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HAIDILAO INTERNATIONAL HOLDING LTD.

海底捞国际控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 6862)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED JUNE 30, 2025 AND INTERIM DIVIDEND AND CLOSURE OF REGISTER OF MEMBERS

The board (the “**Board**”) of directors (the “**Directors**”) of Haidilao International Holding Ltd. (the “**Company**”) hereby announces the unaudited consolidated results of the Company and its subsidiaries (together, the “**Group**”) for the six months ended June 30, 2025 (the “**Reporting Period**”), together with comparative figures for the same period of 2024.

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

KEY FINANCIAL HIGHLIGHTS

	For the six months ended June 30,	
	2025	2024
	(RMB'000)	(RMB'000)
	(Unaudited)	(Unaudited)
Revenue	20,703,294	21,490,903
Revenue from restaurant operation	19,176,714	20,596,386
Profit before tax	2,626,953	2,888,060
Profit for the period	1,754,576	2,033,103
Profit attributable to owners of the Company	1,758,525	2,038,125
Basic earnings per share (RMB)	0.32	0.38
Core operating profit (non-IFRS measure) ^{Note}	2,408,104	2,798,866

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

For the definition and reconciliation of the most directly comparable IFRS measure and the Group’s core operating profit (non-IFRS measure), please refer to “Management Discussion and Analysis – Core Operating Profit (Non-IFRS Measure)” in this announcement.

KEY BUSINESS HIGHLIGHTS

	As of and for the six months ended June 30,	
	2025	2024
Number of self-operated Haidilao restaurants	1,322	1,343
Number of franchised Haidilao restaurants	41	1
Average table turnover rate for self-operated Haidilao restaurants (times/day)	3.8	4.2
Average spending per guest for self-operated Haidilao restaurants (RMB)	97.9	97.4
System sales growth of Haidilao restaurants	(6.5%)	

INTERIM DIVIDEND

The Board has resolved to declare an interim dividend of HK\$0.338 (equivalent to RMB0.309) per share of the Company (“**Share**”) for the six months ended June 30, 2025 to be payable to the shareholders of the Company (the “**Shareholders**”) whose names appear on the register of members of the Company at the close of business on Thursday, September 11, 2025. The interim dividend will be distributed in HK\$ and is calculated based on the average benchmark exchange rate of RMB against HK\$ announced by the People’s Bank of China in the five working days prior to but excluding the date of the Board meeting held on Monday, August 25, 2025. The interim dividend is expected to be paid to the Shareholders on or before Wednesday, October 15, 2025.

2025 INTERIM PERFORMANCE REVIEW

Financial and Business Review

In the first half of 2025, the catering market faced a complex environment characterized by intensified competition and evolving consumption needs. Haidilao steadfastly adhered to its core management philosophy of “customer satisfaction and employee efforts”, actively addressing market challenges. On the one hand, Haidilao continued to explore and innovate hot pot scenarios, develop distinctive products, refine operations, and strengthen supply chain and digital capabilities, aiming to further optimize its products and services, as well as enhancing its differentiated brand advantages. On the other hand, the Company steadily advanced its multi-brand strategy to seek new paths for business growth. With the above initiatives, the Company maintained its leading position in the industry and moved toward long-term sustainable development.

In the first half of 2025, the Group achieved an operating revenue of RMB20,703.3 million, representing a decrease of 3.7% as compared to the same period of 2024. The Group’s core operating profit (non-IFRS measure) was RMB2,408.1 million, representing a decrease of 14.0% as compared to the same period of 2024. The Group’s profit was RMB1,754.6 million, representing a decrease of 13.7% as compared to the same period of 2024. The decrease in profit was due to a decrease in table turnover rate and initial adjustments to innovative models in terms of products and scenarios. The Company considers that the decrease in performance during this phase reflects that there is still deficiency in the management capabilities of the management. As management, we will continue to strive for improvement.

The Group owned multiple restaurants brands. As of June 30, 2025, the Haidilao hot pot operated a total of 1,363 restaurants, among which, 1,299 self-operated restaurants were located in mainland China and 23 in the Hong Kong, Macau and Taiwan regions, and 41 were franchised restaurants. We continued to optimize the Haidilao restaurant network, opening 25 new self-operated restaurants and 3 franchised restaurants in the first half of 2025. At the same time, we continued to implement the “Woodpecker plan”, proactively shut down several under-performing restaurants with limited growth potential, and some restaurants ceased operations due to other commercial reasons, with a total of 33 restaurants closed. As of June 30, 2025, in addition to Haidilao hot pot, the Company also operated 14 other catering brands with a total of 126 restaurants. Among them, 46 new restaurants of YEAH QING BBQ (焰請烤肉舖子) were opened during the period, bringing the total number of operational restaurants to 70 as of the end of the Reporting Period.

