



Xiabuxiabu Catering Management (China) Holdings Co., Ltd.

呷哺呷哺餐飲管理（中國）控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 520



2024

Environmental, Social and
Governance Report

ABOUT THIS REPORT

REPORTING PERIOD

This report covers the period from 1 January 2024 to 31 December 2024, with some information and figures tracing back to earlier years beyond the stated reporting period.

PUBLICATION CYCLE

This report is an annual report.

ORGANIZATIONAL SCOPE

Xiabuxiabu Catering Management (China) Holdings Co., Ltd. and its subsidiaries, including Xiabuxiabu Catering Management Co., Ltd. (呷哺呷哺餐飲管理有限公司), Xiabuxiabu Catering Management (Shanghai) Co., Ltd. (呷哺呷哺餐飲管理(上海)有限公司), Xiabuxiabu Catering Management (Tianjin) Co., Ltd. (呷哺呷哺餐飲管理(天津)有限公司), Xiabuxiabu Catering Management (Shenzhen) Co., Ltd. (呷哺呷哺餐飲管理(深圳)有限公司), Coucou Catering Management Co., Ltd. (湊湊餐飲管理有限公司), Coucou (Tianjin) Catering Management Co., Ltd. (湊湊(天津)餐飲管理有限公司), Xiabuxiabu (Shanghai) Food Co., Ltd. (呷哺呷哺(上海)食品有限公司), Xiabu (Shanghai) Design Engineering Co., Ltd. (呷哺(上海)設計工程有限公司), and Xilin Gol League Yishun Halal Meat Co., Ltd. (錫林郭勒盟伊順清真肉類有限責任公司), etc.

COMPILATION GUIDELINES

The report has been prepared with reference to the Environmental, Social and Governance Reporting Guide (the “ESG Guide”) issued by the Hong Kong Stock Exchange, as well as the GRI Sustainability Reporting Standards issued by the Global Sustainability Standards Board (GSSB) and the Guidance on Fulfillment of Corporate Social Responsibility by Chain restaurants & E-Commerce Platforms (《實體連鎖企業／互聯網消費平台社會責任實施指南》) (2021 Edition) issued by the China Chain restaurant & Franchise Association (CCFA).

ESG REPORTING PRINCIPLES

- Materiality: In compliance with the materiality principle of the Stock Exchange, this report makes disclosure on the ESG related issues considered by the board of directors and the ESG Working Group, stakeholder communication, identification process of materiality issues and the matrix of materiality issues, details of which are set out in the respective section below.
- Quantitative: Statistical standards, methods, assumptions, and/or calculation tools of the quantitative key performance indicators herein as well as the sources of conversion factors, are all explained in the report’s glossary.
- Balance: This report shall provide an unbiased account of the Group’s performance during the reporting period, and shall avoid selections, omissions, or presentation formats that may inappropriately influence the readers’ decisions or judgment.
- Consistency: The statistical methodologies applied to the data disclosed in this report shall be consistent.

DATA SOURCE

All data are derived from the official documents and statistical reports of Xiabuxiabu Catering Management (China) Holdings Co., Ltd.

REFERENCE

In order to facilitate the presentation and reading, “Xiabuxiabu Catering Management (China) Holdings Co., Ltd.” and its subsidiaries are referred to as “the Company” or “we” in this report. Unless otherwise specified, the currency unit “Yuan” used in the report refers to “RMB”.

ACCESS TO THE REPORT

The electronic version is available on the Company’s website (<http://www.xiabu.com/>) and the website of The Stock Exchange of Hong Kong Limited (<http://www.hkexnews.hk>).

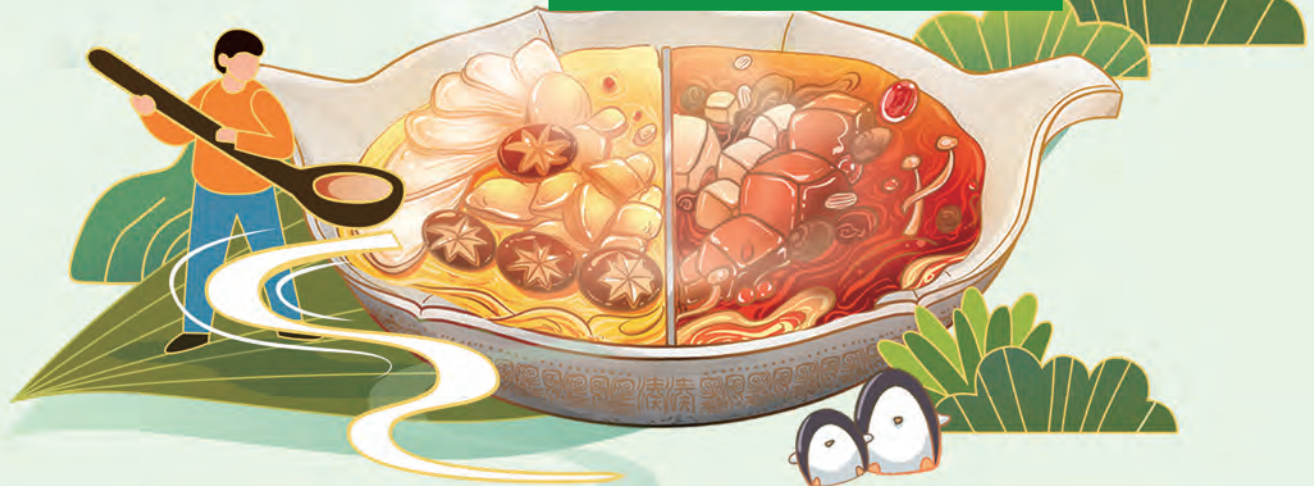
This report is published in both Chinese and English. Should there be any discrepancy between the two versions, the Chinese version shall prevail.

STATEMENT FROM THE BOARD

We undertake that the Company strictly complies with the disclosure requirements under the Environmental, Social and Governance Reporting Guidelines issued by the Hong Kong Stock Exchange in the preparation of the report. Delegated by the Board, the Company conducted the information collection and disclosure of the 2024 ESG. This report has been reviewed and approved by the Board for publication. In FY2025, the board of directors of the Company will further improve its ESG governance system to promote continuous enhancement in its ESG performance.

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Mr. Ho Kuang-Chi

Chairman of the Board

CHAIRMAN'S MESSAGE

In 2024, our key phrase is “steady growth”. We integrated the concept of sustainable development into every aspect of our corporate operations, emphasizing both the speed and quality of development. We continued to focus on brand building, digital leadership, optimization of development layout, and upgrading of the supply chain, constantly striving for breakthroughs. This shaped a healthy “constitution” for the Company, which achieved solid performance and steady business growth through prudent operations.

Adhering to quality and safety to safeguard the lifeline of the enterprise. We fully understand that every consumer places their trust in safe and healthy food when choosing Xiabuxiabu. To this end, we adhere to the fundamental principle that “quality derives from persistence”, taking food safety as our responsibility. We have established a strict and comprehensive food safety management system, covering all aspects from supplier management, source procurement, to acceptance testing, storage and distribution, and further to restaurant management, central kitchen and engineering management. We have continuously strengthened management to ensure that the ingredients delivered to the table are fresh, nutritious, safe and reliable. In 2024, we have continued to conduct product batch inspections, food safety management system certifications, supplier spot checks and risk assessments, as well as quality safety training. Our product batch inspection pass rate reached 100%, and the central kitchen strictly implemented the requirements of the ISO22000 food safety management system.

Strengthening supply chain control to ensure stable supply. We took the establishment of a secure and stable supply chain system as a top priority for corporate development, and insisted on building an efficient and sustainable supply chain. We have established a long-term and stable cooperative relationship with suppliers to jointly promote the optimization and upgrading of the supply chain. We have upgraded the digital control technology of our supply chain, achieved refined management of warehousing and real-time control of the transportation process, ensuring food safety and freshness while improving operational efficiency and reducing costs.

Low-carbon operation to promote sustainable development. We are committed to promoting the green transformation of the entire industry chain. In the design, decoration and operation of the restaurant, we have adhered to the goal of “creating an environmentally friendly restaurant” by using eco-friendly materials and energy-saving equipment to reduce energy and resource consumption and decrease carbon emissions. At the same time, we spared no effort in promoting full coordination of the industry chain, utilizing digital means to innovatively adopt the “farm-to-table” model, enhancing logistics and transportation efficiency, optimizing dish design, and effectively implementing anti-food waste initiatives. We also leveraged the advantages of wide restaurant coverage and frequent customer interactions to promote “Practice Thrift and Oppose Waste” through online and offline integration, and actively advocated and implemented the Clean Plate Campaign.



CHAIRMAN'S MESSAGE

Upholding a people-oriented approach to facilitate employee development. We fully understand that employees are the core driving force for the development of the enterprise, and therefore we have striven to create broad career development opportunities for them by providing abundant and diverse training resources to facilitate their continuous growth and self-transcendence. We firmly believe that every employee possesses immense potential and encouraged everyone to actively demonstrate their value with a striving attitude, contributing their strength on this platform full of opportunities and challenges. We actively fostered a positive environment of “Career Retention and Mutual Growth”, enabling employees to achieve their professional aspirations while also enjoying stability and happiness in life.

Striving to benefit society and dedicating ourselves to social public welfare. With a grateful heart for the source of our success, we actively engaged in social welfare activities, giving back to society through concrete actions. We provided steaming hot pots to the sanitation workers, allowing them to feel warmth and care amidst their busy schedules; established a comforting station for delivery riders, offering them a resting haven; and delivered educational resource packages to adolescent girls, so they can feel warmth and care on their path of growth. In 2024, we participated in 21 public welfare activities and projects, spreading warmth in small ways and contributing our strength to society.

After 26 years of dedicated efforts, we have consistently upheld the mission of “enabling more people to enjoy health, nutrition, taste and fashion”, taking each step with steadfast determination. The future is full of challenges, and we will continue to uphold our beliefs, embody the corporate spirit of “endless pursuit of excellence”, explore new opportunities in the midst of changes, leverage our strengths, and work together with all stakeholders to persistently move forward, entering a new stage of steady progress under the new circumstances.



ESG MANAGEMENT

ESG MANAGEMENT CONCEPT

The Company consistently adheres to the business philosophy of “giving top priority to the core interests of the customers”, and continuously pursues excellence in areas such as ingredient quality, service standards, management efficiency, work quality and talent development. We are committed to expanding across China and reaching the world, becoming the leader in national catering. Not only should it be a source of pride for the Chinese community, but also become a model of management in the industry, the preferred dining brand in the minds of consumers, the best employer recognized by employees, a reliable investment target trusted by investors, a dependable partner in the eyes of collaborators, and an outstanding corporate citizen acknowledged by society. The ESG management concept of the Company is deeply aligned with the Sustainable Development Goals proposed by the United Nations. In pursuit of goals such as no poverty, zero hunger, good health and well-being, we actively contribute our efforts, demonstrating the social value of a responsible enterprise through concrete actions and work together with all sectors of society to create a better future.

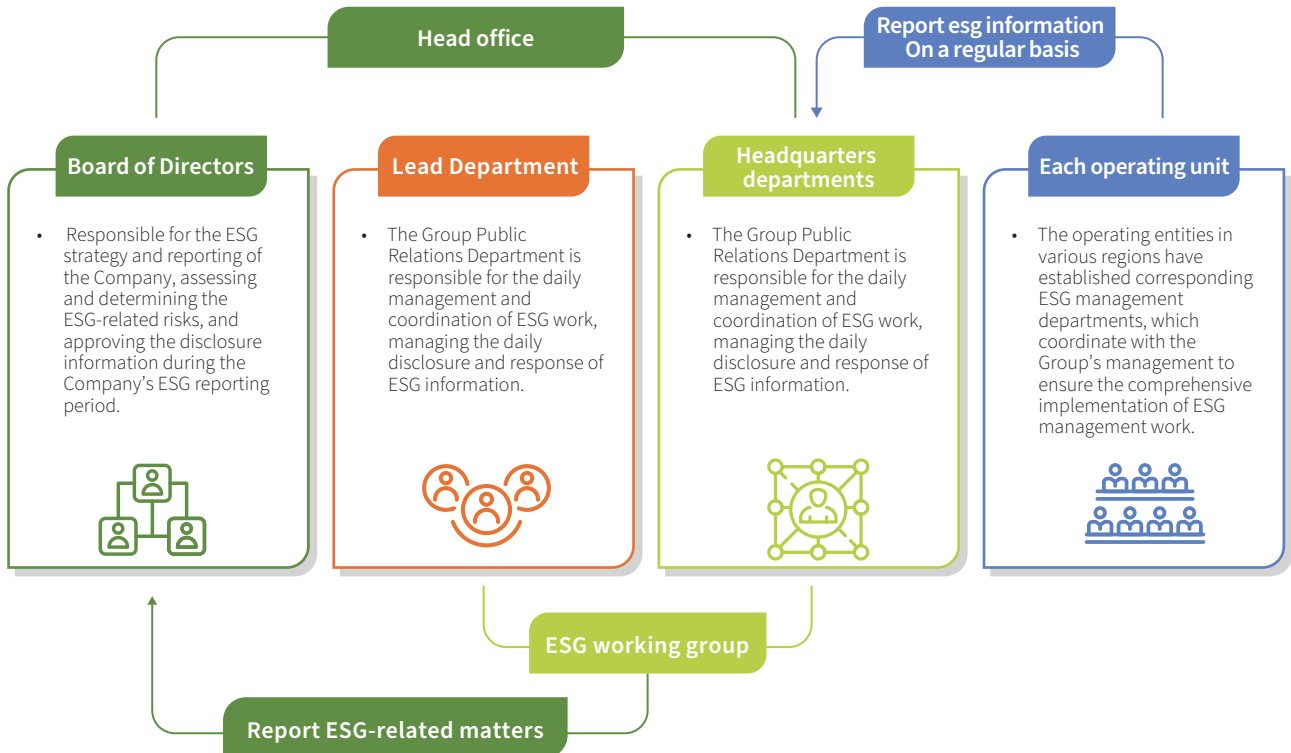


ESG MANAGEMENT

ESG MANAGEMENT STRUCTURE

The Company has established an interlinked ESG management mechanism to ensure the orderly implementation of ESG efforts. The board of directors of the Company is responsible for the development of ESG strategy and reporting thereon, and is also responsible for reviewing and making decisions on the material ESG-related issues of the Company. Our ESG working group, which consists of various departments involved in employees, food safety, environmental protection, public welfare and other ESG issues, takes the responsibility of reporting ESG matters to the board of directors.

The corporate public relations department acts as the leading department of the ESG working group, responsible for the coordination and arrangement of ESG work; while other departments of the head office are responsible for the implementation of specific tasks as well as maintaining and reporting the annual ESG information regarding the issues handled by the respective departments, coordinating the task implementation and information reporting by each operating entity, and assigning a contact person for the ESG work who is responsible for the coordination and management of the issues handled by the department that he/she works for. The relevant departments of local operating entities carry out the implementation of specific tasks in accordance with the requirements of the head office and report the ESG information on a regular basis, so as to establish an effective system for synergetic effect and coordination.





ESG MANAGEMENT

ESG INCENTIVES AND ASSESSMENT

To strengthen the management of ESG-related work and ensure the achievement of the sustainable development goals of the Company, the Company has linked the variable portion of executive remuneration to ESG-related indicators. To ensure the effective transmission of ESG management responsibilities, the Company has broken down ESG-related assessment indicators such as food safety, product and service quality, environmental compliance, and employee development into various departments, and continues to refine the assessment details of quantitative and qualitative indicators.

STAKEHOLDER COMMUNICATION

Maintaining communication with stakeholders and actively responding to their demands are important foundations for the Company to practice ESG management. We place great importance on communication and collaboration with stakeholders. Through smooth communication methods and diverse, open communication channels, we maintain good and effective communication with stakeholders such as the government and regulatory authorities, investors and consumers, actively understand and respond to the expectations and demands of various stakeholders. While operating in accordance with laws and regulations, we also fulfil our society responsibility and co-create sustainable value.

Stakeholders	Communication method	Expectations and demands	Our response
Government and regulatory authorities	<ul style="list-style-type: none"> Daily communication Submission of information Meeting discussion 	<ul style="list-style-type: none"> Compliance operation Stringent internal control and risk management 	<ul style="list-style-type: none"> Enhancing compliance operation Fulfilling tax obligations Strengthening internal control and risk management
Investors	<ul style="list-style-type: none"> Regular information disclosure General meetings Daily communication Official website Dedicated contact information for investor relations 	<ul style="list-style-type: none"> Satisfactory operating results Sustained and steady growth Operation with integrity and transparency 	<ul style="list-style-type: none"> Constantly improving our ability to create value Enhancing corporate risk management Promoting transparent and open information disclosure Enhancing investor management
Media and non-governmental organizations	<ul style="list-style-type: none"> Social media Press conference Seminars Official websites 	<ul style="list-style-type: none"> Propagating corporate strategic plan to external parties Obtaining public awareness of the Company and its brand Establishing a convenient, smooth and reasonable communication mechanism with the public 	<ul style="list-style-type: none"> Establishing a domestic and foreign media matrix Holding press conferences regularly Releasing corporate strategic information regularly Regularly participating in seminars and other activities for further engagement with the public

ESG MANAGEMENT

Stakeholders	Communication method	Expectations and demands	Our response
Consumers	<ul style="list-style-type: none"> • Customer service hotline • Official Weibo and WeChat account message interaction • Customer satisfaction survey • Communication in restaurants 	<ul style="list-style-type: none"> • Food safety • Efficient and quality service • Nutritious, healthy and diversified product mix • New brand building 	<ul style="list-style-type: none"> • Directly-operated chain restaurants • Implementing strict control over food procurement • Adopting centralized distribution approach • Elaborately preparing ingredients • Researching and developing new products • Developing new brands which adapt to the market • Optimizing dining environment • Safeguarding consumers' rights and interests
Environment	<ul style="list-style-type: none"> • Advocating the concept of environmental protection • Adhering to the strategy of sustainable development • Disclosure of environmental information 	<ul style="list-style-type: none"> • Supporting energy conservation and emission reduction, and promoting low-carbon lifestyle • Emission of greenhouse gas (GHG) • Kitchen wastes generated • Energy consumption • Resource conservation • Sticking to the strategy of green sustainable development 	<ul style="list-style-type: none"> • Promoting environmentally friendly and low-carbon restaurant operation • Strictly managing treatment of kitchen wastes • Garbage sort-out • Reducing use of plastic products and generation of wastes • Actively advocating the concept of green office
Employees	<ul style="list-style-type: none"> • Training exchange • OA platform announcement and feedback • Team-building activities • Regular communication meeting with new employees • Performance management mechanism 	<ul style="list-style-type: none"> • Protecting the legitimate rights and interests of the employees • Remuneration and benefits • Providing fair and equal employment opportunities • Providing diversified development and promotion opportunities 	<ul style="list-style-type: none"> • Implementing fair recruitment practice • Providing diversified training and study programs • Providing smooth career development path • Organizing staff activities to promote a healthy work-life balance
Suppliers and business partners	<ul style="list-style-type: none"> • Supplier assessment • Cooperation agreements • Regular visits 	<ul style="list-style-type: none"> • Fair procurement policy and fulfillment of promises • Ensuring food quality and safety • Local procurement 	<ul style="list-style-type: none"> • Enhancing procurement management • Implementing "farm-to-table" project • Implementing global procurement • Implementing fair and open procurement
Community	<ul style="list-style-type: none"> • Community activities • Community services 	<ul style="list-style-type: none"> • Promoting safety compliance operation • Organizing activities for community charity to promote harmony • Implementing green operation 	<ul style="list-style-type: none"> • Opening restaurants in communities • Enhancing restaurant safety management • Organizing public welfare activities

ESG MANAGEMENT

MATERIALITY ISSUES ANALYSIS

With reference to the Environmental, Social and Governance Reporting Guide as set out in Appendix C2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and international standards, the Company conducted assessment and analysis on the ESG-related issues through questionnaire survey, interview, communication and other means led by the ESG Working Group based on their respective importance to the stakeholders and the Company, and sorted out and prepared the ESG materiality matrix.

