557	347,982	100,209	448,191
Lands without variable lease payments	2	171,973	–	171,973
	<u>1,620</u>	<u>1,055,158</u>	<u>100,209</u>	<u>1,155,367</u>

The overall financial effect of using variable payment terms is that higher rental costs are incurred by restaurants with higher sales. Variable rental expenses are expected to continue to represent a similar proportion of restaurant sales in future years.

## Termination options

The Group has termination options in a number of leases for restaurants. These are used to maximize operational flexibility in terms of managing the assets used in the Group's operations. The majority of termination options held are exercisable only by the Group and not by the respective lessors.

The Group assessed at lease commencement date and concluded it is reasonably certain not to exercise the termination options. In addition, the Group reassesses whether it is reasonably certain not to exercise a termination option, upon the occurrence of either a significant event or a significant change in circumstances that is within the control of the lessee.

For the years ended December 31, 2024 and 2023, the Group decided to discontinue the operations of certain restaurants before the expiry of original lease terms of those restaurants. As a result, the Group is reasonably certain to exercise the termination option stipulated in the lease agreements for the relevant restaurants, and lease liabilities and right-of-use assets have been adjusted accordingly.

### Restrictions or covenants on leases

As at December 31, 2024, lease liabilities of RMB3,997,522,000 (2023: RMB4,547,837,000) are recognized with related right-of-use assets of RMB2,869,365,000 (2023: RMB3,307,986,000). The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased properties may not be used as security for borrowing purposes.

### Leases committed

As at December 31, 2024, the Group has entered into new leases for several restaurants that have yet to commence, with non-cancellable period ranging from 2 to 10 years, the total future undiscounted cash flows over the non-cancellable period amounted to RMB19,091,000 (2023: Nil).

## 12. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	As at December 31,	
	2024	2023
	RMB'000	RMB'000
Trade receivables ( <i>Note</i> )	<u>346,347</u>	<u>411,995</u>
Other receivables and prepayments:		
Prepayment to suppliers	406,737	507,097
Prepaid operating expenses	330,415	334,670
Input value-added tax recoverable	328,643	567,114
Loans to employees	22,130	39,469
Others	<u>83,159</u>	<u>168,312</u>
Subtotal	<u>1,171,084</u>	<u>1,616,662</u>
Total trade and other receivables and prepayments	<u><u>1,517,431</u></u>	<u><u>2,028,657</u></u>

#### *Note:*

Majority of trade receivables were due from payment platforms which 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.

## 13. TRADE PAYABLES

Trade payables are non-interest bearing and the majority are with a credit term of 30-60 days. An aged analysis of the Group's trade payables, as at the end of the Reporting Period, based on the invoice date, is as follows:

	As at December 31,	
	2024	2023
	RMB'000	RMB'000
Within 60 days	1,685,304	1,784,199
61 to 180 days	79,748	49,292
More than 181 days	<u>31,310</u>	<u>25,947</u>
	<u><u>1,796,362</u></u>	<u><u>1,859,438</u></u>

#### 14. OTHER PAYABLES

	As at December 31,	
	2024	2023
	RMB'000	RMB'000
Staff costs payable	1,691,335	1,749,831
Other taxes payables	185,341	205,765
Renovation fee payables	157,043	83,905
Deposits from suppliers	67,266	25,761
Others	145,201	68,969
	<u>2,246,186</u>	<u>2,134,231</u>

#### 15. SHARE CAPITAL

	Par value USD	Number of shares	Shown in the consolidated financial statements	
			Nominal amount USD'000	RMB'000
<b>Authorized:</b>				
At beginning and end of 2023 and 2024	0.000005	<u>10,000,000,000</u>	<u>50</u>	
<b>Issued:</b>				
At beginning and end of 2023 and 2024 (Note)	0.000005	<u>5,574,000,000</u>	<u>29</u>	<u>183</u>

*Note:*

As at December 31, 2024 and 2023, the share capital issued included 159,000,000 ordinary shares issued to share award scheme (the “**Share Award Scheme**”) trust which was established to hold the shares for the benefit of the participants of the Share Award Scheme. As the trust acts solely as a custodian for the Company’s shares, the shares held by the trust were presented as treasury shares in the consolidated financial statements of the Group.