In terms of restaurant performance, in the first half of 2025, the overall table turnover rate of self-operated Haidilao restaurants was 3.8 times per day, the same store turnover rate was also 3.8 times per day and Haidilao restaurants served 189.8 million guest visits. Both the table turnover rate and guest visits of Haidilao restaurants declined in the first half of 2025, mainly due to the impact of intensified competition in the catering market and evolving customer consumption needs. The revenue of Haidilao restaurant operation was RMB18,580.2 million, which accounted for 89.8% of total revenue in the first half of 2025. The revenue from other restaurants, including YEAH QING BBQ (焰請烤肉舖子), reached RMB596.5 million, representing a period-on-period increase of 227.0%. We believe that continuing to implement the “Woodpecker plan” and “Pomegranate plan” and reasonably adjusting the organizational structure in conjunction with the application of new technologies, will certainly help us improve our performance.

We will continue to implement the following development strategies to enhance the Group’s overall operational quality and profitability:

- **Deepening Differentiated Services to Create a “Different Haidilao”**

In response to intensified market competition and diverse consumer needs, we fully realized the importance of regionalization and differentiation. To that end, we launched a “Different Haidilao” plan, focusing on customers, employees, products, and scenarios. For the customer side, we established customer connections through dedicated customer managers to meet customers’ personalized needs and provide extended services, thereby enhancing customer satisfaction. For the employee side, we implemented a systematic development framework to support their growth, continuously strengthen a sense of team belonging and cohesion, laying a solid foundation for the stable improvement of service quality. For the product side, we have created a “fresh-cut” series for meat dishes and a “seasonal” series for other categories, encouraging the development of personalized offerings based on regional consumption characteristics, thereby aligning products more closely with current and local market needs and enhancing regional competitiveness. For the scenario side, we focused on innovation in diversified consumption scenarios by developing various themed restaurants, such as specialty offerings, late-night snack venues, family-oriented interaction, and pet-friendly restaurants, to meet the diverse consumption needs of existing and potential customers. As of the end of June 2025, nearly 30 late-night snack venues-themed restaurants had been renovated, and more than 50 standard-themed stores featuring fresh-cut and live products had been in operation. In the future, the number of themed restaurants will continue to increase.

- **Advancing the “Pomegranate plan” to Support Multi-brand Development**

The Company steadily implements its multi-brand development strategy. Since the launch of the “Pomegranate plan”, the Group has incubated several new catering brands, contributing to a notable period-on-period increase in revenue from other restaurants. In the first half of 2025, we accelerated the layout of entrepreneurial brands by lowering the entrepreneurial entry barriers, revising and improving our entrepreneurial system, and establishing incentive mechanisms for the introduction of outstanding external brands. At the same time, by integrating supply chain and property resources, sharing talent pools, unifying membership systems, and strengthening middle platform building, we have achieved efficient resource synergy, ultimately realizing our strategic goal of multi-brand development. In the second half of 2025, existing brands will focus on optimizing single-restaurant models, while key incubated brands are expected to complete the development of their prototype restaurants. We will conduct regular evaluations and screenings of entrepreneurial brands, concentrate resources to support high-potential projects, and reinforce synergies across our multi-brand portfolio.

- **Focusing on Delivery Business to Broaden Growth Prospects**

In the first half of 2025, our revenue from the delivery business increased by nearly 60%, primarily driven by the synergistic efforts of three dimensions: product, production capacity and traffic. In terms of product, we met diverse consumption needs by enriching product offerings, improving the quality of products and delivering exceptional cost performance. In terms of production capacity, we improved fulfillment efficiency and optimized the delivery chain, thereby ensuring stable supply during periods of surges in order volume. In terms of traffic, we relied on subsidies and traffic support from mainstream platforms to drive order volume growth. Currently, in addition to traditional hot pot delivery, “single-serving high-quality fast food” delivery service has been growing rapidly, contributing over 55% of the delivery revenue in the first half of 2025 and showing a growing trend. New categories such as mixed rice and self-made beverages are also in the testing phase. In the future, we will integrate multi-brand and multi-category resources, build a Haidilao Delivery Super Kitchen, and explore a new satellite restaurant model to drive dual growth in revenue and profit. Meanwhile, we will integrate third-party platforms with our membership system and establish a private domain operation system, to further enhance user stickiness and operational efficiency.

- **Bolstering Customer Experience through Brand Upgrade**

In the first half of 2025, we expanded our marketing ideas and continued to upgrade the Haidilao brand. Haidilao collaborated with a more diverse range of IPs, including popular celebrities, hit movies and TV dramas, well-known Chinese animations, and children’s cartoons, to precisely reach family and young customer groups and drive in-store consumption. As of the end of June 2025, the number of Haidilao members had exceeded 200 million. We have implemented various measures to enhance member satisfaction and increase member engagement. For example, we have updated our membership task system by introducing more interesting “upgrading tasks” tailored to different membership tiers, which has significantly increased consumption frequency among participating customers. We have also carried out multiple cross-industry collaborations, extending Haidilao membership rights to areas such as tourism and transportation. Going forward, we will continue to partner with well-known brands in other industries to enable membership points sharing and broaden our market influence. In addition, we continued to combat the improper use of membership rights, effectively maintaining the fairness of the membership system.