During the reporting period, we, on the one hand, sorted out the concerns over the Company by the stakeholders of various departments during the daily operation; on the other hand, handed out questionnaires to stakeholders including government and regulatory authorities, investors/shareholders, board members, senior management, employees, consumers, suppliers/contractors, business partners, communities, media, non-governmental organizations and experts. The results from communication and surveys with internal and external stakeholders served as the basis for prioritizing stakeholder-focused issues. Through the assessment, identification, and sorting of these issues, the Company's ESG materiality matrix was developed. In 2024, the Company identified a total of 42 issues, distributed and collected 317 valid questionnaires, and formed the materiality issue matrix as shown in the following diagram.



THEME 1: FOREST-FRIENDLY SUPPLY CHAIN PROMOTES SUSTAINABLE INDUSTRY DEVELOPMENT

As the largest direct-operated chain hotspot enterprise in China, the Company has officially become a partner of the “Forest-Friendly Supply Chain Transformation Initiative and Pilot”. This initiative was jointly launched by the Food Ingredients Supply Chain Association of China Federation of Logistics and Purchasing (CFLP) and the Beijing Representative Office of the World Wide Fund for Nature (Switzerland) in 2023, aiming at promoting the transformation and development of the food supply chain towards a forest-friendly direction, supporting the establishment of a green, low-carbon and circular agricultural product distribution system in China, so as to contribute to achieving the “dual-carbon” goals. The initiative marks a milestone as it comprehensively covers several key categories including soybeans, meat and palm oil for the first time.

Our purpose for joining the pilot is that we expect to achieve traceability of raw material origins and to contribute to the zero deforestation goal. The Company commits to eliminating deforestation in its supply chain by 2030, fully achieving forest-friendly procurement. To achieve the committed goals, the Company has established extremely stringent supplier entry standards in building a green supply chain management system. We have entered into sustainable procurement agreements with suppliers, explicitly requiring them to provide detailed information on the origin of ingredients to ensure from the source that the raw materials do not involve illegal deforestation activities. At the same time, we conduct regular on-site inspections of suppliers, with comprehensive and detailed assessments covering various aspects such as whether the production methods are environmentally friendly, the effectiveness of the environmental measures taken, and whether animal welfare is ensured. Once a supplier is found to be non-compliant, we will promptly propose rectification suggestions and provide a certain rectification period. If the standards are still not met after rectification, the Company will decisively terminate the partnership to encourage suppliers to adopt more sustainable production methods.

To enhance suppliers' awareness of forest protection and sustainable development, the Company actively establishes comprehensive communication channels with suppliers. We promise to strengthen communication and consultation with all stakeholders, continuously promote the dissemination of the concept of sustainable development in the food supply chain, and sharing and promotion of practical experiences. In 2024, the “Forest-Friendly Supply Chain Seminar” was successfully held, and the seminar invited experts from the World Wide Fund for Nature (WWF) to provide suppliers with an in-depth interpretation of the standards and requirements of a forest-friendly supply chain. We actively shared the Company's green sustainable development cases, enabling suppliers to learn relevant knowledge and experience more intuitively and deeply, thereby facilitating the practice of the forest-friendly concept. Simultaneously, we have established a regular communication mechanism through regular video conferences and on-site visits to promptly understand the issues and difficulties encountered by suppliers during the production process, and jointly explore solutions with all parties involved.



THEME 1: FOREST-FRIENDLY SUPPLY CHAIN PROMOTES SUSTAINABLE INDUSTRY DEVELOPMENT

The Company has identified beef as a key focus commodity in its forest-friendly project, meticulously reviewing its procurement process through transformation tools and establishing a regular traceability mechanism. In the meantime, the project has set clear objectives to support forest conservation through practical actions. The Company has taken the following measures: on the one hand, constructed a green supply chain management system to guide suppliers in adopting more responsible production methods, reducing environmental impact, and regularly conducted environmental assessments of various supply chain stages, prioritizing suppliers with good performance; on the other hand, established effective communication mechanisms with the origins and manufacturers of forest-friendly ingredients, enhanced suppliers' awareness of forest protection and sustainable development through regular exchanges, and promoted mutual understanding and cooperation on sustainable development issues to jointly advance the supply chain towards a green and sustainable direction.

In 2024, in terms of supply chain traceability, we will focus on beef suppliers with a verifiable traceability rate of zero and a deforestation rate of zero. In terms of deforestation risk management, we have strengthened supervision and management of suppliers with potential deforestation risk farms, gradually guiding them towards zero deforestation transformation without compromising the stability of the supply chain. In terms of optimizing the procurement structure, we have continuously increased the proportion of purchases from zero-deforestation farms, with plans to raise the proportion of zero-deforestation beef procurement to over 80% in the coming years. We aim to gradually reduce procurement from farms with deforestation risks and establish long-term stable partnerships with more responsible suppliers. In terms of consumer guidance, we have further intensified our promotional efforts, utilizing various online and offline channels to educate consumers about the importance of forest-friendly ingredients. We also actively participated in industry exchanges and cooperation, sharing our successful experiences with other enterprises, jointly promoting the green transformation of the entire catering industry, and contributing greater efforts to global forest protection and sustainable development.



THEME 2: INTELLIGENT WAREHOUSING ENABLES SUPPLY CHAIN UPGRADES

On 3 August 2024, the Company's new logistics center officially commenced operations. This marks an important step forward for the Company in supply chain construction, further enhancing the overall strength of logistics and distribution, and strengthening the core competitiveness of the supply chain system in terms of hardware. The new logistics center is located in Daxing District, Beijing City, covering an area of approximately 12 thousand square meters, and is divided into a main warehouse building and an office area. The maximum storage capacity of the main warehouse building has increased by more than 100% compared to before, featuring ambient temperature storage, a freezer, and a logistics loading and unloading area, enabling direct distribution of ingredients without breaking the cold chain. The new logistics center, serving as the core hub of the supply chain, undertakes critical tasks such as food storage, transit and distribution scheduling. The Company's founder and Chairman, Mr. Ho Kuang-Chi, stated: "The new logistics center represents the most advanced and powerful logistics distribution system in the catering industry. Its launch will assist the Group in building an agile supply chain system, achieving standardized and centralized management, and empowering long-term business growth."

At the management level, the Company has established a rigorous and comprehensive management system to ensure the efficient operation of the new logistics center. In terms of energy consumption management, we have divided the power switches into different zones, segmenting the warehouse into multiple independent power usage areas. Each area has a designated primary and secondary person responsible for overseeing the power usage in that area. By establishing a detailed schedule for switching on and off, we have achieved precise control over power resources. The Company has clearly set energy-saving target values for equipment such as air conditioners and through-the-wall air coolers, which play a crucial role in temperature regulation. According to different seasons and operational needs, we set the air conditioner at 26° C and the through-the-wall air cooler at 1 – 7° C, and turn on the equipment one hour in advance for site cooling. This ensures an appropriate working environment temperature while avoiding energy loss caused by prolonged idle operation of the equipment. In terms of water source control, the Company has designated regional personnel as the primary responsible party and the team leader as the secondary responsible party, strengthening the supervision and management of water resource usage. We have acquired high-pressure washers, which leverage the efficient cleaning capability of high-pressure water flow. In tasks such as cleaning vegetable baskets, only a small amount of water resources is required to achieve excellent cleaning results, significantly enhancing the utilization efficiency of water resources and reducing water wastage.

In terms of equipment allocation, we have fully considered the special requirements for food storage and transportation, carefully selecting and configuring various types of equipment. The warehouse utilizes a three-dimensional racking storage method, which fully exploits vertical space. Compared to traditional flat storage methods, this design significantly enhances the warehouse's storage capacity. Meanwhile, the three-dimensional racking facilitate the classification, storage, and quick retrieval of goods. Staff can quickly locate the required items based on information such as the type and batch of goods, thereby improving the efficiency of inventory counting and inbound/outbound operations.

In the selection of transport vehicles, we have established strict standards. The operational lifespan of all vehicles must not exceed six years, and it is required that they have never been involved in any major traffic accidents to ensure stable and reliable performance. We choose refrigerated trucks capable of reaching temperatures below -18° C to meet the transportation needs of frozen ingredients such as seafood and meat. We require that the vehicle body must remain clean and odor-free to prevent contamination of the food. In order to uphold the concept of environmental protection, the Company prioritizes the use of new energy vehicles, such as hydrogen fuel cell vehicles and electric vehicles, which not only reduce carbon emissions but also establish a positive social image for the Company. In addition, each refrigerated vehicle is equipped with thermal insulation panels, effectively separating the frozen and refrigerated areas, ensuring that food at different temperature zones maintains optimal quality during transportation. We utilize an advanced temperature monitoring system to track the temperature changes inside vehicles during transportation in real-time. If there is any abnormal fluctuation in temperature, the system will immediately issue an alert, allowing drivers and relevant personnel to promptly take measures to adjust and ensure that the quality of the food is not affected. This reasonable equipment configuration fully meets the storage and transportation needs of different ingredients, providing a solid hardware guarantee for the stable operation of the Company's supply chain. The Company continues to implement a fast handover model, optimize delivery processes, and increase the inter-depot vehicle movement rate, reducing over 800 trips annually, thereby minimizing the impact on the traffic environment and enhancing the overall efficiency of logistics distribution.

The commissioning of the new logistics center has not only enhanced the Company's logistics and distribution capabilities, but also further consolidated its leading position in the catering industry. In the future, we will continue to drive the upgrade of the supply chain system through technological innovation and management optimization, providing consumers with higher quality services and safer food.



INTELLIGENT WAREHOUSING ENABLES SUPPLY CHAIN UPGRADES





ABOUT US

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ABOUT US

1.1 COMPANY PROFILE

The Company was founded in Beijing in November 1998 and was listed on the Main Board of the Hong Kong Stock Exchange on 17 December 2014, and is known as the “first stock of chain hot pot” in the industry. After more than 20 years of development, the Company has become a catering group company with multi-brand operations and a full industrial chain layout. The Company’s business scope covers the entire catering industry chain, including brand catering operations, meat processing, supply chain circulation, channel sales, engineering design and commercial real estate. The Company’s restaurants are all developed by the model of direct chain restaurants, with a layout covering 28 provinces in China, including Hong Kong, China and Taiwan, China, and exploring international markets such as Singapore. Currently, the Company has nearly 1,000 restaurant outlets, with an annual revenue exceeding RMB4.7 billion and more than 20,000 employees.

We are establishing a multi-brand strategy of “Proceeding in tandem”. In the branded catering sector, the Company offers Taiwanese-style mini hotpot “Xiabuxiabu”, light luxury Taiwanese-style hotpot brand with ingredients “Cocou”, and new-style tea beverage “Tea Mi Tea”, etc. In the new retail sector, it has launched “Xiabu Food” and “Yixin Chu” brands, focusing on hotpot soup bases, dipping sauces, prepared dishes, convenience food and others. To further establish our presence in the upstream supply chain, we acquired Xilin Gol League Yishun Halal Meat Co., Ltd., a national key leading enterprise in agricultural industrialization, in 2019. Its business scope includes cattle and sheep slaughtering, processing, refrigeration, sales, and import and export trade. Based on over 20 years of experience in catering design and decoration, we established a design and engineering company in May 2021, entering the catering industry’s decoration and design engineering sector with a market size of RMB100 billion. Currently, it has served multiple well-known catering brands.

We consistently uphold the mission of “enabling more people to enjoy health, nutrition, taste and fashion” and adhere to the corporate spirit of “endless pursuit of excellence” to keep the feet on the ground. We always practise the core values of “unity, pragmatism, integrity, diligence and creativity” and work hard to achieve the goal that “Where there are Chinese, there will be Xiabuxiabu restaurants”, embrace unknown challenges and constantly keep moving forward, so that China’s food culture can go global.



ABOUT US

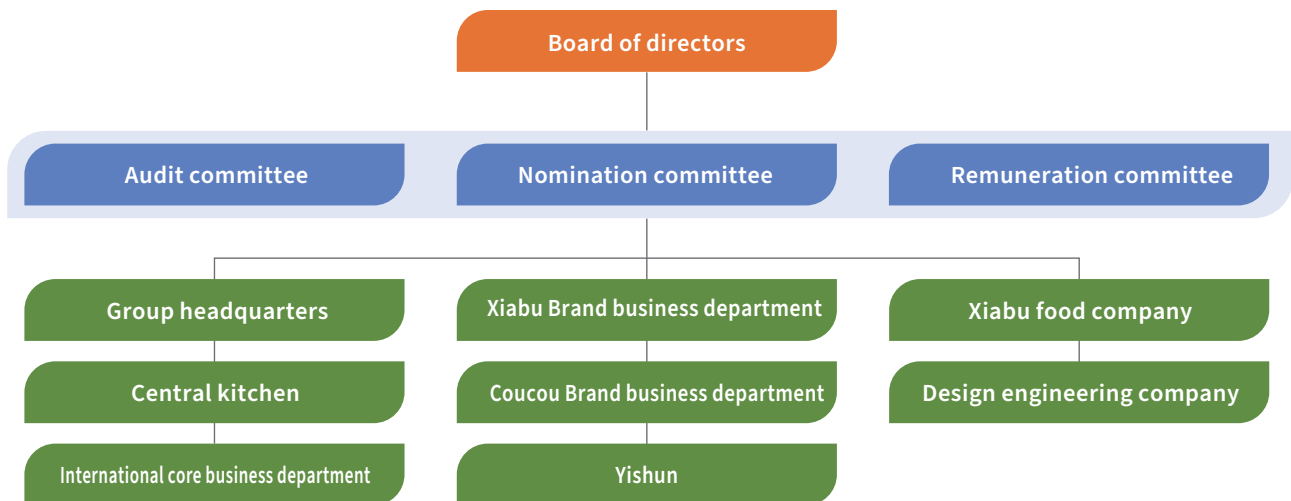
Development History of the Company

1998	We launched the Taiwanese-style “Xiabuxiabu” mini hotpot brand and pioneered the “choosing your own pot” mini hotpot business model
1999	The first restaurant of the Company – the Restaurant at Pearl Xidan, Beijing was officially opened
2003	The Company became a well-known hotpot brand in Beijing with its distinctive business mode of “choosing your own pot”
2008	We introduced institutional capital to accelerate expansion, and gained financial support from Actis (a global emerging market private equity fund)
2009	The Company began entering a rapid development stage and was ranked as one of the top 100 restaurant brands in China
2013	The Company had become one of the major chain catering enterprises in China with a total of over 400 restaurants
2014	The Company was successfully listed on the Main Board of Hong Kong, making it the first listed chain hotpot brand in China on the HKEX
2016	We launched the light luxury Taiwanese-style hotpot brand with ingredients “Coucou”, officially entered the mid-to-high end sector of catering, and launched the multi-brand strategy
2017	We deployed new retail channels, successively launched the “Xiabu Food” “Yixin Chu” brands
2019	We deployed upstream supply chain and fully acquired the national agricultural industrialization enterprise Xilin Gol League Yishun Halal Meat Co., Ltd.
2021	We launched the expansion strategy of “expansion into the Eastern regions and entering the Southern regions”, accelerating internationalization and digital transformation; We established Xiabu (Shanghai) Design & Engineering Co., Ltd., officially entering the catering industry’s decoration sector with a market size of RMB100 billion
2022	We launched a new brand of happy barbecue “Shaohot”, deployed the mid-to-high end barbecue sector; We launched a multi-brand members system to digitally lead the development of the entire catering industry chain; We initiated the “Beijing-Shanghai Dual Headquarters” management model to facilitate the southward and overseas expansion
2023	We established Hong Kong, Macau, Taiwan and International Business Departments to initiate global expansion; Launch of the Company’s first restaurant in Singapore and first restaurant in Taiwan; Take the lead in promoting the cross-brand paid membership model, focusing on digital membership marketing
2024	We continued to develop the paid membership system – all-you-can-eat card; We collaborated with numerous well-known brands to drive brand momentum; We enriched the product line through multiple dimensions to create a product matrix

ABOUT US

1.2 CORPORATE GOVERNANCE

The Company has established a comprehensive organizational structure to meet the compliance requirements, and makes necessary adjustments in a timely manner according to its own development needs. The Board is responsible for guiding and supervising the overall business development of the Company, and has established the Audit Committee, the Nomination Committee and the Remuneration Committee. In addition to the functional departments of the headquarters, the Company has also established the Xiabuxiabu Business Department and the Coucou Business Department, etc., which are specifically responsible for the operation and management of their respective brands.



• Independence and effectiveness of the Board

The Board of Directors of the Company consists of one executive director, two non-executive directors and three independent non-executive directors. The independent non-executive directors of the Company possess ample experience and have no business or other relationships that could significantly affect their independent judgment, enabling them to provide fair and objective opinions to protect the interests of the Company's shareholders.

• Board diversity

We believe that diversity at the board level is an essential element for the Company to maintain competitiveness and achieve sustainable development. Therefore, we have formulated and adopted a board diversity policy. When determining the composition of the Board, we consider board diversity from multiple aspects including but not limited to gender, age, cultural and educational background, industry experience, technical and professional skills, qualifications, knowledge and length of service as well as time commitment to serve as a director of the Company, etc. To maintain and achieve gender balance among directors, the current proportion of female directors is 50%. The directors have diverse educational backgrounds in economics, business administration and law, involving various industries such as catering, accounting and financial management. The diversified background of directors provides governance and development recommendations from different perspectives for the Company.

ABOUT US

1.3 COMPLIANCE OPERATION

The Company consistently adheres to compliant operation in accordance with the law. The Company continuously improves its risk management and internal control systems, enhances its risk management capabilities, and ensures the healthy and sustainable development of its business; the Company abides by business ethics, strengthens the construction of the anti-fraud system, actively conducts anti-corruption training, and builds a fair, honest, trustworthy, and transparent business environment. The Company focuses on establishing and maintaining its own brand image, protecting its intellectual property rights from infringement, and safeguarding its legitimate interests.

- Risk management

Establish a risk management-driven internal control system

Starting from critical links and key business areas, we monitor high-risk areas in the process of production, operation and management, and regularly analyze and evaluate significant risks to prevent the occurrence of major risks and substantive deficiencies. We analyse the existing events or potential major and important risks, develop countermeasures, solutions or improvement measures, gradually promote the organic integration of internal control management and risk management, and further improve risk prevention and resistance capabilities.

In 2024, we built a risk management framework in line with the Company's development strategy and risk preferences, business segments, organizational structure and financial materiality levels, and carried out inherent risk identification and assessment, effectiveness evaluation of control measures, residual risk assessment and continuous supervision and other work. The work scope covered nine major modules, including company level, supply chain management, research and development management, quality management, restaurant development and market operation. In the meantime, we closely participated in the processes of 77 key business areas such as asset requisition, procurement, engineering management, contract and intellectual property rights management, renewal and closure of new sites, market activity management, research and development management, and system/special approvals. We supervised the effectiveness of control measures, especially providing timely warnings, interventions and optimization of control measures for processes related to operational risks.