## **CORPORATE GOVERNANCE AND OTHER INFORMATION**

### **Compliance with the Corporate Governance Code**

The Company had adopted and applied the principles and code provisions as set out in the Corporate Governance Code contained in Appendix C1 to the Listing Rules. During the year ended December 31, 2024, the Company has complied with the code provisions in the Corporate Governance Code.

### **Compliance with the Model Code**

The Group has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) set out in Appendix C3 to the Listing Rules. Specific enquiries have been made to all the Directors and the Directors have confirmed that they have complied with the Model Code during the year ended December 31, 2024.

Our employees, who are likely to be in possession of inside information of our Group, have also been subject to the Model Code for the securities transactions. No incident of non-compliance of the Model Code by our employees was noted by the Group during year ended December 31, 2024.

### **Purchase, Sale or Redemption of Listed Securities**

With respect to the US\$600 million 2.150% 2026 Senior Notes, the Company made an on-market repurchase of the 2026 Senior Notes in the principal amount of US\$11,500,000 for a consideration of US\$10,795,120 in April 2024.

As of December 31, 2024, such repurchased 2026 Senior Notes has been canceled and a total of US\$285,480,000 principal amount of the 2026 Senior Notes remained outstanding.

As of December 31, 2024, the Company’s issued share capital included 159,000,000 ordinary shares held by the trust established under the Company’s Share Award Scheme. The trust was established to hold shares for the benefit of participants under the Share Award Scheme. As the trust acts solely as a custodian of the shares, these shares are presented as treasury shares in the Group’s consolidated financial statements. Save as disclosed above, as of December 31, 2024, the Company did not hold any other treasury shares.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company’s listed securities (including sale of treasury shares) during the Reporting Period.

## **Audit Committee**

The Audit Committee consists of three independent non-executive Directors, namely Mr. Qi Daqing (being chairman of the Audit Committee), Mr. Hee Theng Fong and Dr. Chua Sin Bin with terms of reference in compliance with the Listing Rules.

The Audit Committee has reviewed the Group's annual results for the year ended December 31, 2024, the accounting principles and practices adopted by the Company and the Group and discussed matters in relation to internal control and financial reporting with the management. The Audit Committee considers that the annual financial results for the year ended December 31, 2024 are in compliance with the relevant accounting standards, rules and regulations and appropriate disclosures have been duly made.

## **Scope of work of Messrs. Deloitte Touche Tohmatsu**

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended December 31, 2024 as set out in the preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year as approved by the Board on March 25, 2025. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

## **Use of Proceeds from the Global Offering**

The Company's shares were listed on the Stock Exchange on September 26, 2018 (the "**Global Offering**"). The net proceeds from the Global Offering amounted to approximately HK\$7,299.3 million. For the year ended December 31, 2024, the net proceeds have been applied in the manner as set out in the section headed "Future Plans and Use of Proceeds" of the prospectus of our Company dated September 12, 2018 and there was no change in the intended use of net proceeds as previously disclosed in the prospectus. As of December 31, 2024, the Company cumulatively used HK\$7,272.2 million, accounting for approximately 99.6% of the proceeds from the Global Offering. The Company expects to utilize the balance of net proceeds of approximately HK\$27.1 million with the intended uses previously disclosed by the end of 2025.

	As of December 31, 2024				
	Percentage	Net Proceeds	Utilized amount during the Reporting Period	Utilized amount	Unutilized amount
	%	HK\$ million	HK\$ million	HK\$ million	HK\$ million
For expansion plan	60.0	4,379.5	–	4,379.5	–
For development and implementation of new technology	20.0	1,459.9	371.4	1,432.8	27.1
For the repayment of loan facility and credit facility	15.0	1,094.9	–	1,094.9	–
For working capital and general corporate purposes	5.0	365.0	–	365.0	–
<b>Total</b>	<b>100.0</b>	<b>7,299.3</b>	<b>371.4</b>	<b>7,272.2</b>	<b>27.1</b>

### Use of Proceeds from the Placing

The placing of existing shares and top-up subscription of new shares pursuant to the share placing and subscription agreement dated November 12, 2021 was completed on November 22, 2021 (the “2021 Placing”).