- **Steadily Developing the Franchise Business for Contributing an Impetus to the Group’s Development**

After the opening for franchising, Haidilao restaurants have initially validated the feasibility of the franchise model in the scaled layout and have accumulated a pool of high-quality franchisees. As of the end of June 2025, the Haidilao brand had 41 franchised restaurants. Compared to the typical new-restaurant franchise model commonly adopted in the catering industry, Haidilao restaurants adopt a “mature restaurant + new restaurant” combined franchise model. Through this model, we expect to help franchisees quickly understand the brand philosophy, increase their willingness to franchise, and shorten the cultivation cycle. We will remain committed to our principle of “quality first and steady progress”, conduct unified planning of our restaurant network layout, and ensure that all operational aspects of Haidilao franchised restaurants remain consistent with self-operated restaurants, thereby safeguarding the brand’s reputation. In the future, as the franchise model gradually matures, it will not only support the development of the main brand but also contribute to the development of multiple brands under the “Pomegranate plan”.

- **Promoting the Digital Operation to Enhance the Efficiency of Management**

For large-scale chain catering groups, advanced middle-and-back-office technological support is the core guarantee for continuously delivering high-quality services. As our business segments continue to expand, we expect to leverage technological innovation and digital transformation to continuously improve operational management efficiency and strengthen our core competitiveness. We will gradually build an intelligent middle platform covering all brands under the Group by integrating organizational processes with digital and intelligent technologies. Through this intelligent middle platform, we consolidate past excellent management experience into a scientific management system to empower existing brands and categories by combining automation, digitalization, intelligent technologies and streamlined processes across customer service, employee management, product research and development, brand marketing, and restaurant expansion and site selection. In addition, this intelligent middle platform has effectively reduced the workload of restaurant employees, minimized management difficulties and improved both the efficiency and quality of restaurant operations and decision-making. In the medium to long term, it will empower multiple brands under the “Pomegranate plan” and ultimately create an intelligent middle platform system for the catering ecosystem.

FUTURE PROSPECT

Going forward, management is confident about future prospects and will take practical actions to overcome challenges and create long-term value. Our development initiatives mainly include:

Continuing to enhance the dining experience at Haidilao, including the continuous refinement of our service capabilities, offering further value-added services for customers, and empowering management with digital operations;

Continuing our diversified business strategy, dynamically adopting the “Woodpecker plan” and continuing to implement the “Pomegranate plan”, integrating the use of new technologies to reasonably adjust the organizational structure, and continuously exploring franchise business models; and

Strategically pursuing acquisitions of high-quality assets to further diversify our catering business patterns and customer base.

MANAGEMENT DISCUSSION AND ANALYSIS

Revenue

The revenue of our Group decreased by 3.7% from RMB21,490.9 million for the six months ended June 30, 2024 to RMB20,703.3 million for the corresponding period in 2025.

Revenue by Segment

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

	For the six months ended June 30,			
	2025		2024	
	<i>(RMB'000 except percentages)</i>			
Haidilao restaurant operation	18,580,166	89.8%	20,413,955	95.0%
Delivery business	927,620	4.5%	581,228	2.7%
Other restaurant operation	596,548	2.9%	182,431	0.8%
Sales of condiment products and food ingredients	463,724	2.2%	299,208	1.4%
Franchise business	90,849	0.4%	1,899	0.0%
Others	44,387	0.2%	12,182	0.1%
Total revenue	<u>20,703,294</u>	<u>100%</u>	<u>21,490,903</u>	<u>100%</u>

The revenue of our Group is mainly generated from Haidilao restaurant operation, which accounted for 89.8% of our total revenue for the six months ended June 30, 2025. The revenue of Haidilao restaurant operation decreased by 9.0% from RMB20,414.0 million for the six months ended June 30, 2024 to RMB18,580.2 million for the corresponding period in 2025, mainly due to a decline in table turnover rate. Haidilao restaurants' average table turnover rate for the six months ended June 30, 2025 was 3.8 times per day. The average spending per guest amounted to RMB97.9.

Revenue of delivery business increased by 59.6% from RMB581.2 million for the six months ended June 30, 2024 to RMB927.6 million for the corresponding period in 2025, mainly attributed to the rapid growth of the single-serving high-quality fast food business.

Revenue from other restaurant operation increased by 227.0% from RMB182.4 million for the six months ended June 30, 2024 to RMB596.5 million for the same period in 2025, primarily attributable to the launch of other innovative dining brands under the “Pomegranate plan” and contributions from various dining scenarios such as camping hot pot and corporate hot pot.