ABOUT US

Improve the operation and management mechanism based on the internal control system

We have integrated the construction of the internal control system into daily work, continuously improving and optimizing it. In the year 2024, we further strengthened the internal control system and improved the operation and management mechanism by improving system construction, streamlining work procedures and optimizing business processes.

Improving system construction

In accordance with the basic framework and overall requirements of the internal control system, combined with the actual production and operation situation, we have built a textualization system that conforms to its own actual situation to make it more feasible and operable. In 2024, we formulated and revised 10 systems.

Streamlining work procedures

We have continued to optimize our workflow, and by improving each business link, we further clarified the responsibilities and collaboration between departments, positions, and between supervisors and subordinates, so as to achieve efficient, smooth and synergistic operation of work procedures.

Optimizing business processes

We have implemented compliance inspections and whole-process tracking of business processes, promptly resolved problems found, optimized and simplified work processes, rationalized business relationships, unified and standardized work procedures, and improved work efficiency. In 2024, we sorted out a total of 190 OA processes and optimized 107 processes.

Conduct internal control and audit work throughout the entire process, focusing on tracking and evaluating effectiveness

Our internal control and audit work spans the entire business process, with internal control personnel participating in various procurement and competitive bargaining negotiation meetings organized by departments beforehand, exercising internal control supervision rights. During the audit process, we focus on the in-depth analysis of issues, provide practical and effective audit recommendations, and regularly check the implementation of audit recommendations and track rectification progress to consolidate audit results. In 2024, the Company conducted 14 internal control projects, identified 30 issues and completed 28 rectifications and disposals. At the same time, we comprehensively utilized various methods such as settlement audit, review and special sorting to carry out related work in engineering auditing, so as to enhance the control level of design engineering, and reduce costs while increasing efficiency.

• Business ethics

The Company strictly abides by the Company Law of the People's Republic of China, the Criminal Law of the People's Republic of China, the Criminal Procedure Law of the People's Republic of China, the Anti-money Laundering Law of the People's Republic of China and other laws and regulations, continuously strengthening the construction of anti-corruption and anti-fraud systems, improving internal management systems and consolidating management foundations. The Company has established an independent risk-oriented internal control system based on the separation of decision-making, execution and supervision, with a prevention-oriented and complementary crackdown approach, to identify fraud risks, investigate reported issues and maintain zero tolerance towards corruption and fraud.

ABOUT US

**Improve the
anti-corruption
system**

The Company has publicly released the “Anti-Corruption and Integrity Self-Discipline Statement”, published the “Chairman’s Open Letter” and required cooperating suppliers to sign the “Anti-Commercial Bribery Agreement” as well as the “Supplier Integrity Commitment”.

The Company has joined enterprise anti-corruption organizations such as the “Trust and Integrity Enterprise Alliance” and included suppliers and employees who violate the integrity principles into the blacklist of the platform, so as to promote resource sharing, strengthen the exchange, sharing and learning of enterprise anti-fraud experiences.

**Provide smooth
reporting channels**

The Company has formulated the “Integrity and Reward Measures for Whistleblowing of Xiabu (《廉潔呷哺舉報獎勵辦法》)” and widely publicized the Company’s reporting reward policy and reporting channels through various means such as the Company website and internal training, fully utilizing the reporting functions of each channel. In order to safeguard the rights of whistleblowers, we have established strict whistleblower protection measures. We strictly prohibit the disclosure of any personal information such as the name, address and phone number of the whistleblower in any form. In the whistleblowing acceptance stage, we assign dedicated personnel to handle it through specialized channels, ensuring that no unrelated personnel are present during the acceptance process, thereby preventing information leakage from the source; during the investigation and verification phase, we strictly prohibit the presentation of original or photocopied reporting materials and forbid handwriting identification of anonymous reporting materials; we have also established a punitive mechanism against retaliating against whistleblowers.

ABOUT US



Enhance the integrity awareness among employees

New employees are required to learn and sign the “Employee Manual” and the “Code of Business Conduct and Ethics” upon joining the Company. Full-time employees must complete the integrity courses through Xiabu Academy. In 2024, we updated the anti-corruption and integrity training materials, along with supporting videos and tests, to ensure that employees receive the latest integrity education in a timely manner.

The Company has strengthened the promotion of anti-corruption and integrity culture: producing integrity-themed posters, conducting promotions through internal announcements on corporate WeChat, email notifications and posting on bulletin boards in office areas during festive periods to enhance educational efforts, encouraging employees to proactively refuse gifts/cash gifts from suppliers.



Conduct anti-corruption inspections

The Company conducts special investigations on corruption and fraud cases, prioritizes the investigation and handling of such cases, and imposes heavy punishments on those who violate relevant disciplines, so as to implement anti-corruption and anti-fraud measures effectively.

In 2024, we conducted two anti-corruption and integrity training sessions with 18,227 participants; the business ethics and code of conduct training had 331 participants.

ABOUT US

• Intellectual property rights protection

The Company strictly abides by the Trademark Law of the People's Republic of China, the Patent Law of the People's Republic of China, the Copyright Law of the People's Republic of China, the Anti-unfair Competition Law of the People's Republic of China, the Implementation Regulations of the Trademark Law of the People's Republic of China, the Implementation Rules of the Patent Law of the People's Republic of China and other laws and regulations. It places great emphasis on intellectual property rights protection, adheres to the management philosophy of promoting healthy development of its own brand and implementing strict punishment against infringement, enhances management over the Company's brand trademark registration, expands the use and influence of trademarks, and strengthens protection for trademarks, copyrights and other intellectual property rights.

The Company actively takes measures to fight various intellectual property infringements, and combats infringements by filing trademark opposition applications, filing applications for trademark invalidation, and issuing infringement notice letters to infringers, etc. We protect intellectual property rights through litigation if necessary to safeguard the Company's legitimate rights and interests. In the meantime, we place copyright protection in a more critical position and actively engage in reasonable planning for the development of our own IP.

During the reporting period, the Company continued to enhance its trademark registration management, and successfully applied for several of its own brand trademarks, expanding the trademark reserve of the Company. Meanwhile, we took active initiatives to fight against intellectual property infringements by initiating trademark invalidation procedures, effectively curbing infringements involving maliciously registered imitated trademarks. Faced with a series of malicious registration actions such as "Jiabu", "Shenbu", "Shenbu", "Yuebu", "Xiapuxiapu" and "Qiabuxiabu", we decisively took legal action, thus effectively safeguarding the brand rights of the Company as ultimately the aforementioned trademarks were ruled invalid by China National Intellectual Property Administration.

In order to further enhance brand influence and increase brand recognition, we have chosen the popular cartoon image "Xiabuxiaohu" to carry out the comprehensive intellectual property layout, focusing on creating a unique IP for Xiabu. We conducted in-depth processing of cartoon images, meticulously planning around multiple dimensions such as copyright, trademarks, patents and digital products to achieve comprehensive, three-dimensional protection of intellectual property rights, thereby enhancing the overall soft power of the Company's brands.

1.4 REVIEW OF OPERATING RESULTS

In 2024, we continuously optimized our management structure and operational model to further implement the strategic layout of the Group's multi-brand and multi-business modes, ensuring stable development and continuously creating value for all stakeholders.

- Revenue of RMB4,754.84 million
- As of 31 December 2024, the Company has a total of 957 restaurants
The Group owned and operated 757 Xiabuxiabu restaurants in 115 cities across 21 provinces and autonomous regions and in 3 centrally administered municipalities (Beijing, Tianjin and Shanghai) in mainland China, and owned and operated 3 Xiabuxiabu restaurants outside mainland China
The Group also owned and operated 181 Coucou restaurants in 38 cities across 18 provinces and 3 centrally administered municipalities (Beijing, Tianjin and Shanghai), and owned and operated 16 Coucou restaurants outside mainland China
a total of 19 overseas restaurants, covering 3 cities
65 new Xiabuxiabu restaurants and 13 new Coucou restaurants were opened in 2024

ABOUT US

1.5 HONOURS AND AWARDS

“High quality from persistence” is the rule of success for the Company and the attitude we have always adhered to. While continuously developing ourselves, we have also gained recognition from the industry and won preference and high praises from vast consumers, being listed as one of the “Top 100 Restaurant Brands in China” for over ten consecutive years, among other honors. The Company and its major brands have successively received numerous honorary awards and titles such as “Top 10 Hotpot Brands in China”, “Top 50 Catering Enterprise (Group) in Beijing” and “Top 100 Catering Enterprise in Beijing” since 2010.

While pursuing quality, we also actively assume social responsibilities and engage in public welfare undertakings, earning honors such as the “Outstanding Contribution Award” presented by China Foundation for Rural Development. We always hold ourselves to higher standards, with an unending pursuit of excellence.

Awards	Issuing institutions
2023 Top 100 Restaurant Brands in China – Xiabuxiabu Catering Management Co., Ltd.	China Cuisine Association
2023 Top 100 Restaurant Brands in China – Coucou Catering Management Co., Ltd.	China Cuisine Association
2023 Top 100 Hotpot Brands in China – Xiabuxiabu Catering Management Co., Ltd.	China Cuisine Association
2023 Top 100 Hotpot Brands in China – Coucou Catering Management Co., Ltd.	China Cuisine Association
2024 China Chain restaurant & Franchise Association Innovation Case – Xiabuxiabu Group’s Digital Integrated Marketing Achieves Membership Fees Exceeding RMB150 million	China Chain restaurant & Franchise Association
2024 China Chain restaurant & Franchise Association Innovation Case – Xiabuxiabu Green Design Creates Environmentally Friendly Restaurant	China Chain restaurant & Franchise Association
Hurun China Top 100 Restaurant Brands 2024 – Coucou Hotpot	Hurun China Brands
2024 Top 100 Catering Brands – Coucou Hotpot	canyin88.com

ABOUT US

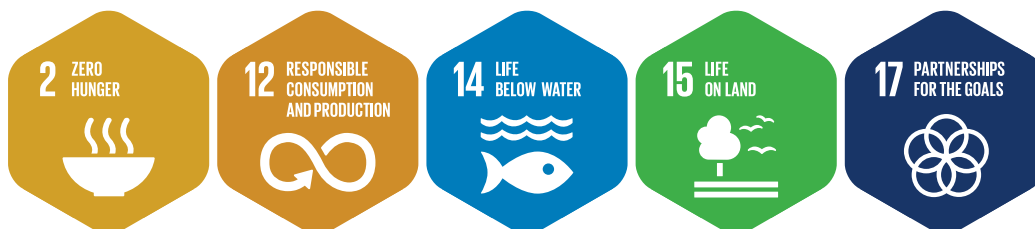
Awards	Issuing institutions
2024 China ' s Top 10 Innovative Catering Brands List Hot Pot Category – Xiabuxiabu	watchn.com
2024 China ' s Top 10 Innovative Catering Brands List Industry Benchmark – Coucou Hotpot	watchn.com
2023-2024 Top 50 Catering Enterprise (Group) in Beijing – Xiabuxiabu	Beijing Cuisine Association, Beijing Business Today
2023-2024 Top 100 Catering restaurants in Beijing – Xiabuxiabu	Beijing Cuisine Association, Beijing Business Today
2024 Top 100 Leading Brands – Coucou Hotpot	winshang.com, Zhongcheng Research Institute
Xiabuxiabu Group 2024 Clear Plate Star	Office of the Capital Spiritual Civilization Construction Committee, Beijing Municipal Commission of Development and Reform, Beijing Municipal Food and Strategic Reserves Bureau, Beijing Municipal Commerce Bureau, Beijing Municipal Market Supervision Administration, etc.
2024 Most Valuable Impact List Innovation and Sustainable Development Award – Xiabu Group	Cailian Press
2023 Outstanding Contribution Award – Xiabu Group	China Foundation for Rural Development
2024 Excellence in Collaboration Award – Xiabuxiabu	Bank of Beijing
2024 Zhangshang Life Must-Have List Signature Restaurant – Xiabuxiabu	China Merchants Bank



**QUALITY AS THE
FOUNDATION,
INNOVATION AS
THE WINGS**



QUALITY AS THE FOUNDATION, INNOVATION AS THE WINGS



As a catering group with 26 years of operation, we deeply understand that food safety is the lifeline of an enterprise. Therefore, we always adhere to a development strategy based on food safety, ensuring the safety and freshness of every ingredient through a comprehensive management system and stringent inspection processes.

2.1 SAFEGUARDING FOOD QUALITY

- Sustainable product management

The Company always regards the sustainable management of ingredients as a core component of its corporate responsibility. The Company actively adopts internationally recognized certification standards to ensure the sustainability of ingredient sources. By establishing a comprehensive traceability system, we conduct strict monitoring of the entire value chain of products, from raw material procurement to processing, transportation and final sale. Every stage is meticulously managed to strive to provide customers with sustainable food throughout the process, while also contributing to the protection of marine resources, forest resources and biodiversity.

The sustainable food management standards of the Company:

Indicator	Domestic ingredients	International food ingredients
Product certification	It must be legitimate factories with complete production qualifications and certificates, and enterprises certified by food safety systems are preferred.	It must be access factories registered and filed in accordance with the law in China, and enterprises certified by food safety systems are preferred.
Traceability of origin	Traceability to the place of origin and breeding information.	Traceability to the country of origin and factory registration number.
Supplier requirements	It must come from factories that have passed the review of two parties, after the communication and discussion in relation to the standard requirements of internal products, suppliers must provide certificates and invoices, as well as a full set of compliance procedures for raw materials.	It must be access factories registered and filed in accordance with the law in China. After the communication and discussion in relation to the standard requirements of internal products, suppliers must provide certificates and invoices, as well as a full set of compliance procedures for raw materials.

QUALITY AS THE FOUNDATION, INNOVATION AS THE WINGS

Seafood

We offer a wide range of seafood products, covering categories such as fish, shrimp, shellfish and mollusks, which are an important part of our dishes. Therefore, we adhere to a strict and scientific philosophy to strengthen sustainable management of seafood. We select companies with quality advantages within the industry as our partners, thereby ensuring a high degree of traceability of our products, allowing precise tracking back to the original suppliers. We clearly define sustainability requirements and management methods, prioritizing collaboration with companies that have a sustainable management philosophy and certification standards. All products are required to be imported through formal channels.

To ensure product quality and safety and promote the protection of marine resources and the ecological environment, we require and encourage suppliers to possess relevant certifications and standards that are highly recognized in the industry and internationally: the certification of Hazard Analysis and Critical Control Point (HACCP), which is a food safety certification, establishes a strong defense for food safety through detailed analysis and strict control of hazards in the food production process; British Retail Consortium Certification (BRC) is an international retail supplier evaluation standard, and it conducts stringent assessments on various aspects of suppliers' production, storage and distribution to ensure that the final products meet internationally recognized quality and safety standards; the certification of the Best Aquaculture Practises (BAP) covers the entire process from feed production, aquaculture, processing to distribution, with a strong emphasis on environmental protection, food safety and the welfare of employees and animals; the certification of the Aquaculture Stewardship Council (ASC) aims to transform aquaculture into an environmentally sustainable and socially responsible industry. It establishes standards in various aspects such as environmental protection, social responsibility and feed usage to ensure that the environmental impact of aquaculture is minimized and sustainable development is achieved; the sustainable management certification of the International Marine Council (MSC) focuses on assessing the sustainability of fishing activities, environmental impact and fishery management, strongly safeguarding the long-term health of fish resources and ecosystems.

Beef and dairy product

We offer a wide range of beef and dairy products. For beef products, we offer Wagyu raw beef with M4 – 8 grade, Angus select raw beef and grass-fed raw beef of various parts; dairy products cover ambient pure milk, ambient yogurt, fresh milk and cream products. Beef and dairy products occupy a central position on our menu as the primary sources of protein. To ensure reliable sourcing and full traceability, we have established a comprehensive traceability system that allows precise tracking from the source manufacturers, covering all stages from beef farmers, producers, slaughterhouses, transporters and porters, to distributors.

In selecting and managing suppliers of beef and dairy product, we not only focus on product safety, health and high quality, but also incorporate sustainability and environmental protection into our considerations. We require suppliers of beef and dairy product to have professional and stringent certification standards, such as the Australian MSA system certification, the US PCSS certification, HACCP food safety certification and ISO 9000-12001 quality management system standards, to ensure that suppliers have systematic and standardized food safety management.

We also require suppliers to provide traceability documentation for the goods and ensure compliance with certification standards. In addition, we also focus on consumer preferences to better align with market demands. For companies that have established consumer recognition, we prioritize suppliers with high consumer recognition to further ensure the competitiveness and reputation of our products in the market.

QUALITY AS THE FOUNDATION, INNOVATION AS THE WINGS

• Food quality inspection system

We always believe that “high quality originates from persistence”, regarding food safety and quality as the lifeline and cornerstone of the Company’s development. It is our unwavering pursuit to establish a sound food safety system and firmly control food safety. We strictly abide by relevant laws and regulations such as the Food Safety Law of the People’s Republic of China, the Code of Practice for Food Safety in Catering Services as well as laws and regulations in various overseas regions. We have consistently focused on the entire supply chain, from supplier management, upstream procurement, acceptance testing, warehousing and distribution, to restaurant management, central kitchen and factory management, as well as infrastructure construction. We continuously strengthen management and establish a comprehensive system to conduct all-round food safety governance and supervision. In 2024, the central kitchen’s product batch inspection pass rate was 100%, the government sampling inspection pass rate was 100%, there were no customer complaints about central kitchen products, and no food safety incidents occurred, establishing a good reputation for quality within the industry.

The Company has established a comprehensive and rigorous certification system to ensure the quality and safety of its various products, including HACCP certification, ISO 9000-12001 Quality Management System, etc., and regularly updated and verified relevant certification qualifications. In 2024, we upgraded the software and hardware of the central kitchen and obtained ISO 22000 Food Safety Management System Certification.

The Company adheres to strict and systematic policies and guidelines in food quality inspection. We strictly conduct inspections on each batch of delivered products based on the items and standards outlined in the product specification. The sensory inspection sampling rate for each batch should reach over 3%, and destructive testing is conducted through random sampling to ensure that the quality of each batch meets the standards. We have established various types of indicators for quality inspections on products, including sensory indicators for ingredient testing, key pesticide residue indicators for fruits and vegetables, and sensory indicators for non-food (food contact) testing, to ensure product quality consistency. We implement strict control over the food safety of suppliers, conducting one to two tests annually for potential food safety risk indicators to assess the suppliers’ food safety conditions. For suppliers with unstable quality, we conduct surprise inspections to confirm their daily management and promptly eliminate risks.

• Culture regarding quality and safety

We are committed to providing consumers with healthy, nutritious, delicious and trustworthy food. This is a reflection of the culture of food quality and safety that we are pursuing. We integrate food safety into corporate culture, strengthening employees’ safety awareness and operational standards through comprehensive training and supervision mechanisms. In terms of supply chain management, we adopt a stringent supplier rating system and self-operated base strategy to ensure the high quality of our ingredients.

We foster a deeper level of value recognition and behavioral norms through a food safety culture, conducting internal employee training and external supplier communication to create a food safety culture with universal participation and high recognition. In 2024, we conducted 331 training sessions on product safety and quality for employees, which was mandatory for new employees.

In addition, our food factory places great emphasis on product safety and quality, with food safety and quality training conducted accounting for 85% of all training conducted throughout the year, achieving 100% coverage among all employees. Among them, we conducted 11 training sessions on production quality control, mostly in the form of exams; and 6 training sessions on safety management, focusing on practical operations. Through quality control training, employees enhanced their quality control skills and optimized the quality inspection process. At the same time, we have developed a follow-up plan that links execution with performance, strengthening supervision and appraisal.