The net proceeds raised from the 2021 Placing were approximately HK\$2,337.0 million. As of December 31, 2024, the net proceeds had been applied in the manner as set out in the announcements dated November 12, 2021 and November 22, 2021. As of December 31, 2024, the Company cumulatively used HK\$1,691.5 million, accounting for approximately 72.4% of the proceeds from the 2021 Placing in accordance with the intended uses, details of which are set forth as follows:

	As of December 31, 2024				
	Percentage	Net Proceeds	Utilized amount during the Reporting Period	Utilized amount	Unutilized amount
	%	HK\$ million	HK\$ million	HK\$ million	HK\$ million
For supply chain management and product development	30.0	701.1	107.7	701.1	–
For payment of credit facilities	30.0	701.1	–	701.1	–
For working capital and general corporate purposes	40.0	934.8	289.3	289.3	645.5
<b>Total</b>	<b>100.0</b>	<b>2,337.0</b>	<b>397.0</b>	<b>1,691.5</b>	<b>645.5</b>

The net proceeds of the 2021 Placing were used and expected to be used according to the intentions previously disclosed in the announcement of the Company dated November 22, 2021 and there was no change in the use of proceeds. The Company expects to utilize the balance of net proceeds of approximately HK\$645.5 million in accordance with the intended uses by end of 2026. This expected timeline is based on the best estimation of future market conditions and business operations made by the Company and remains subject to change based on current and future development of market conditions and actual business needs. For further details of the 2021 Placing, please refer to the announcements of the Company dated November 12, 2021 and November 22, 2021.

### **Events after the Reporting Period**

Save as disclosed above, the Directors are not aware of any significant event requiring disclosure that has taken place subsequent to December 31, 2024 and up to the date of this announcement.

### **FINAL DIVIDEND**

The Board has recommended the payment of a final dividend of HK\$0.507 (equivalent to RMB0.468) per share for the year ended December 31, 2024, subject to the approval of the Shareholders at the AGM of this year to be held on Monday, May 19, 2025. The final dividend will be distributed in HK\$ and is calculated based on the average benchmark exchange rate of RMB against HK\$ announced by the People's Bank of China in the five working days prior to but excluding the date of the Board meeting held on Tuesday, March 25, 2025. The recommended dividends will be paid to the Shareholders whose names appear on the register of members of the Company at the close of business on Wednesday, May 28, 2025. Subject to the Shareholders' approval at the AGM, the final dividend is expected to be paid to the Shareholders on or before Thursday, June 19, 2025.

### **CLOSURE OF REGISTER OF MEMBERS FOR AGM**

The register of members of the Company will be closed from Wednesday, May 14, 2025 to Monday, May 19, 2025, both days inclusive, in order to determine the eligibility of the Shareholders to attend and vote at the AGM to be held on Monday, May 19, 2025. In order to be eligible to attend and vote at the AGM, all transfer accompanied by the relevant share certificates and transfer forms must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong before 4:30 p.m. on Saturday, May 17, 2025.

### **CLOSURE OF REGISTER OF MEMBERS FOR PROPOSED FINAL DIVIDEND**

The register of members of the Company will also be closed from Friday, May 23, 2025 to Wednesday, May 28, 2025, both days inclusive, in order to determine the entitlement of the Shareholders to the final dividend. The Shareholders whose names appear on the register of members of the Company at the close of business on Wednesday, May 28, 2025, will be entitled to the final dividend. In order to be eligible to be entitled to the final dividend, all transfers accompanied by the relevant share certificates and transfer forms must be lodged with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong before 4:30 p.m. on Thursday, May 22, 2025.

## **PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT**

This announcement is published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.haidilao.com](http://www.haidilao.com)).

The annual report of the Company for the year ended December 31, 2024 containing all the information required by the Listing Rules will be despatched to the Shareholders (if applicable) and published on the websites of the Stock Exchange and the Company in due course.

### **APPRECIATION**

The Board would like to express its sincere gratitude to the Shareholders, management team, employees, business partners and customers of the Company for their support and contribution to the Group.

By order of the Board  
**Haidilao International Holding Ltd.**  
**Zhang Yong**  
*Chairman*

Hong Kong, March 25, 2025

*As of the date of this announcement, the Board of Directors of the Company comprises Mr. Zhang Yong as the Chairman and Executive Director; Mr. Zhou Zhaocheng as the Vice Chairman and Executive Director; Mr. Gou Yiqun, Mr. Li Peng, Ms. Song Qing and Ms. Gao Jie as Executive Directors; and Dr. Chua Sin Bin, Mr. Hee Theng Fong, Mr. Qi Daqing, Dr. Ma Weihua, Mr. Wu Xiaoguang and Mr. Zhang Junjie as Independent Non-executive Directors.*