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

	For the six months ended	
	June 30,	
	2025	2024
Average spending per guest⁽¹⁾ (RMB)		
Tier 1 cities ⁽²⁾	105.2	104.1
Tier 2 cities ⁽³⁾	96.9	96.8
Tier 3 cities and below ⁽⁴⁾	91.6	91.4
<i>Mainland China restaurants</i>	95.8	95.7
Hong Kong, Macau and Taiwan regions	205.8	197.7
Overall	97.9	97.4
Table turnover rate⁽⁵⁾ (times/day)		
Tier 1 cities ⁽²⁾	3.8	4.0
Tier 2 cities ⁽³⁾	3.8	4.3
Tier 3 cities and below ⁽⁴⁾	3.9	4.1
<i>Mainland China restaurants</i>	3.8	4.2
Hong Kong, Macau and Taiwan regions	4.3	4.2
Overall	3.8	4.2
Newly-opened restaurants ⁽⁶⁾	4.1	4.6
Other restaurants	3.8	4.2
Overall	3.8	4.2

Notes:

- (1) Calculated by dividing gross revenue generated from restaurant operation for the period by total number of guests served for the period.
- (2) Beijing, Shanghai, Guangzhou and Shenzhen.
- (3) All municipalities and provincial capitals excluding tier 1 cities, plus Qingdao, Xiamen, Ningbo, Dalian, Zhuhai, Suzhou and Wuxi.

- (4) All the cities and regions excluding tier 1 cities and tier 2 cities.
- (5) Calculated by dividing the total number of tables served for the period by the product of total number of operation days for the period and average table count during the period.
- (6) We define our newly-opened restaurants as those that commenced operations during the Reporting Period.

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

	For the six months ended June 30,	
	2025	2024
Number of same stores⁽¹⁾		
Tier 1 cities	205	
Tier 2 cities	465	
Tier 3 cities and below	510	
Hong Kong, Macau and Taiwan regions	23	
Overall	1,203	
Same store sales⁽²⁾ (in thousands of RMB)		
Tier 1 cities	3,002,130	3,315,398
Tier 2 cities	6,288,411	7,253,685
Tier 3 cities and below	6,995,810	7,616,667
Hong Kong, Macau and Taiwan regions	729,804	699,114
Overall	17,016,155	18,884,865
Average same store sales per day⁽³⁾ (in thousands of RMB)		
Tier 1 cities	81.0	89.2
Tier 2 cities	74.8	86.1
Tier 3 cities and below	75.9	82.4
Hong Kong, Macau and Taiwan regions	176.7	168.5
Overall	78.3	86.7
Average same store table turnover rate⁽⁴⁾ (times/day)		
Tier 1 cities	3.7	4.1
Tier 2 cities	3.8	4.3
Tier 3 cities and below	3.9	4.1
Hong Kong, Macau and Taiwan regions	4.3	4.2
Overall	3.8	4.2

Notes:

- (1) Includes restaurants that had commenced operations prior to the beginning of the periods under comparison and opened for 150 days or above in both the six-month periods ended June 30, 2024 and 2025.
- (2) The gross revenue from restaurant operation at our same stores for the period indicated.
- (3) Calculated by dividing the gross revenue from restaurant operation at our same stores for the period by the total number of operation days at our same stores for the period.
- (4) Calculated by dividing the total number of tables served at our same stores for the period by the total number of operation days for the period and average table count during the period.

Revenue from Haidilao Restaurant Operation by Geographic Region

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

	As of and for the six months ended June 30,					
	2025			2024		
	Number of restaurants	Gross Revenue/ Revenue (RMB'000)		Number of restaurants	Gross Revenue/ Revenue (RMB'000)	
Mainland China						
Tier 1 cities	218	3,160,624	17.0%	226	3,590,915	17.6%
Tier 2 cities	512	6,922,927	37.3%	530	7,998,181	39.1%
Tier 3 cities and below	569	7,757,355	41.8%	564	8,157,484	39.9%
Subtotal	1,299	17,840,906	96.1%	1,320	19,746,580	96.6%
Hong Kong, Macau and Taiwan regions	23	729,803	3.9%	23	699,115	3.4%
Total number of restaurants/gross revenue	1,322	18,570,709	100%	1,343	20,445,695	100%
Add (net off): customer loyalty program		9,457			(31,740)	
Total number of restaurants/revenue	1,322	18,580,166		1,343	20,413,955	

System Sales of Haidilao Restaurants

For the six months ended June 30, 2025, system sales of Haidilao restaurants decreased by 6.5% compared to the same period of 2024. The system sales for Haidilao restaurants represent the total sales generated by all Haidilao-branded restaurants, including both self-operated and franchised restaurants. Although the sales from franchised restaurants are not directly recognized as part of the Company's revenue in the condensed consolidated statement of profit or loss and other comprehensive income, they contribute to our revenue through ongoing royalty fees. We consider system sales growth a valuable metric for investors, as it serves as a key driver of our revenue and profit, while reflecting the overall performance of our business.

Raw Materials and Consumables Used

Our raw materials and consumables used decreased by 1.7% from RMB8,387.2 million for the six months ended June 30, 2024 to RMB8,243.5 million for the corresponding period in 2025. As a percentage of revenue, our raw materials and consumables used increased from 39.0% for the six months ended June 30, 2024 to 39.8% for the six months ended June 30, 2025, primarily due to the increased expenditure on food ingredients and consumables to further enhance the customer experience.