QUALITY AS THE FOUNDATION, INNOVATION AS THE WINGS

2.2 INNOVATING DIVERSIFIED MENU ITEMS

• Diverse ingredients

The Company always adheres to the principles of diversity, quality and health in ingredient selection, striving to comprehensively meet the dietary needs of consumers. We closely follow the trend of healthy eating by introducing a variety of nutritious and unique ingredients.

We offer a diverse range of seafood, including imported basa fish with tender and boneless meat; firm and nutritious black fish; plump and sweet-tasting Ecuadorian white shrimp; as well as Indian small green lobster, among others. The ingredients possess a high degree of traceability, allowing precise identification of the source manufacturers, ensuring that consumers can eat with peace of mind.

We are also fairly meticulous in selection of meat and poultry ingredients. Lamb (mainly Ujumqin Lamb from Xilin Gol League) is supplied by Xilin Gol League Yishun Halal Meat Co., Ltd., a subsidiary under the Group. Beef is sourced from premium regions, including whole beef brisket, beef chuck and ribeye. Poultry ingredients are sourced from quality supply bases to ensure freshness and safety of ingredients.

In addition to common vegetables, meats and seafood, we have also introduced organic vegetables, mushrooms and algae as specialty ingredients, providing consumers with a richer selection and contributing to a balanced and healthy diet. In addition, we focus on the regional characteristics and seasonality of ingredients, continuously exploring high-quality ingredients from various regions and incorporating them into our dishes, allowing consumers to taste the seasonal flavors of different regions.

• Diverse products

The Company always upholds the concept of craftsmanship, taking consumer needs as the starting point. In our development, we leverage new resources and new models to boldly break free from the constraints of traditional concepts. We deeply explore and continuously maintain our advantageous products, striving to build a research and development management system that is intelligent, pragmatic and service-oriented. We constantly optimize the menu structure to present customers with hotpot products that are green, nutritious, healthy, safe and delicious.

To ensure product quality and customer experience, we conduct continuous public taste optimization tests on existing products and carry out in-depth client testing research, making the product upgrade process more open and transparent, thereby enhancing customer satisfaction. In addition, we also introduce limited new products based on seasonal changes, regional characteristics and festive atmospheres, further enriching consumer choices and meeting consumption needs in different scenarios.

In 2024, we devoted substantial effort to the development of new dishes, aiming to bring consumers a completely new taste experience. From meticulously selected premium ingredients to ingenious dish combinations, from the inheritance of traditional classic flavors to the bold fusion of innovative tastes, every detail reflects the brand's persistent pursuit of quality and passionate exploration of innovation. Whether it is a reinterpretation of classic ingredients or a bold attempt with emerging ingredients, we strive to meet the diverse taste preferences of consumers while leading new trends in the hotpot industry.

QUALITY AS THE FOUNDATION, INNOVATION AS THE WINGS

Case: **Guifei Oolong**

Guifei Oolong, as a specialty drink launched by the Company, is loved by consumers for its unique flavor and elegant positioning. High-quality oolong tea is used as the base, complemented by selected jasmine fragrance, resulting in a rich and refreshing tea aroma. During the production process, tea leaf picking and roasting techniques is strictly controlled and selected to ensure that each cup presents the best taste and aroma.

Case: **Shaoxing Huadiao Drunken Chicken Hot Pot**

Shaoxing Huadiao Drunken Chicken Hot Pot is a highly distinctive soup base launched by the Company. Shaoxing Huadiao wine is adopted as its essence, paired with tender chicken, and through a unique cooking process, perfectly blends the freshness of the chicken with the rich aroma of Huadiao wine. During the preparation process, a chicken is soaked in Huadiao wine, which not only removes any unpleasant odor and enhances the aroma but also imparts a unique wine flavor to the chicken. The broth in the hotpot is rich and full-bodied, with a strong aroma of wine. When combined with other ingredients for cooking, it not only cuts through the richness but also adds a unique flavor.

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Case: **Chilled Coconut-flavored Chicken**

Chilled Coconut-flavored Chicken is a nationwide first-of-its-kind broth launched by the Coucou brand. The biggest highlight of this soup base is the combination of 100% pure natural chilled coconut balls with 110-day-old Hainan Wenchang free-range chicken in the pot. The instant contraction of the chicken upon contact with the ice water, followed by the slow warming as the chilled water melts, gradually opens up the chicken's structure, releasing a more delicious flavor.



Case: **Konbu Bonito Hotpot**

The Konbu Bonito Pot is a signature soup base launched by the Company in 2024, favored by consumers for its refreshing, light and appetizing characteristics. This soup base is made with selected high-quality kelp and bonito flakes. During the preparation process, konbu is soaked and simmered at a low temperature to release its natural umami, and then bonito flakes are added, resulting in a broth with a rich oceanic flavor. Whether it is simmering beef and lamb or vegetables, it can bring a unique taste experience.

QUALITY AS THE FOUNDATION, INNOVATION AS THE WINGS

• Diversified model

Under the backdrop of constantly evolving consumption trends, food companies accurately perceives the needs of young groups and small households, initiating a multi-scenario layout strategy. In 2024, the Company swiftly launched a series of frozen convenience dishes, such as fragrant fish soup with pickled cabbage, tender boneless black fish filet, nutritious fresh silver fish, nourishing and beautifying Buddha Jumps, and the enticing abalone fish maw chicken. These products have quickly captured the market with their convenience and rich flavors, with the annual sales of the fish series alone surpassing RMB50 million, successfully establishing a new growth engine beyond hotpot seasonings and solidifying the foundation for the Company's diversified product portfolio.

In the wave of digital marketing, the Company is bold in innovation and actively explores new sales paths. The Company and distributors joined forces to promote live streaming on WeChat channel. Through meticulously planned live streaming content, professional host explanations and diverse promotional activities, these live streaming events successfully attracted a large number of consumer attention, with the total transaction value of live-streamed products exceeding RMB10 million. This not only demonstrated the strong sales-driving capability of live streaming via video accounts but also enabled the Company to develop diverse sales channels, effectively reaching consumers and achieving efficient conversion from traffic to sales, further enhancing brand market share and influence.

• Researches on nutrition and health

In recent years, we have actively responded to the trend of healthy eating by designing nutritious meal sets based on dietary guidelines, combining over 20 types of food, including meat, eggs and vegetables, into platters to meet consumers' demand for healthy diets. In addition, we has also launched small portion dishes under our brand, actively responding to the practical initiative of green consumption and anti-food waste, working with consumers to contribute to reducing food waste.

Through digital operations and big data analysis, we accurately understand consumer needs and introduce diversified and healthy hot pot set meals and soup bases, such as nourishing soup bases like pork tripe chicken hot pot, to meet consumers' dual demands for health and taste.

In early 2024, the Company launched the zero-additive handcrafted butter series, targeting the spicy hot pot health market. Pure beef tallow is carefully selected for the product series, paired with meticulously developed proprietary stir-fried ingredients, strictly avoiding adding any preservatives or sweeteners during the production process, it retains the rich flavor of traditional hotpot base while aligning with current healthy eating concepts, making it highly favored by consumers.

QUALITY AS THE FOUNDATION, INNOVATION AS THE WINGS

2.3 OPTIMIZING AND UPGRADING SUPPLY CHAINS

• Supplier entry

The Company is always committed to establishing a supplier system with reliable quality, stable supply and high-quality services, to ensure food safety and enhance the core competitiveness of the supply chain. The Company has formulated the “Management Guidelines on Supplier Quality Entry”, strictly regulating the supplier entry process to ensure that every partner meets the Company’s high standards. In the admission process, the Company adheres to the principles of “openness, fairness, justice, legality, compliance and rationality”, ensuring that suppliers meet requirements in terms of qualifications, product quality, supply capability, emergency response capability, scale and risk through comprehensive evaluation and selection in various aspects. This process not only ensures the quality of products from the source but also lays a solid foundation for the Company’s long-term cooperation with suppliers.

The first step in supplier entry is to screen potential partners through the bidding and price comparison negotiation process. According to the bidding management system, the Company selects an appropriate bidding method and organizes participation from multiple departments to conduct several rounds of price comparison and negotiation with various suppliers. In this process, the bidding and negotiation team will conduct a review and assessment of the suppliers, and once again carry out bid evaluation and price negotiation to finally determine the winning bidder. The final plan shall be submitted to the relevant departments for approval, and the confirmation of supplier introduction must be completed. Before suppliers are added to the inventory, the Company conducts a comprehensive assessment of their qualifications, product quality, emergency response capability, scale and risk. In terms of qualification review, we prioritize enterprises with complete qualifications and quality management system certification. At the same time, the Company prioritizes suppliers with experience in cooperating with large chain clients, particularly those that are industry leaders or ranked among the top in the industry. The Company conducts food safety risk assessments and operational risk assessments on suppliers’ products, examining whether their products have failed government sampling inspections or have been involved in other negative news in previous years, to ensure that legal disputes, financial disputes, etc., do not affect production and supply. We not only focus on the current performance of suppliers but also assess their future supply capabilities, particularly their ability to respond to unforeseen incidents, to ensure stable and continuous supply. In addition, suppliers must also provide a written commitment to comply with relevant laws, regulations and policies to ensure food safety.

To comprehensively understand the actual management of suppliers, we adopt a combination of onsite inspection and online evaluation. Onsite inspection is the primary method of evaluation. Through field visits, the Company can directly understand the production environment and management processes of the suppliers. Online assessments are conducted through data and information analysis to further identify potential risks. This combination of online and offline evaluation methods ensures that suppliers meet the Company’s requirements in all aspects.

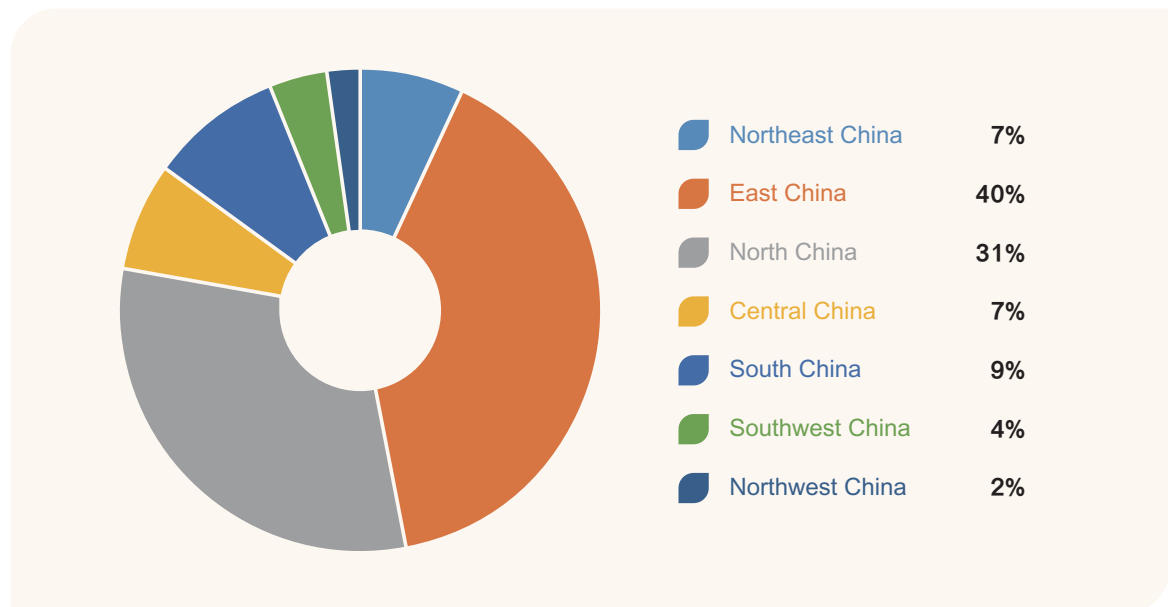
The Company continuously tracks and manages admitted suppliers to ensure that they consistently meet the Company’s requirements. Through dynamic management methods, we are able to promptly identify and resolve potential issues, further optimize the supplier system, and enhance the overall stability of the supply chain.

Through standardized entry procedures, we can not only ensure the high quality and stability of supplied products and services, but also provide a fair and transparent cooperative environment for partners, jointly promoting the healthy development of the industry.

QUALITY AS THE FOUNDATION, INNOVATION AS THE WINGS

Qualification review	Evaluate the qualification of suppliers, examine whether their qualifications are complete or not, and take enterprises with various system certificates into consideration in priority
Product quality	Assess the product quality of suppliers and whether there are food safety issues; at the same time, conduct negative news risk investigation such as unqualified product sampling inspection of suppliers in the past years
Emergency response capability	Evaluate the supplier's emergency response capabilities, especially for temporary unexpected major incidents
Company scale	Evaluate the scale of suppliers, take those with experience of working with large chain customers, preferably industry leaders or top ranked enterprises into consideration in priority
Operational risks	Evaluate the existence of legal disputes and financial disputes with suppliers that may have an impact on production and supply

As of the end of the Reporting Period, the Company had a total of 961 suppliers, the distribution of which is as follows:



QUALITY AS THE FOUNDATION, INNOVATION AS THE WINGS

• Supplier management and training

The Company places great emphasis on the quality of supplier deliveries and restaurant feedback, ensuring product quality through the establishment of a stringent monitoring mechanism. Once a quality anomaly is detected, the Company will promptly track the issue and require the supplier to rectify it in a timely manner, while incorporating the relevant situation into the supplier's comprehensive evaluation system. Through regular quality monitoring and feedback mechanisms, we not only ensure the stability of the supply chain, but also provide consumers with safe and reliable food assurance.

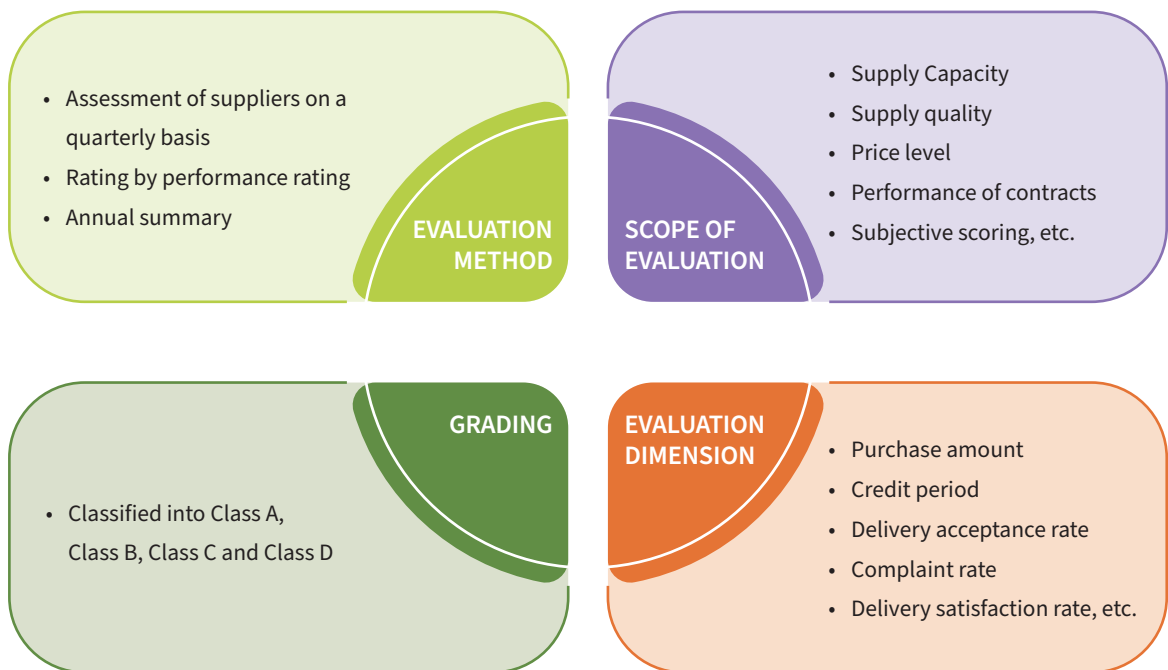
In 2024, due to the existence of quality risks, the Company discontinued three suppliers and removed two products from the shelves to enhance suppliers' emphasis on quality. To comprehensively identify potential hazards, the Company conducts food potential risk indicator testing 1-2 times annually and strictly manages the food safety control of suppliers. For suppliers with unstable quality, the Company will implement an unannounced inspection mechanism, conduct in-depth on-site verification of their daily management status, and promptly eliminate potential risks. In 2024, the Company did not experience any major food safety incidents or mass recall events.

The Company conducts a comprehensive evaluation of suppliers, and evaluation content covers multiple links such as delivery quality, restaurant feedback and risk management. The Company has established a clear reward and penalty mechanism to incentivize outstanding suppliers and timely identify problematic suppliers. For suppliers with outstanding performance, the Company provides priority cooperation opportunities and policy support; for suppliers with unstable quality or potential risks, measures such as suspension or product removal are taken. Adopting this proactive risk management approach not only ensures the security of the supply chain, but also provides suppliers with the motivation for continuous improvement. In 2024, the Company further promoted continuous improvement of suppliers through performance interviews, enhancing overall management standards.

To enhance communication with suppliers, we have established a combined online and offline visit mechanism. For key suppliers and those with unstable quality, the Company conducts one to two onsite visits annually to thoroughly understand their production management and identify risks; and, for suppliers with relatively stable quality, the Company understands their production and quality control situation through online communication. This flexible communication method not only improved management efficiency, but also ensured smooth information flow between suppliers and the Company, laying the foundation for stable cooperation in the supply chain. In 2024, the Company visited 145 suppliers.

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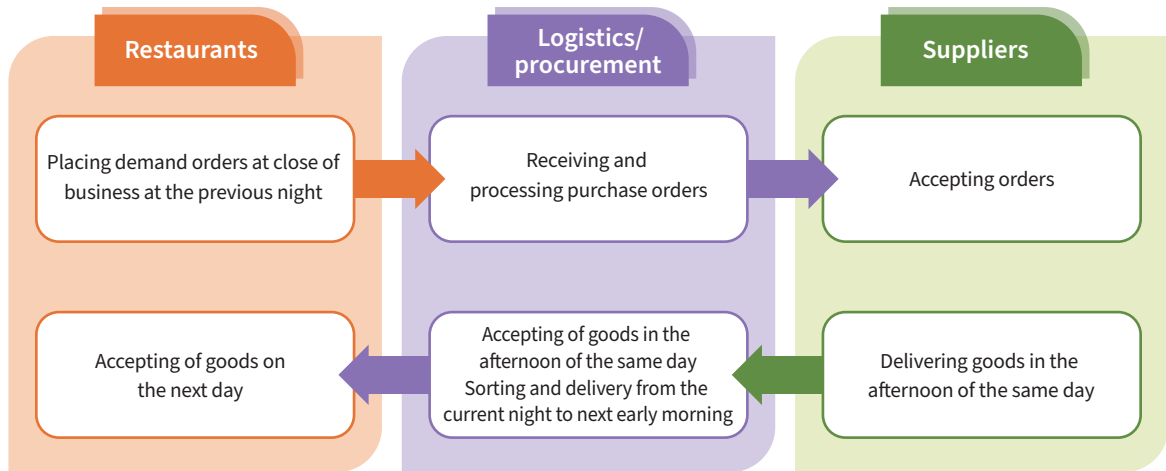
To enhance the quality awareness and management standards of suppliers, the Company regularly conducts systematic management training. The training content covers areas such as quality control, risk assessment and performance management, helping suppliers to better understand the Company's standards and implement them in daily management. At the same time, the Company evaluates the training effectiveness of suppliers through regular appraisals and feedback mechanisms, and provides one-on-one coaching based on actual performance. Through continuous training and improvement, we are committed to cultivating suppliers into long-term partners that meet the Company's requirements, jointly promoting the high-quality development of the supply chain. In 2024, we conducted 145 training sessions on product quality and safety for suppliers, with a total of 435 supplier participants, accounting for 31.66% of supplier participation.