Staff Costs

Our staff costs decreased by 2.3% from RMB7,155.7 million for the six months ended June 30, 2024 to RMB6,988.0 million for the corresponding period in 2025. As a percentage of revenue, our staff costs increased from 33.3% for the six months ended June 30, 2024 to 33.8% for the corresponding period in 2025, primarily due to the increase in the proportion of fixed labour costs.

Rentals and Related Expenses

Our rentals and related expenses increased by 2.5% from RMB210.9 million for the six months ended June 30, 2024 to RMB216.2 million for the corresponding period in 2025. As a percentage of revenue, rentals and related expenses remained relatively stable at 1.0% for the six months ended June 30, 2025 and 2024.

Utilities Expenses

Our utilities expenses decreased by 2.9% from RMB721.7 million for the six months ended June 30, 2024 to RMB700.6 million for the corresponding period in 2025. As a percentage of revenue, utilities expenses remained relatively stable at 3.4% for the six months ended June 30, 2025 and 2024.

Travelling and Communication Expenses

Our travelling and communication expenses increased by 15.7% from RMB94.8 million for the six months ended June 30, 2024 to RMB109.6 million for the corresponding period in 2025, primarily due to a higher frequency of employee travel for inspections and business communication. As a percentage of revenue, our travelling and communication expenses increased from 0.4% for the six months ended June 30, 2024 to 0.5% for the six months ended June 30, 2025.

Depreciation and Amortization

Our depreciation and amortization decreased by 13.7% from RMB1,339.1 million for the six months ended June 30, 2024 to RMB1,155.9 million for the corresponding period in 2025, primarily due to the full provision for depreciation and amortization of properties, plants and equipment of certain restaurants previously. As a percentage of revenue, depreciation and amortization decreased from 6.2% for the six months ended June 30, 2024 to 5.6% for the corresponding period in 2025, primarily due to the decrease in depreciation and amortization.

Other Expenses

Our other expenses increased by 23.4% from RMB881.1 million for the six months ended June 30, 2024 to RMB1,086.9 million for the corresponding period in 2025. As a percentage of revenue, our other expenses increased from 4.1% for the six months ended June 30, 2024 to 5.2% for the corresponding period in 2025, primarily due to an increase of RMB150.6 million in business development expenses and expenses charged by delivery platforms, driven by higher promotion and support fees associated with our delivery business and more diverse marketing activities.

Share of Results of Associates and a Joint Venture

Our share of results in relation to (i) our associate Fuhai (Shanghai) Food Technology Co., Ltd. (馥海(上海)食品科技有限公司) (“**Fuhai**”), in which we held a 40% equity interest; (ii) our joint venture Ying Hai Holdings Pte. Ltd., in which we held a 51% equity interest and which had been deregistered as of the date of this announcement; and (iii) other associates invested by Beijing Youdingyou Catering Co., Ltd. (北京優鼎優餐飲管理有限公司), decreased from RMB24.7 million for the six months ended June 30, 2024 to RMB19.2 million for the corresponding period in 2025.

Other Gains and Losses

Our other gains and losses was RMB235.0 million of gains for the six months ended June 30, 2025 as compared to RMB66.7 million of losses for the corresponding period in 2024. This increase was primarily due to: (i) an increase of RMB184.1 million in gains from the disposal of certain restaurant business to franchisees; and (ii) the net foreign exchange gain of RMB48.5 million in this period as compared to a net foreign exchange loss of RMB25.9 million for the corresponding period in 2024.

Finance Costs

Our finance costs decreased by 14.6% from RMB140.5 million for the six months ended June 30, 2024 to RMB120.0 million for the corresponding period in 2025, primarily due to the decrease in interests on lease liabilities and bank borrowings.

Income Tax Expense

Our income tax expense increased by 2.0% from RMB855.0 million for the six months ended June 30, 2024 to RMB872.4 million for the corresponding period in 2025.

Profit for the Period

As a result of the foregoing, our profit for the period decreased from RMB2,033.1 million for the six months ended June 30, 2024 to RMB1,754.6 million for the corresponding period in 2025.

Core Operating Profit (Non-IFRS Measure)

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

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

	For the six months ended	
	June 30,	
	2025	2024
	(RMB'000)	(RMB'000)
	(Unaudited)	(Unaudited)
Profit for the period	1,754,576	2,033,103
<i>Net of the following gains/(losses):</i>		
Interest income	140,381	244,761
Share of results of associates	19,217	24,780
Share of result of a joint venture	–	(41)
Gain on disposal of certain restaurant business to franchisees	184,134	–
Net foreign exchange gain (loss)	48,505	(25,854)
Net loss arising on financial assets at fair value through profit or loss and financial liabilities at fair value through profit or loss	(53,354)	(18,353)
Gain arising from redemption of long term bonds	–	4,405
Finance costs	(120,034)	(140,504)
Income tax expense	(872,377)	(854,957)
Core operating profit (non-IFRS measure)	2,408,104	2,798,866

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

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

Capital Liquidity and Financial Resources

For the six months ended June 30, 2025, we primarily funded our operations, expansion, capital expenditures, and dividend distributions through cash generated from our operations. We monitor our cash flows and cash balance on a regular basis and strive to maintain an optimum liquidity that can meet our working capital needs while supporting continuing business expansion.

Cash and Cash Equivalents

Our principal uses of cash are for procuring food ingredients and consumables, paying staff costs, renovating and decorating our restaurants and other business activities. Our cash and cash equivalents decreased from RMB6,406.9 million as of December 31, 2024 to RMB4,756.1 million as of June 30, 2025. In addition, as of June 30, 2025, the Group held certain time deposits with original maturity over three months, and the total amount of bank balances and cash was RMB5,870.7 million.

Right-of-use Assets

Under International Financial Reporting Standards 16 *Leases* (“**IFRS 16**”), we recognize right-of-use assets with respect to our property and land leases. Our right-of-use assets are depreciated over the lease term or the useful life of the underlying asset, whichever is shorter. As of June 30, 2025, the carrying amount of right-of-use assets was RMB2,942.0 million.

Inventories

Our inventories mainly represented our food ingredients, condiment products, beverage and other materials used in our restaurant operation. Our inventories decreased from RMB1,060.6 million as of December 31, 2024 to RMB901.5 million as of June 30, 2025. The inventory turnover days decreased from 24.0 days for the year ended December 31, 2024 to 21.5 days for the six months ended June 30, 2025.

Trade Receivables

The majority of our trade receivables were in connection with bills settled through payment platforms such as Alipay or WeChat Pay. Receivables from these payment platforms were normally settled within a short period of time. Our trade receivables decreased from RMB346.3 million as of December 31, 2024 to RMB276.2 million as of June 30, 2025. The turnover days of trade receivables decreased from 3.2 days for the year ended December 31, 2024 to 2.7 days for the six months ended June 30, 2025.

Trade Payables

Trade payables mainly represent the balances due to the independent third party suppliers of food ingredients and consumables. Our trade payables decreased from RMB1,796.4 million as of December 31, 2024 to RMB1,583.5 million as of June 30, 2025. The turnover days of trade payables decreased from 41.2 days for the year ended December 31, 2024 to 37.1 days for the six months ended June 30, 2025.

Bank Borrowings

As of June 30, 2025, we had bank borrowings of RMB78.8 million. During the six months period ended June 30, 2025, the Group obtained new bank borrowings amounting to RMB78.8 million and repaid bank borrowings amounting to RMB98.0 million.

Other Borrowing

As of June 30, 2025, we had no other borrowing.

Contingent Liabilities

As of June 30, 2025, we did not have any material contingent liabilities, guarantees or any litigations or claims of material importance, pending or threatened against any member of our Group that is likely to have a material and adverse effect on our business, financial condition or results of operations.

Charge of Assets

As of June 30, 2025, the Group's pledged/restricted bank deposit amounted to RMB146.0 million, primarily as a guarantee for our foreign exchange currency forward contracts.

As of June 30, 2025, no property, plant and equipment was charged by the Group.

Debt-to-equity Ratio

As of June 30, 2025, the Group's debt-to-equity ratio was 22.4%.

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

Foreign Exchange Risk and Hedging

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

Employees and Remuneration Policy

As of June 30, 2025, the Group had a total of 130,384 employees. For the six months ended June 30, 2025, the Group has incurred a total staff costs (including salaries, wages, allowance and benefits) of RMB6,988.0 million.

Material Acquisitions and Disposals

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

No Material Changes

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

Future Plans for Material Investments or Capital Assets

As of June 30, 2025, the Group had no specific plans for any material investments or acquisition of capital assets.

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

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		For the six months ended June 30,	
	Notes	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Revenue	3	20,703,294	21,490,903
Other income	4	290,252	370,129
Raw materials and consumables used		(8,243,496)	(8,387,212)
Staff costs		(6,988,012)	(7,155,747)
Rentals and related expenses		(216,201)	(210,936)
Utilities expenses		(700,581)	(721,714)
Depreciation and amortization		(1,155,936)	(1,339,057)
Travelling and communication expenses		(109,649)	(94,792)
Other expenses		(1,086,880)	(881,088)
Share of results of associates		19,217	24,780
Share of result of a joint venture		–	(41)
Other gains and losses	5	234,979	(66,661)
Finance costs	6	(120,034)	(140,504)
Profit before tax		2,626,953	2,888,060
Income tax expense	7	(872,377)	(854,957)
Profit for the period	8	1,754,576	2,033,103
Other comprehensive (expense) income			
Item that will not be reclassified to profit or loss:			
Fair value (loss) gain on investments in equity instruments at fair value through other comprehensive income		(100,339)	61,440
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		11,066	(11,275)
Share of other comprehensive income (expense) of an associate, net of related income tax		118	(39)
		11,184	(11,314)
Other comprehensive (expense) income for the period, net of income tax		(89,155)	50,126
Total comprehensive income for the period		1,665,421	2,083,229