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• Adhering to direct distribution

In order to ensure that customers can enjoy freshly picked fruits and vegetables on the same day, we have consistently adopted a no-inventory fruit and vegetable transportation model. After the restaurant closes on a day, the restaurant will estimate the types and quantities of fruits and vegetables needed based on sales on the day and expected demand on the next day, and an order is then submitted to the logistics procurement department. The logistics procurement department will promptly process the order on the same day after receiving it and issue a purchase order to the supplier. Suppliers must complete the procurement and distribution work on the same day upon receiving the purchase order. After receiving the goods, the logistics department conducts a strict inspection, followed by sorting and distribution from that evening to the early hours of the next day, ensuring that fruits and vegetables are delivered to each restaurant on time.



For frozen foods, the Company is equipped with professional frozen warehouses and refrigerated trucks for storing and transporting seafood, meat and other foods that require freezing and preservation. Whether it is the Company's own cold storage or leased cold storage, both fully comply with industry standards to ensure that the quality of the food is not affected. The cold storage warehouse is equipped with advanced temperature control equipment, ensuring that the storage environment temperature is consistently maintained at -18°C or below. When conducting goods storage and retrieval operations, the temperature within the warehouse is also strictly controlled at -16°C and below, thereby maximizing the preservation of food freshness.

During transportation, the compressor of the refrigerated truck must operate normally throughout the entire process. Before loading, the temperature inside the compartment needs to be lowered below 0°C . During transportation, the temperature of the refrigerated compartment shall not be higher than -18°C . The temperature of frozen products not be higher than -12°C , and the temperature of refrigerated products must be maintained between 0°C and 8°C . In addition, all cold chain delivery vehicles are equipped with thermal insulation panels, and door curtains are installed at the compartment doors to minimize the impact of external temperature on the internal temperature of the compartment. At the same time, each vehicle is equipped with a fixed dual-probe temperature control device, and authorization and system integration have been completed to ensure that the Transport Management System (TMS) can monitor vehicle positioning and temperature changes in real-time during transportation, thereby ensuring the reliability and safety of cold chain transportation.

We optimize the supply chain through a direct distribution strategy, primarily reflected in refined management and digitalization upgrades. The Company has established a standardized three-tier distribution structure, including a central warehouse, regional sub-warehouses and transit centers, to achieve efficient nationwide distribution and reduce distribution and procurement costs. Meanwhile, the Company has launched the TMS transportation management system, WMS warehouse management system, and GPS monitoring system to achieve full-chain digital management from procurement, warehousing to transportation, enhancing logistics efficiency and ensuring the quality of food ingredients. In addition, through centralized procurement and optimization of supplier management, the proportion of raw materials and consumables costs decreased from 37.4% in the first half of 2023 to 34.6% in the first half of 2024. In 2024, the Company launched a new logistics center located in Daxing, Beijing, covering an area of 12 thousand square meters, increasing storage capacity by more than 100%, further optimizing supply chain synergies and empowering long-term business growth.

QUALITY AS THE FOUNDATION, INNOVATION AS THE WINGS

2.4 UPHOLDING CUSTOMER FIRST

• Enhancing customer experience

In the fiercely competitive catering market, customer experience is the key to a company's survival. We always prioritize customer satisfaction and continuously enhance customer experience through a series of comprehensive and meticulous measures, earning widespread recognition and affection from consumers.

To ensure that customers' voices are heard promptly, we have established a diverse feedback system, opening channels such as email, customer service hotline, media email, Weibo and Dianping, to guarantee that customers' suggestions and complaints receive immediate feedback and are fully implemented and properly resolved. Simultaneously, we efficiently and appropriately handle customer opinions and suggestions from seven aspects: respect for customers, listening and understanding, proactive resolution, continuous improvement, transparency and integrity, feedback tracking, and recording and analysis.

Leveraging big data technology, we conduct in-depth analysis of data on customer consumption behavior and preferences to accurately understand customer needs. The restaurants and operational management departments conduct surveys and analyses on customer satisfaction through internet platforms such as Dianping, Meituan, Koubai and Weibo, leveraging vast amounts of feedback to grasp market trends and customer dining experiences, providing direction for service improvements. Some restaurants hold sharing meetings of service cases every week, collecting and organizing service cases for training and sharing, to help employees learn excellent service experiences, adjust techniques, and improve overall service quality. We constantly pay attention to customer dining feedback during operations, integrate it into regular staff training, and form a service optimization loop.

We incorporate customer satisfaction into performance assessment indicators, implement quantitative management of positive review rates and star ratings on platforms such as Dianping and Meituan, and establish a comprehensive customer satisfaction index. Through this system, we clarify employee work objectives, emphasize the importance of customer satisfaction at the restaurant level, encourage employees to focus on service details, and comprehensively enhance the customer experience.

Through the above series of measures, the Company has achieved significant results in enhancing customer experience. In 2024, we received a total of 48 customer complaints, with a customer complaint resolution rate of 100%. In the future, we will continue to uphold the customer-centric philosophy, continuously explore innovations, and optimize services to provide a superior and considerate dining experience for our customers.

• Protecting customers' rights and interests

We always regard safeguarding the basic rights and interests of customers as an important principle of corporate operations.

In respect of advertising and publicity, we strictly comply with the Advertisement Law of the People's Republic of China and other laws and regulations, conducting external publicity through various self-media platforms and joint brand media, and resolutely resisting false advertising and misleading promotion. Before releasing content, the Company has established a rigorous internal approval process. Once initiated by the submitter, relevant departments comprehensively review the accuracy and compliance of the promotional content from a professional perspective. Only content that passes the review can be released to the public, ensuring that consumers receive truthful and reasonable advertisements, thereby effectively safeguarding customers' rights in obtaining advertising information.

We place great importance on the protection of customer privacy by establishing a comprehensive system to ensure the security of customer privacy. We have formulated the Membership Agreement and the Privacy Policy Terms, clearly referencing industry standards, and adopting management, technical and physical protection measures on multiple levels to prevent unauthorized access, use, or disclosure of personal information. At the same time, the Company actively responds to the requirements of regulatory authorities, fully cooperates with investigations and data provision, and effectively safeguards the security and legality of user information.

In 2024, the Company continue to make efforts in protecting customer privacy by launching a series of specific measures. In use of mini programs, we set up a pop-up box in the form of a half-screen to prominently prompt the the Membership Agreement and the Privacy Policy Terms, providing options to refuse or agree. If the user refuses authorization, it does not affect the dining order and will be used as a visitor, and the platform will not obtain personal information. We strictly limit the access to sensitive information, collecting it only under legal requirements or necessary activity scenarios; users' orders are not restricted by whether or not to open the operation restrictions such as the positioning or authorization of mobile phone number, and the application does not frequently prompt for authorization while supporting member cancellation requests; the member system inquiry page realizes desensitized display of mobile phone number; the app provides SMS or account password verification methods for users to choose independently. Through these measures, we have effectively safeguarded the privacy and security of member information, with no information leakage incidents or related complaints occurring in 2024.

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2.5 LEADING THE INDUSTRY BENCHMARK

• Participation in associations and organizations

As one of the rapidly growing restaurant groups in China, the Company actively participates in and contributes to the development of the industry while advancing its own operation and development. The Company, as the standing council unit or deputy chairman unit of China Cuisine Association, China Chain restaurant & Franchise Association, Beijing Cuisine Association and Beijing Food and Beverage Industry Association, has actively participated in the formulation, research, discussion and feedback of industry policies. We share corporate internal management experience on various association platforms while continuously learning advanced management concepts and methods from other industry peers; and we utilize our own advantages to carry out related work such as resource integration and business cooperation. At the same time, we actively participate in cross-strait economic and trade exchange activities and continuously promote the prosperous development of the catering industry.

NAME OF ASSOCIATIONS	POSITIONS
Association of Taiwan Investment Enterprises on the Mainland	Deputy chairman
China Chain restaurant & Franchise Association	Standing council
China Cuisine Association	Standing council
Beijing Association of Taiwan Investment Enterprises	Deputy chairman
Beijing Cuisine Association	Deputy chairman
Beijing Food and Beverage Industry Association	Deputy chairman
Tianjin Association of Taiwan Investment Enterprises	Standing council
Shanghai Association of Taiwan Investment Enterprise	Director
Shanghai Minhang District Foreign Investment Association	Director

• Promoting industry development

We actively participated in the preparation and promotion of the “Guidelines for Reducing Food Waste in Enterprises” issued by the China Chain restaurant & Franchise Association (CCFA), and provided abundant practical cases and data support for the guidelines. As one of the standing council units of the CCFA Catering Professional Committee, we have made our kitchen waste measurement data available and shared our successful experiences in reducing food waste. These experiences include the digital management of the supply chain, the promotion of small portion dishes, and anti-waste measures in restaurant operations, providing important references for the compilation of the guidelines.

In terms of supply chain management, we optimize procurement and logistics processes through digital systems to reduce ingredient loss. For example, our TMS transportation management system can monitor the transportation of food ingredients in real-time to ensure freshness, while collaborating with suppliers to promote the procurement of pre-cleaned vegetables, reducing waste during transportation and processing. In addition, we have also adjusted the specifications of sauce packets according to consumer habits to further reduce waste.

In restaurant operations, we guide consumers to order appropriate portions by offering small and half portions, and effectively reduce the loss rate through precise inventory and procurement control using digital management systems such as the BOH system. At the same time, we post “clean plate campaign” reminders in prominent locations in our restaurants to encourage consumers to pack leftover food. Through staff training, we strengthen anti-waste awareness and establish a disciplinary mechanism to implement waste reduction measures in every aspect of our business operations.

Through these cases, we have provided practical experience and data support for the compilation of the “Guidelines for Reducing Food Waste in Enterprises”, promoting progress in reducing food waste across the entire catering industry.

The image features three Team Tea beverages. On the left is a dark red drink with a thick layer of red foam, served in a clear plastic cup. In the center is a bright red drink, also topped with red foam, in a clear plastic cup. On the right is a white drink with a brown foam topping, served in a white paper cup. All cups have the 'Team Tea' logo and '茶米茶' (Chá Mǐ Chá) written on them. The cups are placed on a reflective surface, and a small patch of green moss is visible near the white cup. The background is a soft-focus image of green mountains under a light sky. A large, semi-transparent green number '3' is on the left side of the image.

ENVIRONMENTAL PROTECTION AS RESPONSIBILITY, SUSTAINABILITY AS ASPIRATION





ENVIRONMENTAL PROTECTION AS RESPONSIBILITY, SUSTAINABILITY AS ASPIRATION



The Company upholds the concept of sustainable development and is committed to promoting a green transformation across the entire catering industry chain, covering all aspects, including production, processing, logistics and sales. The Company strictly complies with the Environmental Protection Law of the People's Republic of China, the Law on Prevention and Control of Environmental Pollution by Solid Waste and the Anti-Food Waste Law of the People's Republic of China, among other relevant laws and regulations. It actively implements related policies such as the "Carbon Peak and Carbon Neutrality", the "Restriction on Use of Disposable Plastic Products" and "Anti-food Waste", continuously strengthening the management concept of low-carbon and green operation. In the past year, we have fully promoted measures for energy conservation and emission reduction in key areas such as production, office work, logistics and restaurant operations, adhered to a low-carbon operation model, optimized resource utilization efficiency, reduced waste generation, and actively implemented waste sorting. At the same time, the Company promotes the concept of anti-food waste through various channels, guiding consumers to participate in environmental protection actions. Through multi-faceted efforts, we have made positive contributions to addressing climate change, committed to achieving harmonious coexistence between the enterprise and the environment, and have made significant contributions to building a green ecological system. In 2024, the Company did not experience any violations, legal proceedings, or administrative penalties due to environmental issues, demonstrating a strong sense of corporate environmental responsibility.

Environmental Objective:

Energy	Using 2020 as the base year, the average electricity consumption of Coucou restaurants will reduce by 5% by the end of 2025.
	Using 2020 as the base year, the total energy consumption of the central kitchen will reduce by 10% by the end of 2025.
Water Consumption	Using 2020 as the base year, the average water consumption of Coucou restaurants will reduce by 5% by the end of 2025.
	Using 2020 as the base year, the proportion of water consumption by each restaurant will further decline by the end of 2025.
Reusing	Achieving reuse of incubators for ingredient transportation for 100% logistics warehouses across the country by the end of 2025.
	Achieving 100% use of recyclable food containers and packaging materials for delivery services by the end of 2025.

3.1 PRACTICING LOW-CARBON OPERATION

• Environmental compliance management

We always adhere to the management concept of "limited resources and unlimited conservation", making the management of energy conservation and consumption reduction, and the efficient use of water resources, a key focus of our corporate operations. The Company insists on integrating energy-saving measures with technological innovation and management optimization, actively developing and promoting energy-saving technologies, while strengthening internal management to enhance the awareness of conservation among all employees. In terms of environmental management, we continuously improve the environmental management system, clarify the environmental responsibilities of each department, and appoint a company-level environmental officer to ensure the effective implementation of various environmental protection measures. By continuously optimizing efficiency of energy use, reducing unnecessary energy waste, the Company has further lowered its energy consumption level. In addition, we also regularly conduct internal environmental protection training, enhancing the environmental awareness of employees at all levels from management to frontline staff. Through multi-faceted efforts, we are committed to reducing environmental impact in our production and operations, actively addressing the challenges of climate change, promoting harmonious coexistence between the enterprise and the environment, and contributing to the achievement of goals for sustainable development.

ENVIRONMENTAL PROTECTION AS RESPONSIBILITY, SUSTAINABILITY AS ASPIRATION

The Company's GHG emission is mainly from operation, production and office administration, in which various types of energy such as gasoline, diesel, natural gas and power are consumed. During the Reporting Period, the data of emissions and resources used are summarised as below:

Indicators	Unit	FY2023	FY2024
Total electricity consumption	kWh	216,562,229.49	152,128,344.59
Electricity consumption per unit of operating revenue	kWh/RMB million	36,594.06	31,994.40
Gasoline consumption	litre	12,267.94	13,679.47
Gasoline consumption per unit of operating revenue	litre/RMB million	2.07	2.88
Total energy consumption	Tonne of standard coal	27,732.73	19,388.19
Comprehensive energy consumption per unit of operating revenue	Tonne of standard coal per/RMB million	4.69	4.08
Municipal water consumption	m ³	1,343,163.51	1,076,677.54
Municipal water consumption per unit of operating revenue	m ³ /RMB million	226.96	226.44
Catering sewage discharge	m ³	1,780,090.40	1,495,828.40
Catering sewage discharge per unit of operating revenue	m ³ /RMB million	300.79	314.59
Domestic waste and kitchen waste	tonne	63,540.83	44,712.00
Natural gas consumption	m ³	830,114.63	508,962.32
Natural gas consumption per unit of operating revenue	m ³ /RMB million	140.27	107.04
Scope 1: direct GHG emission	tCO ₂ e	1,845.81	1,145.47
Scope 2: indirect GHG emission	tCO ₂ e	123,505.44	81,632.07
Total GHG emission	tCO ₂ e	125,351.25	82,777.54
GHG emission per unit of operating revenue	tCO ₂ e/RMB million	21.18	17.41



ENVIRONMENTAL PROTECTION AS RESPONSIBILITY, SUSTAINABILITY AS ASPIRATION

- Notes:1. The calculation of GHG emission refers to the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard issued by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD), 2006 IPCC Guidelines for National Greenhouse Gas Inventory issued by the Intergovernmental Panel on Climate Change (IPCC). The grid emission factor used in the calculation of Scope 2 refers to the average national grid factors set out in the Guideline of the Greenhouse Gas Emissions Accounting and Reporting for the Enterprises (2022 revised edition) released by the Ministry of Ecology and Environment of the People's Republic of China;
2. The calculation of catering sewage discharge refers to The First National Survey of Pollution Sources on Urban Waste Source Discharge Coefficients Handbook.

• Optimising energy utilisation

To enhance management of energy conservation, we have formulated the Energy Conservation Management System, and established an energy management group led by the Vice President, with members from various departments. The group is responsible for conveying energy conservation and environmental protection policies, organizing relevant training, and preparing the annual report on energy utilization. By defining responsibilities and objectives, we provide solid organizational support for energy conservation work.

In 2024, we fully engaged in energy conservation and consumption reduction initiatives, continuously advancing and improving energy-saving technologies. The Company strengthened all employees' awareness of energy conservation, consumption reduction and environmental protection through various means, ensuring full participation and implementation of relevant measures.

In terms of renovation of energy-saving technology, we have taken multiple measures. The Company widely adopted LED lamps to replace traditional lighting fixtures. The application of variable frequency air conditioning systems has achieved energy savings of over 30%. Meanwhile, the Company has introduced energy-efficient cold storage equipped with drive controllers, defrost sensors, and electronic expansion valves to further reduce energy consumption.

In our daily operations, we optimize energy use through various methods. For example, the switching time of lighting equipment in our restaurants are reasonably adjusted based on our business hours and weather conditions, and the use of energy-saving appliances are promoted. The Company has introduced an intelligent power monitoring system to monitor the energy consumption of electrical equipment in real-time and optimize usage plans. In terms of logistics management, we have enhanced overall operational efficiency through intelligent scheduling and route optimization.

In 2024, we continued to make significant progress in the field of energy conservation and emission reduction, with a year-on-year decrease of 29.75% in purchased electricity consumption, a reduction of 38.69% in natural gas usage, and an overall energy consumption decline of over 30% compared to the previous year. At the same time, in response to the national "dual carbon" strategy call, we have actively promoted the use of green energy within the Company. From December 2024, most of the factories at our Beijing headquarters have fully adopted green electricity, marking a solid step forward in our pursuit of green and sustainable corporate development.

ENVIRONMENTAL PROTECTION AS RESPONSIBILITY, SUSTAINABILITY AS ASPIRATION

• Actions to address climate change

We have always been concerned about climate-related issues, actively promoted climate change response actions, and continuously transformed into a low-carbon economy. In order to implement the United Nations 2030 Agenda for Sustainable Development (《聯合國2030年可持續發展議程》), and strictly comply with China National Climate Change Program (《中國應對氣候變化國家方案》), we identify climate change risks that may have or have had a significant impact on the Company. We enhanced management over climate change risks and took actions for energy conservation and emission reduction in an orderly manner in the places where we operate, so as to reduce GHG emissions. In addition, we proactively improved information disclosure on carbon emission and aligned the climate change with the Company's future, sparing no efforts in addressing climate change.

Climate-related risks	Risk category	Time range	Potential impact	Response methods
Transition risk	Policy and regulatory risks	Short-term, medium-term and long-term	<p>With increasingly stringent regulatory and disclosure requirements related to climate change, the Company needs to meet more compliance requirements for promoting global business;</p> <p>With the introduction of environmental policies such as carbon neutrality, our failure to adjust the Company's strategies and formulate response methods in a timely manner may result in additional cost pressure on the Company's business;</p> <p>Non-compliance with laws will result in litigation risks and loss of fines.</p>	<p>We are actively concerned about policy trends, set up a special working group and personnel to track the dynamics of domestic and foreign regulations, manage the environmental problems of enterprises in accordance with regulations, avoid compliance risks, and help the development of international business;</p> <p>We incorporate environmental governance into the Company's long-term planning and evaluate performance costs;</p> <p>We manage the environmental problems of enterprises in accordance with the standards stipulated by national laws and avoid the risk of litigation, fines and losses.</p>
	Market risk	Short-term, medium-term and long-term	<p>As a result of climate change, the costs of raw materials, warehousing and logistics have risen, posing the risk of an increase in the Company's costs;</p> <p>Customers are paying more attention to sustainable development, and may be more inclined to providing low-carbon and environmental protection services to enterprises. Failure to adjust the Company's strategy in a timely manner may lead to the risk of a decline in market share.</p>	<p>We pay attention to the impact of climate change on the market continuously and formulate response methods in advance. We strengthen the construction of supply chain integration, improve the resilience of supply chain, and jointly strengthen the ability to respond to climate risks;</p> <p>We formulate sustainable development strategies, strengthen our environmental management capabilities and increase our investment in environmental protection to meet customers' expectations for the Company.</p>
	Technology risk	Medium-term	Failure to identify and adopt energy-saving and digital technologies in a timely manner will lead to an increase in the energy consumption of the Company's operations, warehousing and logistics, as well as the increase in costs.	We actively adopt low carbon technologies, gradually eliminate high-emission equipment, and actively promote the construction of the Company's digital system.

¹ Short-term: the next 1-3 years. Medium-term: the next 3 to 5 years. Long-term: more than 5 years in the future.



ENVIRONMENTAL PROTECTION AS RESPONSIBILITY, SUSTAINABILITY AS ASPIRATION

Climate-related risks	Risk category	Time range	Potential impact	Response methods
	Reputational risk	Medium-term	As investors and stakeholders continue to improve the disclosure and transparency of climate risks, failure to disclose timely and provide comprehensive climate-related information may cause investors to lose confidence and the Company may lose more financing opportunity.	The Company actively responds to the demands of various stakeholders, strengthens the disclosure of climate-related information, and improves the transparency of the Company's information.
Physical risks	Acute risks	Short-term, medium-term and long-term	The production location of raw materials and the transportation of dishes are affected by typhoons, floods, droughts, extreme cold, extreme heat and other weather conditions, which may cause supply chain disruptions and affect the quality of raw materials.	We fully identify and assess the acute risks brought by climate change, pay attention to the early warning of extreme weather, formulate emergency plans and emergency drill plans, and comprehensively improve the emergency rescue and handling capabilities of the Company and relevant personnel.
	Chronic risk	Short-term, medium-term and long-term	Extreme weather such as global warming and rising sea level may affect the production bases in coastal areas; Climate change leads to fragile urban infrastructure and may affect logistics and transportation.	We develop a comprehensive climate risk management strategy to ensure that climate risks are fully considered in the Company's overall strategy.
Opportunity category	Opportunity Description	Time range	Opportunity impact	Seizing opportunities
Products and services	Digital carbon reduction solutions	Short-term, and medium-term	Digital development may bring new opportunities for the Company to save energy and reduce carbon emissions.	The Company promotes smart logistics solutions and promote efficient logistics.
Energy efficiency	Application of energy-saving measures	Short-term, medium-term and long-term	We identify and adopt energy-saving measures to reduce energy consumption and thus reducing operating expenses.	We actively adopt low-carbon technologies and promote the implementation of energy-saving measures.
Market	Attracting market investments	Medium-term and long-term	We actively respond to climate change and maintain a good reputation in the capital market, which will help attract investment and reduce financing costs.	We will continue to improve climate management strategies and measures, actively carry out actions, and strengthen climate-related disclosure to become a leader on climate-related matters.
Resource efficiency	Promotion of prefabricated decoration technology	Short-term	It is possible to significantly reduce building material waste, lower renovation costs, and shorten the restaurant opening cycle through standardized construction.	The Company is advancing prefabricated decoration technology and collaborating with suppliers to establish a large-scale production system for prefabricated materials.

ENVIRONMENTAL PROTECTION AS RESPONSIBILITY, SUSTAINABILITY AS ASPIRATION

• Efficient utilization of resources

We actively advocate the concept of a circular economy, fully promote the use of degradable packaging materials, and strengthen the recycling and reuse of packaging materials. Currently, the main packaging materials used by the Company include carton boxes, paper cups, plastic cups, PP bags, packing bags, plastic straws, packaging boxes, take-away packaging materials and degradable packaging materials. In terms of degradable materials, the Company is comprehensively promoting the use of polylactic acid (PLA) material for takeout food containers, straws and tableware. These materials are derived from plant starch and can be completely degraded under industrial composting conditions, thereby reducing environmental pollution. At the same time, we reduce packaging usage through optimizing packaging structure design (such as foldable meal boxes). In 2024, the total consumption of packaging materials by the Company was 1,032.63 tonnes, with the consumption of packaging materials per RMB1 million operating revenue of 0.22 tonne. Among these, the consumption of renewable materials was 300.20 tonnes, accounting for 29.07%. The annual usage of packaging materials was reduced by 91.24% year-on-year, alleviating environmental burden from the source.

In terms of material management, we actively promote paperless office, advocate double-sided printing and electronic invoice systems. In terms of renovation materials, the Company adopts prefabricated decoration to reduce on-site construction waste. In addition, the Company has also reduced the use of clay bricks by adopting precast fine aggregate concrete as a substitute, further reducing environmental impact.

In terms of water resource management, we promote water-saving faucets. In addition, by optimizing the use of vegetable washers and dishwashers, and promoting the recycling of water for cleaning ingredients, the Company has significantly improved the efficiency of water resource utilization. In 2024, water resource consumption decreased by 19.84% year-on-year.

Case: Optimization and upgrade of dishwasher equipment

In 2024, the Company carried out technical optimization, upgrade and transformation to the dishwasher equipment. After this modification, the maximum input power of the equipment was significantly reduced, the rinsing heating power was greatly decreased, the rinsing temperature was optimized and adjusted, and rinsing insulation and sequential heating technology were newly added. These technological upgrades have resulted in significant energy-saving effects, with a substantial reduction in water usage for single-frame washing and a noticeable decrease in electricity consumption. Currently, 473 restaurants have completed upgrades, accounting for 85.6%, and the remaining restaurants are also being continuously advanced. Through this initiative, restaurants that have used the new model can save approximately 16 tonnes of water per restaurant per year, with a total annual water savings of 7 thousand tonnes; each restaurant can save about 1 thousand kWh of electricity per year, with a total annual electricity savings of approximately 47 thousand kWh, demonstrating significant results of water and electricity conservation.





ENVIRONMENTAL PROTECTION AS RESPONSIBILITY, SUSTAINABILITY AS ASPIRATION

3.2 STRENGTHENING EMISSION CONTROL

• Emission management

In terms of environmental management, the Company always upholds a high sense of responsibility by signing regular testing agreements with the organizations with professional qualifications, enabling precise monitoring of pollutant emissions through continuous observation. Once any exceedance is detected, the Company will immediately take corrective measures to ensure that the discharging process of all pollutants are compliant and meet the discharge standards. In 2024, the Company's environmental pollutants such as wastewater, exhaust emissions and noise all achieved compliant discharge, fully demonstrating the enterprise's proactive efforts in the field of environmental protection. At the same time, in order to better fulfill our social responsibility of reducing environmental pollution and conserving land resources, we continuously implemented waste sorting measures and actively promoted the use of clean vegetables, effectively reducing the generation of kitchen waste. The non-hazardous recyclable waste generated by the central kitchen is 100% handled by professional recycling companies, further promoting the recycling of resources.

In terms of kitchen waste treatment, waste classification is a key aspect of the daily operations of our restaurants. The restaurants categorize the wastes into food waste, recyclable waste and non-recyclable waste based the nature of wastes, so as to conduct efficient and environmentally friendly treatment. Kitchen waste is mainly converted into organic fertilizer or biogas through biological treatment technology, achieving resource reuse; recyclable waste, such as paper products, plastics and glass, is regularly collected by professional recycling agencies for classification and recycling, further promoting resource recycling. At the same time, the restaurants encourage customers to place recyclable items, such as beverage bottles and food packaging, into designated recycling bins to facilitate subsequent centralized treatment. For non-recyclable waste, the restaurants entrust professional third-party organizations to transport it to a waste treatment plant in a centralized way, where it is treated through incineration and other methods. The heat generated during incineration can be used for power generation or heat supply, achieving the recycling of energy. Through this method of classified treatment, the restaurants not only reduce the impact of waste on the environment, but also enhance resource utilization efficiency, contributing to sustainable development.

ENVIRONMENTAL PROTECTION AS RESPONSIBILITY, SUSTAINABILITY AS ASPIRATION

3.3 IMPLEMENTING ENVIRONMENTAL PROTECTION ACTIONS

We always uphold the concept of “Universal involvement in protecting the ecological environment, enjoy clean sky and pristine water”, and implement a series of practical actions to practice green and low-carbon development strategies, actively promoting the realization of environmental protection concepts.

In terms of cultivating employees’ environmental awareness, we strengthen their understanding and participation in green and low-carbon operations through internal training and management measures. At the same time, we advocate for turning off lights in the office when not in use, using public transportation for commuting, turning off power of idle electrical appliances after work, paperless office, purchasing and using energy-saving products, replacing high-energy-consuming equipment and etc. The Company optimizes order placement, inventory management and loss control through a digital system, to enhance operational efficiency and reduce resource waste. At the same time, we actively promote the concept of green dining to our customers, advocating for food conservation, cherishing food and protecting the environment, thereby driving sustainable development in the industry through practical actions.

• Opposing food waste

In the journey against food waste, we have always been at the forefront of the industry. The Company is committed to a green transformation of the entire supply chain, reducing food waste comprehensively from the source to the dining table.

On the product end, we partially adopt the “farm-to-table” model, directly collaborating with agricultural cooperatives to reduce food waste and lower costs through order-based planting and clean vegetable procurement. Meanwhile, through data analysis, we assemble the most popular ingredients among consumers into platters, and launch single-person meals that are rich in ingredients and nutritionally balanced. Based on personalized needs, we introduce diverse dishes such as mix-and-match and double-combo options to meet customer demands and guide appropriate ordering, thereby reducing waste.

At the supply chain end, we ensure efficient transportation of ingredients and minimize losses through cold chain logistics, intelligent routing systems and digital management. Cold chain transportation ensures the timely delivery of 150 thousand tonnes of fresh ingredients to restaurants annually, while optimizing logistics distribution routes to reduce the number of transport trips and carbon emissions.

At the restaurant end, we utilize data analysis to accurately forecast demand and automatically generate material requisition orders, reducing food waste caused by shelf-life management. Posters promoting the “clean plate campaign” are displayed in our restaurants, and staff verbally remind customers to order appropriately and pack leftovers. Relevant reminders are also set up through online platforms and WeChat mini program to ensure that the anti-waste concept is deeply ingrained. In addition, food waste is reduced, and kitchen waste from our staff canteens is lowered by adjusting the catering method and establishing a disciplinary mechanism.



Xiabuxiabu Group awarded the title of “Star in the ‘Clean Plate Campaign’ (2024)” (2024光盘之星)



汇聚文明光芒
崇尚节约爱粮

ENVIRONMENTAL PROTECTION AS RESPONSIBILITY, SUSTAINABILITY AS ASPIRATION

• Environmental protection and green activities

We actively respond to the World Environment Day activities by organizing environmental promotion activities such as “4 • 22 Earth Day” and “6 • 5 World Environment”, posting environmental slogans, and conveying the concept of green consumption to consumers. In addition, the Company also uses online platforms and WeChat mini program to promote environmental knowledge to consumers and advocate for a green lifestyle. Through these initiatives, the Company not only advanced its own green operations, but also made a positive contribution to social environmental protection efforts.





PEOPLE- ORIENTED, MUTUAL ASSISTANCE DEVELOPMENT



PEOPLE-ORIENTED, MUTUAL ASSISTANCE DEVELOPMENT



“People-oriented” is the core philosophy that the Company always adheres to. We are fully aware that employees are indispensable resources in the Company’s development process, and only when the Company is committed to safeguarding the basic rights and interests of the employees, cares for the physical and mental well-being of the employees, and assists employees in growing, can we lay a solid foundation for the long-term development of the Company. In addition, the Company consistently fulfils its social responsibilities, proactively takes part in public welfare, carries out and participates in various public welfare and charity activities, striving to benefit people in need and contributing to promoting harmony and the common prosperity of the society.

4.1 PROTECTING EMPLOYEES’ RIGHTS AND INTERESTS

The Company strictly abides by the Labour Law of the People’s Republic of China, the Labour Contract Law of the People’s Republic of China, Provisions on Prohibition of Child Labour and other relevant laws and regulations, We respect and safeguard the rights and interests of the employees, insist on equal and compliant employment, maintain a fair and transparent recruitment process, oppose any form of discrimination behaviors, and are committed to building a diverse and inclusive talent team. At the same time, the Company establishes a fair remuneration and benefits system that matches contributions, encouraging employees to make progress together with the Company. In addition, the Company fosters an open and transparent communication environment, establishes a sound feedback and communication mechanism for employees, and actively pays close attention to the employees’ expectations.

During the reporting period, the Company was not involved in any lawsuit relating to child labour or forced labour.

• Fair and compliant employment

Upholding the principle of “fairness, openness and equality” and the concept of “merit-based selection” in recruitment, we actively shape a trustworthy employer brand image, and broadly attract talents with pioneering spirit and practical qualities to provide talent support for the Company’s achieving the “Entering the East and Southbound” business development strategy, laying a solid foundation for the steady expansion of the Company’s operational scale. The Company has established sound labour protection systems. We safeguard the legitimate rights and interests of employees, resolutely prohibit any form of discrimination, resolutely prohibit the use of child and forced labour, and are committed to realising diverse, fair, legitimate and compliant employment.

PEOPLE-ORIENTED, MUTUAL ASSISTANCE DEVELOPMENT

Recruitment Policy

Ensure compliant employment and prohibit the use of child and forced labour

The Company eliminates the recruitment of any job applicant under the working age stipulated by the government by deploying the E-HR system, thus prohibiting the use of child labour from the source. In addition, the Company conducts appraisal on staff of the restaurants from time to time, strictly monitors employment risks, and links the employment risk with the performance.

Deepen school-enterprise cooperation and expand recruitment channels

The Company further strengthens campus recruitment, engages in deeper and multi-modal cooperation with various educational institutions, and attracts more high-quality graduates to intern at the restaurants to enhance the comprehensive service level of frontline personnel. At the same time, we actively expand overseas recruitment channels, attract talents from overseas regions to join us, combine practical training in overseas operational restaurants to deliver outstanding operation and management talents to various brands and regions.

Strengthen the incentive mechanism and construct a talent team

The Company launched the “Elite Restaurant Manager” project, formulated a competitive compensation incentive scheme to rapidly and centrally attract experienced and capable professional operation talents to join us, fill frontline operation positions, drive the improvement of the operational level of the business division and promote the construction of the internal talent team.

Insist on diversity in employment and advocate inclusive concept

We adhere to the employment principle of equality between men and women, continuously promote diversity of employees, advocate a diversified and inclusive workplace atmosphere, and adopt a variety of approaches to attract and retain suitable talents with diverse background. We prohibit any discrimination on ground of age, gender, geographical region, cultural background, religion and other factors, achieve reasonable distribution of employees, and ensure a diversified, equal and inclusive working atmosphere.

Work Effectiveness in 2024

The Company actively expands its restaurants in Hong Kong, Taiwan and Singapore outside of mainland China, and its business develops at a rapid pace. Our recruitment policy has strongly guaranteed the supply of local talents and successfully introduced overseas talents into mainland China to carry out their work, forming a good mechanism for the introduction and cultivation of talents.

The “Elite Restaurant Manager” project launched by the Group’s Coucou Brand Business Division has been progressing well, recruiting nearly 20 outstanding frontline operation management talents within one month, supplementing the gap of operation professionals, and promoting morale boost of the entire operation team and performance growth.

PEOPLE-ORIENTED, MUTUAL ASSISTANCE DEVELOPMENT

The employee distribution structure was as follows:

We adhere to equal employment and continuously optimize the personnel structure. As of the end of the reporting period,

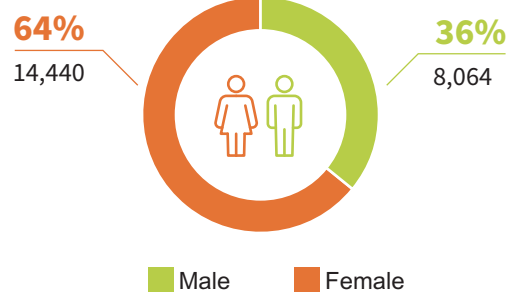


the Company had a total of
22,504
employees

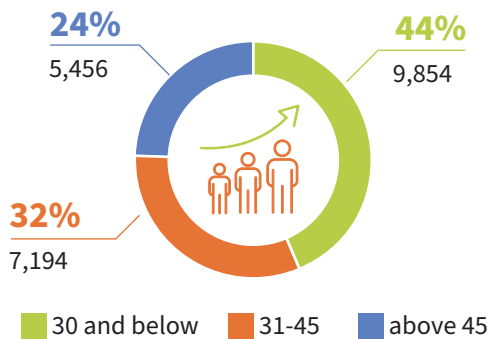


including
35
persons with disabilities

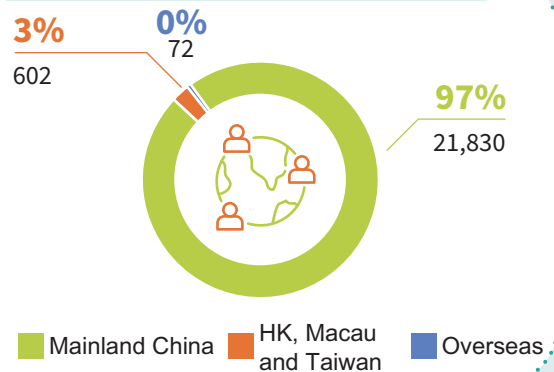
Number of employee by gender



Number of employee by age group



Number of employee by region



Number of employee by employment type



Number of employee by race



PEOPLE-ORIENTED, MUTUAL ASSISTANCE DEVELOPMENT

Indicator	Unit	FY2023	FY2024
Employee turnover rate	%	127.64	114.30
Male employee turnover rate	%	159.01	138.41
Female employee turnover rate	%	109.15	100.46
Turnover rate of employees aged 30 and below	%	286.00	232.14
Turnover rate of employees aged 31-45	%	91.00	12.73
Turnover rate of employees aged above 45	%	17.00	25.91
Employee turnover rate in Mainland China	%	127.00	114.09
Employee turnover rate in Hong Kong, Macau and Taiwan	%	140.00	140.84
Overseas employee turnover rate	%	127.00	58.46

• Collective agreements

The Company signs collective contracts in accordance with the laws, regulations, rules such as the Labour Union Law of the People's Republic of China, the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China and the Collective Contract Provisions issued by the former Ministry of Labor and Social Security to ensure that legitimate rights and interests of employees are fully protected, meet reasonable demands of employees in terms of labor remuneration, working conditions, career development and etc., and enhance employee satisfaction.

In order to safeguard the legitimate rights and interests of employees and promote the common development of the Company and its employees, the Company has established eight labor unions in Beijing, Tianjin, Shanghai and Xilin Gol League, with more than 10,000 labour union members. The labour unions in Beijing and Tianjin sign collective agreements annually and the labour unions are responsible for the signing, implementation and supervision of collective agreements. The labour unions collect employees' opinions and demands, form the topics of collective agreements, negotiate and discuss the contents of the terms of the collective contracts with the Company, and sign the collective contracts upon reaching an agreement. The Company and the labour unions have established a collective contract supervision and inspection group, which is responsible for overseeing the implementation of the provisions of the collective contracts and rectifying any issues identified in a timely manner.

The Company's collective contracts include content such as labor contract management, wages and benefits, working hours, rest and vacation, social insurance, labor safety and sanitation, as well as special protection for female employees and minor workers, providing legal protection to safeguard legitimate rights and interests of employees. At the same time, the Company has signed special collective contracts with the labour unions regarding wages in the catering industry, protection of the rights and interests of female employee, and labor safety and sanitation, further safeguarding that employees equally enjoy their legitimate rights to obtain labor remuneration, rest and leave, health and safety, social insurance, welfare and etc.

PEOPLE-ORIENTED, MUTUAL ASSISTANCE DEVELOPMENT

• Remuneration and benefits

The Company strictly abides by the relevant laws and regulations such as Labor Law of the People's Republic of China and the Labor Contract Law of the People's Republic of China. Following the principle of "focusing on profit", we have restructured the remuneration system and lawfully determined the internal salary distribution system and distribution form based on the post value and performance to rationally widen income gaps. The Company enhances the remuneration level of existing employees based on the actual achievement of economic benefits, implements profit sharing and determines monthly bonuses, quarterly bonuses and annual bonuses based on employee positioning and position sequence. At the same time, employees can obtain stock incentives after achieving performance targets based on the Company's restricted stock incentive scheme. The amount of grant is determined based on performance contribution, fully reflecting the principle of more pay for more work.

The Company comprehensively employs multiple strategies to deeply integrate the three remuneration elements of post value, performance and personal capability. By effectively combining short-term and long-term incentives, we stimulate employees' work motivation, create greater benefits for the Company and achieve a win-win situation for both the enterprise and the employees. In addition, the Company implements labor budget management, analyzes the income status of employees annually, links the total wages with the Company's performance, actively and steadily conducts salary increase initiative, formulates annual salary increase plans, adjusts salary policies and enhances remuneration and benefits of employees.

In 2024, the Company optimized its operational incentive mechanism, focused on profit sharing, adopted auxiliary measures such as achievement incentives, performance improvement incentives and loss reversal incentives. At the same time, the Company optimized the professional function bonus mechanism, deepened the development and asset incentive plans and improved the long-term incentive plans for key positions of the Company, so as to make the allocation logic more rational. In addition, the Company revised the restricted stock incentive mechanism, improved the incentive rules for business units, and took full account of the characteristics and needs of newly established business units.

Working hours and rest periods	<ul style="list-style-type: none"> comply with the working hour requirement under the Labour Law of the People's Republic of China; guarantee employees' rights to rest on national statutory holidays; provide paid leaves such as marriage leave, funeral leave, home leave, maternity leave and family planning leave.
Five social insurances and one housing provident fund	<ul style="list-style-type: none"> provide its employees with five social insurances including endowment insurance, employment injury insurance, maternity insurance, unemployment insurance, medical insurance and the Housing Provident Fund; purchase employer liability insurance for employees of all restaurants nationwide.
Care for employees	<ul style="list-style-type: none"> provide free working lunch or meal allowances for all employees; provide transportation, telephone and travel allowances for employees at posts with particular needs; carry out travel activities for outstanding employees to inspire the motivation of all staff.

PEOPLE-ORIENTED, MUTUAL ASSISTANCE DEVELOPMENT

4.2 DEEPENING EMPLOYEE CARE

We always adhere to the management philosophy of “people-oriented, integrity and pragmatism”. As a responsible employer, the Company attaches great importance to safeguarding safety and physical and mental well-being of employees. Through comprehensive protection measures, we provide a safe, healthy, comfortable and convenient working environment for our employees. At the same time, we emphasize the importance of caring for employees and provide smooth communication channels for employees, organise various employee care activities, and encourage employees to strike a work and life balance, with an aim to enhance the employees’ sense of happiness and belonging and improve the enterprise’s cohesion.

• Employee health and safety

The Company strictly complies with the Fire Prevention Law of the People’s Republic of China, the Safety Law of the People’s Republic of China, the Measures for the Administration of Contingency Plans for Work Safety Incidents, the Law of the People’s Republic of China on Prevention and Control of Occupational Diseases, the Special Equipment Safety Law of the People’s Republic of China, the Regulations on the Safety Management of Hazardous Chemicals and other laws and regulations, adheres to the management concept of “anti-violation, blocking loopholes, checking hidden dangers, and ensuring safety”, revises the responsibility system and rules and regulations related to production safety in a timely manner, assigns dedicated personnel to regularly allocate and maintain safety facilities, and adopts a number of measures in parallel, so as to provide employees with a safe and healthy working environment. During the Reporting Period, the Company was not aware of any serious work safety accident or safety issue due to negligence in safety inspections.

Strengthening risk prevention and control

- The Company assigns dedicated personnel to conduct regular inspections on the fire extinguishers and fire pumps of the Company, and completes in the spot checks record form; and the Company signs maintenance agreements with qualified fire-fighting units to regularly maintain fire alarm and fire extinguishing systems and various fire-fighting equipment to ensure that the fire-fighting facilities and equipment are complete and effective;
- The Company strengthens the supervision and control of key areas and key parts, including special equipment registration and annual inspection, daily inspection of power distribution room and charging room;
- The Company carries out special safety inspection activities for the production safety month event, and conducts daily, weekly and monthly inspections, with an aim to facilitate timely rectification of potential hazards.

Safety emergency drill

- The Company carries out establishment of emergency rescue system, updates its emergency rescue plan in a timely manner;
- The Company regularly conducts emergency rescue drills such as fire extinguishment, evacuation and first-aid training in accordance with such plan.

Safety training and promotion

- The Company rigorously carries out three-level safety training for the new employees, with an aim to ensure a three-level education training rate of 100% for the new employees;
- The Company formulates the safety education and training plan and organises lecturing and training activities in accordance with the aforesaid plan;
- The Company organises professional certification trainings for special operators or special equipment operators;
- The Company proactively organises a wide variety of afterwork activities for the promotion of safety knowledge in a flexible and diverse manner via bulletin boards, banners, social software, pre-shift or post-shift meetings.

PEOPLE-ORIENTED, MUTUAL ASSISTANCE DEVELOPMENT

Staff food safety

- With reference to the Food Safety Law, the canteen implements strict control over the quality of canteen ingredients as well as the quality process, the hygiene process and the serving process, and the qualification rate in random inspections for tableware washing and sterilisation reaches 100%. At the same time, it carries out monthly smearing inspection on employees' shared tableware and appliances of the meal-serving room to fully ensure the food hygiene and safety of diners;
- The Company requires the person-in-charge of the canteen to smear inspection to the valve and key connection parts of the canteen gas at morning shift, check whether there is gas leakage, and fill in the inspection record every morning; The administrative staff implements strict control on bottled water and boiled water, so that all of the drinking water provided for staff members is safe and healthy. In addition, the Company cleans all water boilers and inspects and replaces the filters of water purifiers quarterly.

Safeguarding physical and mental wellbeing

- All employees receive health examination regularly;
- The administrative logistics maintenance staff carries out a series of upgrade, maintenance and renovation of the air-conditioners, domestic water heaters and dormitory facilities to improve the comfort of employees' work environment;
- The shuttle buses of the Company arrive at the designated place on time every day to effectively ensure the normal commuting of employees;
- The Company manages and maintains the coffee machines and vending machines in the Company to ensure the needs of the Company's employees to the maximum extent;
- The Company replaces the green plants in the office premise from time to time, and carries out decoration for various festivals to deliver a festive atmosphere, enabling our staff to keep a pleasant and relaxing mood in their busy work;
- The Company strictly manages the staff dormitories in the factory area to meet the accommodation needs of employees, keep the dormitories clean without any fire safety hazards.

In 2024, the Company conducted 8 sessions of safety and health training, with a total of 662 participants covering full-time employees, part-time employees and contractors.

Indicator	Unit	2024
Work-related injury data		
Number of work-related fatalities in FY2022	person	0
Rate of work-related fatalities in FY2022	%	0
Number of work-related fatalities in FY2023	person	0
Rate of work-related fatalities in FY2023	%	0
Number of work-related fatalities in FY2024	person	0
Rate of work-related fatalities in FY2024	%	0
Lost days due to work-related injury	day	8.55

PEOPLE-ORIENTED, MUTUAL ASSISTANCE DEVELOPMENT

• Care for employees

We attach great importance to humanistic care and are committed to creating a democratic and comfortable working environment for employees. The Company actively carries out various employee activities, provides smooth communication, enriches employees' daily life, respects and pays close attention to the employees' expectations and satisfies the actual needs of employees, commends advanced employees and establishes learning benchmarks, encourages employees to strike a work and life balance, enhances the employees' sense of belonging and happiness, and enhances the harmony extent of the teams, with an aim to create a progressive, harmonious and friendly team atmosphere.

The activity of delivering coolness in summer



Departmental team building

Organise employee activities

- The Company organised seminars for new employees, departmental team building, Spring Festival party and other activities to gather cohesiveness, let employees experience the feeling of home and improve their sense of identification with the corporate culture.

Enhance communication with the employees

- Each outlet holds democratic life meetings on a regular basis, organises corporate culture learning and understands employees' expectations in a timely manner;
- The Company organised communication and exchange meetings for the new employees, accepted the advice and established a communication and exchange platform.

PEOPLE-ORIENTED, MUTUAL ASSISTANCE DEVELOPMENT

Home of employees



Departmental team building



Attaching importance to care for the employees

- The Company organised all kinds of activities on various traditional festivals to offer blessing and gifts for the employees;
- The Company offered employees with special benefits and consolation money for their wedding and funeral of their families;
- The Company granted subsidies for birthday gifts to employees;
- The Company extended care for female employees, protected the relevant rights and interests of female employees, and continued to maintain the mother's room to provide convenience for the working moms;
- The Company offered special benefits for the employees during the hot summer;
- The Company commended employees with 10, 15 and 20 years of service to create a representative image of benchmark character of the enterprise;
- The Company provided members' mutual aid service cards for the members of the labour unions in Beijing and Tianjin, and the members of the labour unions enjoyed a number of benefits such as assistance guarantee and labour union services.

PEOPLE-ORIENTED, MUTUAL ASSISTANCE DEVELOPMENT

4.3 EMPOWERING EMPLOYEE DEVELOPMENT

We firmly believe that the growth of employee is the driving force and cornerstone of the Company's development. We place great emphasis on talent cultivation, continuously optimize training courses and systems, and provide abundant learning resources to help employees improve continuously. At the same time, the Company provides multiple career development paths, sets clear appraisal requirements and enhances employees' overall quality to better adapt to market demands and the Company's strategies.

• Diversified training mechanism

The Company always gives top priority to talent cultivation and firmly believes that talent is the core element driving the Company's development. We encourage and urge the employees to apply what they have learned, integrate knowledge with practice, actively master operational skills in their positions, strive to enhance management skills and strengthen their learning and follow-up of general leadership. We tailor targeted training programs for employees at different levels and in different business units and offer professional, rich and diversified training content. We establish a learning incentive mechanism to continuously stimulate the potential of the employees, empower employee growth, thereby promoting the enhancement of the Company's overall performance and strengthening the Company's brand reputation and competitiveness.

DIVERSIFIED MODEL

Through the combination of online pre-job training and offline reinforcement training, we carried out teaching, sharing, seminars and other training content, and implemented several occupational character assessments, which helped to develop a career development plan and build a team with empowerment and growth potential.

ADAPTATION TO PERSONAL APTITUDES

Customized courses are developed for employees in different regions, business lines and ranks to ensure that the courses cover all employees while meeting the personalized needs of employees and ensuring that they are taught according to their skills.

CONTINUOUS TRAINING

In addition to orientation training, the Company also subsequently provides position skill training, management training and trainings on attitude motivation based on business needs, with trainings covering the entire career of employees.

ASSESSMENT AND CERTIFICATION

The Company supervises and guides the regular training and calibration to continuously update the knowledge of operation executives, update and strengthen operational standards, and at the same time, activates the talent certification system, determines the fixed training model and assessment method, and promotes the innovative talent development model.

PEOPLE-ORIENTED, MUTUAL ASSISTANCE DEVELOPMENT

• Optimize course configuration

- We improve the online learning map for each level at the functional end, accurately configure the appropriate courses and ensure that employees at all levels have access to learning resources that meet their development needs.

• Experience and knowledge sharing

- We organize internal professional knowledge exchange and sharing sessions, digging into employees' valuable experience and cutting-edge management ideas, while carrying out courseware extraction to precipitate excellent results into reusable knowledge assets.

• Set up incentive mechanism

- We carry out the online learning points exchange program, stimulate employees' enthusiasm for independent learning and create a strong learning atmosphere through setting up rich and diverse exchange prizes.

• Broaden external horizons

- We systematically plan and organize employees to participate in external high-quality training courses to broaden their horizons, introduce advanced concepts and methods in the industry, and promote the updating and improvement of employees' knowledge system.

• Consolidation of knowledge training

- We regularly conduct internal training activities for employees, focus on key skills and knowledge, strengthen the consolidation and learning of standardized courses, and enhance employees' mastery of core knowledge and skills within the Company.

Xiabu	Coucou
<ul style="list-style-type: none"> • We established a learning project through Xiabu Academy E-learning platform, and continuously delivered learning content to frontline operation employees. In 2024, 52,606 person-times in learning on the platform, accumulating a total of 428,948 learning hours; • We created the title of Intermediate Lecturer to stimulate the potential of the internal trainer team, enhance the training capability of the internal trainer team and better empower operating employees. In 2024, a total of two internal trainers were successfully granted the title of Intermediate Lecturer. • We updated and developed training materials, updated the content of training courses for all levels of operation, launched the Learning Map, streamlined and integrated existing positions and product operation SOP, presented them in the form of QR code, and provided frontline operation employees with more convenient channels to learn and understand the latest operation SOP; • We conducted a comprehensive assessment and update of the content of the E-Learning platform, with a total of 151 chapters updated. 	<ul style="list-style-type: none"> • We implemented induction training for new employees, with 100% of new employees completing online and offline learning within one month after joining the Company, and ensured that all new employees could receive pre-job training; • We promoted the process of launching new products and standardizing product production, conducted training nationwide in the form of online live streaming, with a total of 26 sessions of live streaming and over 11,000 persons participating in learning; all training is conducted in the form of PDCA to ensure implementation at the operational end. The new product knowledge assessment requires all participants to pass with full marks. • We conducted specialized training in each region every month, and a total of 305 sessions of thematic training were held in 2024; • Based on operational needs, we developed and promoted the implementation of seven courses, including improving the advanced course setup for receptionists and promoting it in the region; we optimize courses of trainer level and distinguished between the front office version and the back office version; we optimized intermediate and advanced courses and adjusted the teaching methods and duration.

PEOPLE-ORIENTED, MUTUAL ASSISTANCE DEVELOPMENT

Xiabu Platinum Management Course

We developed the “Platinum Management Course” by researching the actual pain points and needs in operation and management. This course is tailor-made for restaurant managers and reserve operation manager-level employees, comprehensively enhancing management skills from the four dimensions of “execution”, “communication”, “management” and “operation”. In 2024, 37 restaurant managers participated in the “Platinum Management Course” for further study and took a solid step on the road to enhancing their professional capabilities.



Xiabu Internal Trainer Skills Competition

In order to further enhance the professional level of the internal trainer team and pursue excellence and perfection, we meticulously prepared and successfully held the National Internal Trainer Skills Competition. This competition closely revolved around operation work, aiming at enabling internal trainers to penetrate into the frontline of operations, fully understand operational needs and thereby provide stronger support for operation work. All the members of Xiabu BU internal trainer team actively participated, and the participation rate achieved 100%, demonstrating the team’s relentless pursuit of self-improvement.



PEOPLE-ORIENTED, MUTUAL ASSISTANCE DEVELOPMENT

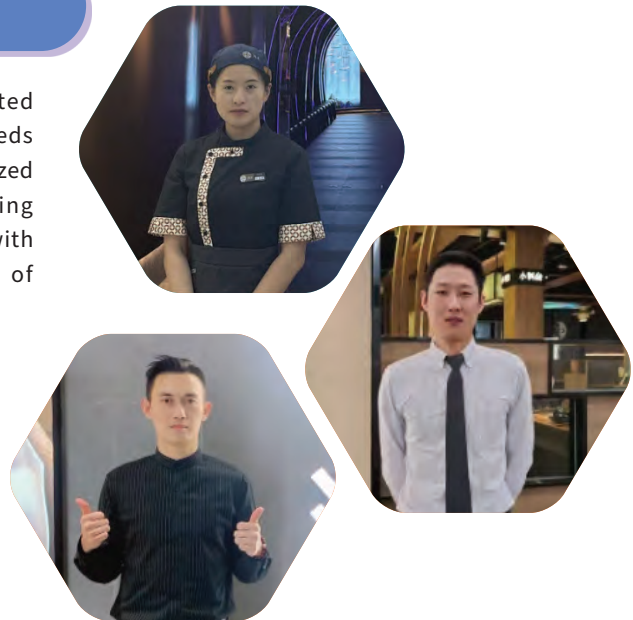
Xiabu Knowledge Expert Competition

In 2024, we organized an online Knowledge Expert competition nationwide, providing a platform for the employees of the operation team to demonstrate and improve themselves, with a participation rate of 90%. Through participation in the competition, employees not only enriched and consolidated their business knowledge, but also significantly improved their practical skills, problem-solving abilities and other aspects, achieving a comprehensive improvement of overall business capabilities.



Coucou Standard Course Training

In 2024, Coucou Training Optimization Department conducted standardized course training centred on the development needs of personnel at all levels. A total of 1,130 standard and specialized training courses were offered throughout the year, providing employees with rich and systematic learning opportunities, with as many as 11,189 participants. Through the accumulation of continuous learning and practice, employees' professional capabilities have been significantly enhanced, and their career development paths have become clearer. More than 3,600 employees have successfully obtained promotion opportunities in their original positions and advanced to a new stage in their careers leveraging on their outstanding performance.



PEOPLE-ORIENTED, MUTUAL ASSISTANCE DEVELOPMENT

Coucou Elite Training

Coucou Elite Training helped managers enhance professional management knowledge, fill talent capability gaps of talents, gain in-depth understanding of various systems and regulations introduced by the Group and achieve a deep consensus between front office and middle office. During this year, one session of elite training was conducted nationwide, and a total of 19 outstanding operation managers and 8 outstanding restaurant managers participated.

*Coucou Student Cultivation of the Classes of Eyas Incubation and Eyas Rapid Development*

The classes of Eyas Incubation and Eyas Rapid Development aimed at helping the Company cultivate reserve talents through meticulously planned curriculum systems, careful guidance of professional mentors and extensive practical exercises. In 2024, the classes of Eyas Incubation and Eyas Rapid Development successfully cultivated 64 reserve deputy managers and 42 reserve restaurant managers for the Company, injecting continuous vitality for the Company's sustainable development and growth.



PEOPLE-ORIENTED, MUTUAL ASSISTANCE DEVELOPMENT

Competency Development for Professional Talents

Regarding the reserve and cultivation of the kitchen talent team, Coucou Training Optimization Department conducted offline practical skills training, and 146 persons participated in the training. Through systematic and comprehensive practical training, it ensured that the trainees could proficiently master the skills required for kitchen management, laying a foundation for them to qualify for the position of kitchen manager.

In order to enhance the skill level of the position of tea artist, we launched the Tea Artist Project. The project established a diversified cultivation and assessment system of online self-learning, theoretical knowledge assessment and offline practical skills assessment. After a rigorous training and assessment process, a total of 927 persons nationwide successfully obtained the qualification certificates of "Coucou Tea Artist".



Indicator	Unit	FY2023	FY2024
Percentage of female employees trained	%	62.77	68.23
Average training hours received by female employees	hours/person	4.03	8.01
Percentage of male employees trained	%	37.23	68.51
Average training hours received by male employees	hours/person	4.49	10.47
Percentage of managers or above trained	%	2.09	88.35
Average training hours received by managers or above	hours/person	7.35	13.28
Percentage of other level employees trained	%	97.91	67.10
Average training hours received by other level employees	hours/person	6.44	8.75

PEOPLE-ORIENTED, MUTUAL ASSISTANCE DEVELOPMENT

• Appraisal and promotion

The Company continuously strengthens its reserve strength of talent pool, is committed to providing a fair, just and open career development environment for the employees, attaches importance to employee appraisal and long-term incentives, emphasizes the cultivation of reserve talents, and establishes career development paths for the employees. In 2024, the Company continuously conducted annual talent assessment. The employees proactively identified weaknesses in their work and used them as breakthrough points to actively seek improvement methods, continuously optimize work methods and enhance the efficiency and quality of their own work.

Talent appraisal system	The Company has established a perfect talent appraisal system, with an aim to ensure fair and scientific appraisal results. The Company implements monthly appraisal, quarterly appraisal and special appraisal for performance appraisal, and regularly tracks and analyses the employees' accomplishment of performance targets.
In-house competition policy	The Company has established perfect in-house competition policy, reviewed its internal position composition, offered more promotion opportunities for its employees, so as to make full use of its in-house talent reserve, and enabled employees to obtain diversified development opportunities.

4.4 FULFILLING SOCIAL RESPONSIBILITY

We firmly believe that the development of the Company is inseparable from social progress, and promoting healthy social development is crucial to the sustainable development of the Company. We always place the fulfillment of social responsibility in an important position, pay close attention to the various needs of the community, and steadfastly practice social responsibility with practical actions. While ensuring the stable operation of the enterprise, the Company actively engages in the undertaking of serving society and giving back to the public, is committed to promoting industrial revitalization, ecological poverty alleviation and regional economic prosperity, participates in public welfare undertaking, charitable donations and voluntary service activities, and joins hands with all sectors of society to build a better society together.

In 2024, we participated in 18 public welfare activities, engaged in 3 public welfare and charity projects, and obtained 11 awards related to public welfare, effectively enhancing the warmth of the brand and significantly highlighting the Company's image.

“Caring for Girls’ Growth Plan” 99 Public Welfare Day Fundraising Activity

In September 2024, we participated in 99 Public Welfare Day fundraising activity for “Caring for Girls’ Growth Plan”. This activity aimed at donating care resource packages to girls in remote areas through charity sales activities, providing care for students in difficulty and guarding the healthy growth of rural girls. The activity gathered the compassion and strength from all sectors of society and injected new hope and motivation for the healthy growth of girls in remote areas. At the same time, it provided a public welfare platform for the Company to open up the university market and jointly contributed to the healthy growth of rural girls during puberty.



PEOPLE-ORIENTED, MUTUAL ASSISTANCE DEVELOPMENT

“Girls Are Not Simple” Consumption Donation Public Welfare Promotion Project

In February 2024, the team of the “Guarding Youth – Girls Are Not Simple” consumption donation public welfare promotion project visited Feng County, Luliang, Shanxi and Taishun in the southern border of Zhejiang, old revolutionary areas, to distribute educational resource packages to local girls. The Company’s a thousand of restaurants nationwide have joined this project, and we have solemnly promised: for every customer who comes to our restaurant to make a purchase and pay with Alipay, the Company will donate RMB0.01 to the “Girls Are Not Simple” consumption donation public welfare promotion project. The donated capital will be used for conducting puberty education courses, distributing education resource packages and etc. This event built a bridge of love for philanthropists to engage in social public welfare, enabling every consumer to become a participant in the public welfare for caring for adolescent girls, jointly safeguarding the healthy growth of girls. During the event, we have cumulatively donated RMB20,000.



“Warmth of Public Welfare in Hebei” – “Fragrance of Calligraphy, Blessings Entering Ten Thousand Families” Community Spring Festival Themed Activity

We participated in the “Warmth of Public Welfare in Hebei” – “Fragrance of Calligraphy, Blessings Entering Ten Thousand Families” writing Spring Festival couplets and giving warm tea activity organized by the Future Community of Chengde High-tech District in Hebei. We prepared warm tea with love for volunteers and community residents. The volunteers handed over written Spring Festival couplets, the character “Fu” and steaming milk tea to the residents, conveying good wishes to every family. This activity not only brought a festive atmosphere of the Chinese New Year to the community, but also allowed residents to feel genuine warmth and care in the cold winter.



PEOPLE-ORIENTED, MUTUAL ASSISTANCE DEVELOPMENT

Coucou Warm Winter Campaign • Community Tour of Capable Coucou

In the cold winter, Coucou Hotpot launched the “Coucou Warm Winter Campaign • Community Tour of Capable Coucou” activity. We provided a steaming hotpot meal for the sanitation workers in the community. This was not just a hotpot meal, but also Coucou’s tribute to the city’s guardians. Coucou Hotpot interpreted the meaning of a brand with warmth with practical actions, and constantly practiced corporate social responsibility.

**Warm Station**

The Company has established 16 warm stations, which primarily provided considerate services for customers, delivery riders and internal employees. The warm stations have been equipped with dedicated service personnel, and signs have been hung in conspicuous places in the service areas of the restaurants. The stations have been equipped with tables and chairs, drinking water, air conditioning, disposable paper cups, emergency medical kits and other daily necessities, providing free access to drinking water, cooling and heating, meal heating, rest, emergency medicine and other occasional needs in work and life for those in need.



PEOPLE-ORIENTED, MUTUAL ASSISTANCE DEVELOPMENT

Warm Benefit Activity of University Campus in Cold Winter

During the season of cold winter, we visited Yanching Institute of Technology in Yanjiao to deliver warm benefits to the students. Steaming cups of tea and carefully prepared snacks dispel the winter chill for the students. This activity allowed the Company to further connect with the younger group, continuously enhancing brand awareness in the university campus, thereby increasing brand reputation among the college student group.



Participating in the “Smoke-Free Co-Creation • Development and Win-Win” Corporate Smoke-Free Practice Sharing Conference organized by the World Health Organization in Beijing

Zhang Yanmei, Vice President, serves as the Deputy Director Member of the Sustainable Roundtable Working Committee of the China Chain-Store & Franchise Association, continuing to promote the green and sustainable development of the catering industry



FUTURE OUTLOOK

Looking forward to the future, we will not rest on our current achievements, but will hold ourselves to higher standards, with an unending pursuit of excellence. We will operate in accordance with laws and regulations, ensure the safety and health of food, pay close attention to customer needs, constantly pay attention to changes in the market environment, make continuous improvement, provide safer, healthier and more delicious dining service for customers, and always exceed expectations of customers. We will continue to uphold the concept of sustainable development, driven by innovation and shouldering responsibility, to create greater value for shareholders and contribute more to the sustainable development of society.

Embark on a new journey of high-quality development. We regard quality as the core of development, return profits to consumers, enable the Company's high price-performance ratio deeply rooted in people's minds, and gain trust and recognition of more customers. We have designated 2025 as the "Year of Product Quality", focusing on stringent quality control and increasing quality promotion. We will communicate with consumers regarding product quality more frequently and more effectively, enable every consumer who chooses us genuinely feel the new experience brought by the quality upgrade. At the same time, we will focus on optimization and upgrading of our internal management system. Through effective brand innovation, model innovation, product innovation and management innovation, we will perfect every detail in our operations, provide a better dining experience for customers, continuously enhance customer value and establish a competitive advantage for corporate sustainable development.

Write a new chapter of brand advancement and digital intelligence upgrade. We will comprehensively consolidate the existing advantages of the main brand, continuously exert efforts in the aspects such as brand culture building and market expansion, and maintain the brand's leading position. At the same time, we will actively cultivate outstanding sub-brands with keen market insights and forward-looking strategic vision, and establish strong brands nationwide and even globally. We will promote the application of digital intelligence in the segments such as membership management and supply chain management based on actual circumstances, and support corporate development. Through integrating the membership system and building an internal private traffic pool, we will achieve precise interaction with customers based on data such as member consumption preferences, restaurant visit frequency and consumption cycles. Relying on the Company's global business layout, we will build an efficient, synergistic, green and sustainable global supply chain system to continuously empower our major brands.

Draw a new blueprint for the green development of the enterprise. We will unswervingly integrate the concept of sustainable development into all aspects of the Company's operations and actively promote green transformation. We continuously leverage the advantages of the "one person, one pot" model, closely combining product development and menu design to control ingredient usage from the source and effectively reduce food waste. At the same time, we will vigorously promote technological innovation and equipment upgrading, and utilize advanced energy-saving technologies and environmental protection equipment to achieve green operations. In addition, we will actively convey the green lifestyle concept of "eliminating waste, cherishing food and protecting the environment" to customers, leading a healthy and environmentally friendly consumption trend.

Compose a new chapter of talent empowerment and public welfare responsibility. We will take well-targeted steps in talent development and pay attention to the growth of talents in all aspects, from induction to career advancement, and from skill enhancement to mindset expansion, providing customized growth paths to maximize the efficiency of talents. We respect, trust and care for our employees, encouraging them to share knowledge and experience, learn from each other and grow together to fully empower and support the front line of our operations. In addition, we will continue to actively participate in various public welfare activities, promote environmental protection, engage in community development, disaster relief and poverty alleviation, thereby fulfilling our social responsibilities and contributing to the development of society.

Forging ahead into a new year, we will insight the future with a broader perspective, spearhead the development of the industry with the spirit and commitment, adhere to the original aspiration and mission, uphold the core values of "unity, pragmatism, integrity, diligence and innovation" and strive forward to achieve the vision of "becoming the leading Chinese catering company with business presence across China and around the world".





ESG INDEX

No.	Description	Disclosure Status	Reference Sections in the Report
A1 Emissions	General Disclosures	Disclosed	P41
	Information on		
	(a) the policies; and		
	(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to exhaust and greenhouse gas emissions, discharges into water and soil, generation of hazardous and non-hazardous wastes, etc.		
	Note: Exhaust emissions include NO _x , SO _x and other pollutants regulated under national laws and regulations. Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride. Hazardous wastes are those defined by national regulations.		
	A1.1 Types of emissions and respective emission data.	Disclosed	P42-43
	A1.2 GHG emissions in total (in tonnes) and, if appropriate, intensity (e.g. per unit of production volume, per facility).	Disclosed	P42-43
	A1.3 Hazardous wastes generated in total (in weight or volume) and, if appropriate, intensity (e.g. per unit of production volume, per facility and per regular employee).	Not applicable	Due to the nature of the main business of the Company, no significant amount of hazardous wastes are generated during the operation process, thus this index is not applicable.

No.	Description	Disclosure Status	Reference Sections in the Report
A1 Emissions	A1.4 Non-hazardous wastes generated in total (in weight or volume) and, if appropriate, intensity (e.g. per unit of production volume, per facility and per regular employee).	Disclosed	P42-43
	A1.5 Description of measures to mitigate emissions and results achieved.	Disclosed	P46
	A1.6 Description of treatment of hazardous and non-hazardous wastes, reduction initiatives and results achieved.	Disclosed	P47
A2 Use of Resources	General Disclosure Policies on efficient use of resources, including energy, water and other raw materials. Note: Resources may be used for production, storage, transportation, buildings, electronic equipment, etc.	Disclosed	P43, P46
	A2.1 Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Disclosed	P42-43
	A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Disclosed	P42-43
	A2.3 Description of energy use efficiency initiatives and results achieved.	Disclosed	P41, P43

ESG INDEX

No.	Description	Disclosure Status	Reference Sections in the Report
A2 Use of Resources	A2.4 Description of whether there is any issue in sourcing water that is fit for the purpose, water efficiency initiatives and results achieved.	Disclosed/ partial not applicable	Due to the nature of the main business of the Company, the source of water is municipal water supply and there is no issue in sourcing water. P46
	A2.5 Total packaging materials used for finished products (in tonnes) and, if appropriate, packaging materials used for per unit produced.	Disclosed	P46
A3 Environment and Natural Resources	General Disclosure Policies on minimising the issuer's significant impact on the environment and natural resources. Disclosed	Disclosed	P26-27, P47-48
	A3.1 Description of the significant impacts of business activities on the environment and natural resources and the actions taken to control such impacts.	Disclosed	P26-27, P47-48
A4 Climate Change	General Disclosure Policies on identification and mitigation of significant climate-related issues which have impacted and may impact the issuer.	Disclosed	P44-45
	A4.1 Description of the significant climate-related issues which have impacted and may impact the issuer, and how they are dealt with.	Disclosed	P44-45

ESG INDEX

No.	Description	Disclosure Status	Reference Sections in the Report
B1 Employment	General Disclosure Information on: <div> (a) the policies; and <div>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.</div> </div>	Disclosed	P51-52, P54-55, P58-59, P66
	B1.1 The total number of employees by gender, employment type, age group and geographical region.	Disclosed	P53
	B1.2 The employee turnover rate by gender, age group and geographical region.	Disclosed	P54
B2 Health and Safety	General Disclosure Information on: <div> (a) the policies; and <div>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.</div> </div>	Disclosed	P56-57
	B2.1 Number and rate of work-related fatalities.	Disclosed	P57
	B2.2 Lost days due to work injury.	Disclosed	P57
	B2.3 Description of occupational health and safety measures adopted, as well as how they are implemented and monitored.	Disclosed	P56-57



ESG INDEX

No.	Description	Disclosure Status	Reference Sections in the Report
B3 Development and Training	General Disclosure	Disclosed	P60-65
	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.		
	Note: Training refers to vocational training. It may include internal and external training programs paid by the employer.		
	B3.1 The percentage of employees receiving trainings by gender and employee category (e.g. senior management, middle management, etc.).	Disclosed	P65
	B3.2 The average training hours completed per employee by gender and employee category.	Disclosed	P65
B4 Labour Standard	General Disclosure	Disclosed	P51-52
	Information on:		
	(a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing use of child labour or forced labour.		
	B4.1 Description of measures to review recruitment practices to avoid child labour and forced labour.	Disclosed	P51-52
	B4.2 Description of steps taken to eliminate such practices when discovered.	Disclosed	P51-52

ESG INDEX

No.	Description	Disclosure Status	Reference Sections in the Report
B5 Supply Chain Management	General Disclosure	Disclosed	P33-36
	Policies on managing the environmental and social risks of the supply chain.		
	B5.1 Number of suppliers by geographical region.	Disclosed	P34
	B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, as well as how they are implemented and monitored.	Disclosed	P33-36
B6 Product Responsibility	General Disclosure	Disclosed	P26-29, P32, P37-38
	Information on:		
	(a) the policies; and		
	(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labeling and privacy matters in relation to products and services provided and methods of redress.		
	B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Disclosed	P28
	B6.2 Number of products and service related complaints received and how they are dealt with.	Disclosed	P38
	B6.3 Description of practices relating to observing and protecting intellectual property rights.	Disclosed	P22
	B6.4 Description of quality assurance process and recall procedures.	Disclosed	P28
	B6.5 Description of quality assurance process and recall procedures.	Disclosed	P38



ESG INDEX

No.	Description	Disclosure Status	Reference Sections in the Report
B7 Anti-corruption	General Disclosure	Disclosed	P19-21
	Information on:		
	(a) the policies; and		
	(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.		
	B7.1 Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Disclosed	P19
	B7.2 Description of preventive measures and whistleblowing procedures, and the related implementation and supervision approaches.	Disclosed	P19
	B7.3 Description of anti-corruption training provided to directors and staff.	Disclosed	P21
B8 Community Investment	General Disclosure	Disclosed	P66-69
	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities taking into consideration the communities' interests.		
	B8.1 Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Disclosed	P66-69
	B8.2 Resources contributed (e.g. money or time) to the focus area.	Disclosed	P66-69

GRI STANDARDS INDEX

No.	Description	Disclosure Status	Reference Sections in the Report
2-1	Organizational details	Disclosed	P15-16
2-2	Entities included in the organisation's sustainability reporting	Disclosed	ABOUT THIS REPORT
2-3	Reporting period, frequency and contacts	Disclosed	ABOUT THIS REPORT
2-6	Activities, value chain, and other business relationships	Disclosed	P15-16
2-7	Employees	Disclosed	P51-66
2-9	Governance structure and composition	Disclosed	P6, P17
2-12	Role of the highest governance body in overseeing the management of impacts	Disclosed	P6
2-13	Delegation of responsibility for managing impacts	Disclosed	P6
2-14	Highest governance body's role in sustainability reporting	Disclosed	P6
2-28	Membership of associations	Disclosed	P39
2-29	Approach to stakeholder engagement	Disclosed	P7-8
3-1	The process of identifying substantive issues	Disclosed	P9
3-2	List of substantive issues	Disclosed	P9
3-3	Management of substantive issues	Disclosed	P9
205-2	Communication and training about anti-corruption policies and procedures	Disclosed	P19-21
301-1	Materials used by weight or volume	Disclosed	P46
302-1	Energy consumption within the organization	Disclosed	P42
302-3	Energy intensity	Disclosed	P42
302-4	Reduction of energy consumption	Disclosed	P42
302-5	Reductions in energy requirements of products and services	Disclosed	P42



GRI STANDARDS INDEX

No.	Description	Disclosure Status	Reference Sections in the Report
305-1	Direct (Scope 1) GHG emissions	Disclosed	P42
305-2	Energy indirect (Scope 2) GHG emissions	Disclosed	P42
305-4	GHG emissions intensity	Disclosed	P42
306-1	Total water discharge by quality and destination	Partial applicable	P42
306-2	Total amount of waste by type and disposal method	Disclosed	P42
307-1	Non-compliance with environmental laws and regulations	Disclosed	P41
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Disclosed	P55, P59
401-3	Parental leave	Disclosed	P55
404-2	Programs for upgrading employee skills and transition assistance programs	Disclosed	P60-61
414-2	Negative social impacts from the supply chain and actions taken	Disclosed	P10-11, P33-35
416-1	Assessment of the health and safety impacts of products and service categories	Disclosed	P26-28
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Disclosed	P28

READER FEEDBACK FORM

Thank you for reading 2024 Report of Environmental, Social and Governance of Xiabuxiabu. In order to provide you and other stakeholders with more valuable information and improve the Company's ability to fulfil ESG, we sincerely welcome any opinions and suggestions you may offer on the report via:

Mail to: Unit 2205-07, 22nd Floor, Two Sky Parc, 51 Hung To Road, Kwun Tong, Hong Kong

Telephone: (852) 3580 8523

Email: louis.feng@xiabu.com

1 Which of the following stakeholder types applies to you? _____

A Government B Regulatory Authority C Shareholder D Customer E Employee
F Supplier and Partner G Community H Public and Media

2 Do you think this report has fully satisfied your expectations for the Company? _____

A Yes B No, which of your expectations do you think is not reflected in this report?

3 Do you think the Company has met your expectations well? _____

A Yes B No, which of your expectations do you think has not been met well?

4 Do you think the arrangement of content and layout design of this report provide easy reading? _____

A Excellent B Good C Average D Poor

5 What other opinions and suggestions do you have on our fulfillment of social responsibility and this report?

Thanks again for your participation!