	<i>Notes</i>	For the six months ended	
		June 30,	
		2025	2024
		RMB'000	RMB'000
		(Unaudited)	(Unaudited)
Profit (loss) for the period attributable to:			
Owners of the Company		1,758,525	2,038,125
Non-controlling interests		(3,949)	(5,022)
		<u>1,754,576</u>	<u>2,033,103</u>
Total comprehensive income (expense) attributable to:			
Owners of the Company		1,669,370	2,088,251
Non-controlling interests		(3,949)	(5,022)
		<u>1,665,421</u>	<u>2,083,229</u>
EARNINGS PER SHARE			
Basic (RMB)	<i>10</i>	0.32	0.38
Diluted (RMB)	<i>10</i>	0.32	0.38

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<i>Notes</i>	As at June 30, 2025 RMB'000 (Unaudited)	As at December 31, 2024 RMB'000 (Audited)
Non-current Assets			
Property, plant and equipment		3,136,782	3,319,749
Right-of-use assets	<i>11</i>	2,941,981	3,018,798
Goodwill		84,845	84,845
Other intangible assets		49,635	52,198
Interests in associates		143,046	179,959
Deferred tax assets		530,890	602,527
Other financial assets		1,985,326	1,981,265
Financial assets at fair value through profit or loss		37,439	17,227
Financial assets at fair value through other comprehensive income		223,590	323,929
Rental deposits		181,155	174,430
Pledged/restricted bank deposits		2,138	2,172
		<hr/> 9,316,827	<hr/> 9,757,099
Current Assets			
Inventories		901,512	1,060,641
Trade and other receivables and prepayments	<i>12</i>	1,162,897	1,517,431
Amounts due from related parties		309,218	274,395
Other financial assets		1,977,186	964,975
Financial assets at fair value through profit or loss		1,225,169	1,139,998
Rental deposits		96,466	70,244
Pledged/restricted bank deposits		143,821	371,676
Bank balances and cash		5,870,664	7,474,820
		<hr/> 11,686,933	<hr/> 12,874,180
Assets classified as held for sale		111,295	149,978
		<hr/> 11,798,228	<hr/> 13,024,158

	Notes	As at June 30, 2025 RMB'000 (Unaudited)	As at December 31, 2024 RMB'000 (Audited)
Current Liabilities			
Trade payables	13	1,583,511	1,796,362
Other payables	14	2,163,158	2,246,186
Amounts due to related parties		299,670	373,495
Long term bonds		2,066,096	45,308
Dividend payable		–	3,805
Tax payable		392,387	620,244
Lease liabilities		888,082	888,821
Bank borrowings		78,770	97,549
Financial liabilities at fair value through profit or loss		79,765	–
Contract liabilities		936,912	938,400
Provisions		9,336	10,867
		<u>8,497,687</u>	<u>7,021,037</u>
Liabilities directly associated with assets classified as held for sale		<u>56,205</u>	<u>82,784</u>
		<u>8,553,892</u>	<u>7,103,821</u>
Net Current Assets		<u>3,244,336</u>	<u>5,920,337</u>
Total Assets less Current Liabilities		<u>12,561,163</u>	<u>15,677,436</u>
Non-current Liabilities			
Financial liabilities at fair value through profit or loss		41,601	–
Long term bonds		–	2,027,867
Deferred tax liabilities		94,513	106,144
Lease liabilities		2,843,275	3,108,701
Provisions		17,693	17,228
		<u>2,997,082</u>	<u>5,259,940</u>
Net Assets		<u><u>9,564,081</u></u>	<u><u>10,417,496</u></u>
Capital and Reserves			
Share capital		183	183
Reserves		<u>9,577,620</u>	<u>10,433,611</u>
Equity attributable to owners of the Company		<u>9,577,803</u>	<u>10,433,794</u>
Non-controlling interests		<u>(13,722)</u>	<u>(16,298)</u>
Total Equity		<u><u>9,564,081</u></u>	<u><u>10,417,496</u></u>

NOTES:

1. GENERAL INFORMATION AND BASIS OF PREPARATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on July 14, 2015 under the Companies Act, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of the Company's registered office is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111 in Cayman Islands, and the address of the principal place of business is 7th Floor, No. 1 Building, No. 398 Yard, Zhongdong Road, Dongxiaokou Town, Changping District in Beijing, the PRC. The ultimate controlling parties are Mr. Zhang Yong and his spouse namely Ms. Shu Ping (collectively the **"Controlling Shareholders"**).

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

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

Items included in the financial statements of each of the Group's entities are recorded using the currency of the primary economic environment in which the entity operates (the **"functional currency"**). The condensed consolidated financial statements are presented in RMB, which is also the functional currency of the Company and its subsidiaries in mainland China.

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 *"Interim Financial Reporting"* issued by the International Accounting Standards Board (**"IASB"**) as well as the applicable disclosure requirements of the Listing Rules.

2. MATERIAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values, as appropriate.

Other than changes in accounting policies resulting from application of amendments to IFRS Accounting Standards, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended June 30, 2025 are the same as those presented in the Group's annual consolidated financial statements for the year ended December 31, 2024.

Application of amendments to IFRS Accounting Standards

In the current interim period, the Group has applied the following amendments to IFRS Accounting Standards issued by the IASB, for the first time, which are mandatorily effective for the Group's annual period beginning on January 1, 2025 for the preparation of the Group's condensed consolidated financial statements:

Amendments to IAS 21	Lack of Exchangeability
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The application of the amendments to a IFRS Accounting Standard in the current interim period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

3. REVENUE AND SEGMENT INFORMATION

During the six months ended June 30, 2025 and 2024, the Group's revenue which represents the amount received and receivable, net of discounts and sales related taxes, from the restaurant operation, delivery business, sales of condiment products and food ingredients, franchise business and others, are as follows:

	For the six months ended June 30,	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Types of services or goods:		
Restaurant operation	19,176,714	20,596,386
Delivery business	927,620	581,228
Sales of condiment products and food ingredients	463,724	299,208
Franchise business	90,849	1,899
Others	44,387	12,182
	20,703,294	21,490,903
Timing of revenue recognition:		
At a point in time	20,570,127	21,489,004
Over time	133,167	1,899
	20,703,294	21,490,903

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

No revenue from individual customer contributes over 10% of total revenue of the Group during the six months ended June 30, 2025 (six months ended June 30, 2024: Nil).

The following table sets forth the breakdown of the Group's revenue during the six months ended June 30, 2025 and 2024, and the breakdown of the Group's non-current assets as at June 30, 2025 and December 31, 2024 based on the location of operation:

	Revenue		Non-current assets (Note)	
	For the six months ended June 30,		As at	
	2025	2024	June 30, 2025	December 31, 2024
	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Mainland China	19,932,751	20,760,551	5,625,917	5,973,857
Outside mainland China	770,543	730,352	730,372	681,692
Total	20,703,294	21,490,903	6,356,289	6,655,549

Note:

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

4. OTHER INCOME

	For the six months ended June 30,	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Interest income on:		
– bank deposits	79,800	217,959
– other financial assets	55,716	22,468
– rental deposits	4,865	4,334
	<u>140,381</u>	<u>244,761</u>
Government grants (<i>Note</i>)	42,107	22,959
Compensation claim income	13,862	23,312
Others	93,902	79,097
	<u>290,252</u>	<u>370,129</u>

Note:

The amounts represent the subsidies received from the local governments for the Group's business development. There were no unfulfilled conditions or contingencies relating to these government grants in the periods that the relevant income was recognized.

5. OTHER GAINS AND LOSSES

	For the six months ended June 30,	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Net impairment loss recognized in respect of:		
– property, plant and equipment	(15,797)	(14,341)
– right-of-use assets	(3,896)	(16,234)
– interests in associates	(16,247)	–
	<u>(35,940)</u>	<u>(30,575)</u>
Expected credit loss on rental deposits	(1,946)	(2,637)
Gain (loss) on disposal of property, plant and equipment, other intangible assets and termination of leases, net	71,648	(1,373)
Gain on disposal of certain restaurant business to franchisees	184,134	–
Net foreign exchange gain (loss)	48,505	(25,854)
Net loss arising on financial assets at FVTPL and financial liabilities at FVTPL	(53,354)	(18,353)
Gain arising from redemption of long term bonds	–	4,405
Others	21,932	7,726
	<u>234,979</u>	<u>(66,661)</u>

6. FINANCE COSTS

	For the six months ended June 30,	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Interests on lease liabilities	91,179	105,479
Interests on long term bonds	23,827	24,086
Interests on bank borrowings	4,564	10,336
Interests on other borrowing	–	260
Interests charge on provisions	464	343
	<u>120,034</u>	<u>140,504</u>

7. INCOME TAX EXPENSE

	For the six months ended June 30,	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current tax:		
– current period		
– PRC Enterprise Income Tax (“EIT”)	669,360	656,228
– withholding tax	112,033	175,068
– other jurisdictions	29,385	27,682
	<u>810,778</u>	<u>858,978</u>
– Under (over) provision in prior period		
– PRC EIT	5,571	926
– other jurisdictions	(3,978)	2,069
	<u>1,593</u>	<u>2,995</u>
	<u>812,371</u>	<u>861,973</u>
Deferred tax	60,006	(7,016)
	<u>872,377</u>	<u>854,957</u>

Under the Law of the PRC on EIT, withholding tax is imposed on dividends declared and paid to non-PRC resident in respect of profits earned by the PRC subsidiaries from January 1, 2008 onwards. As at June 30, 2025, a deferred tax liability of RMB95,000,000 (December 31, 2024: RMB102,650,000) has been recognized in respect of the undistributed earnings expected to be distributed in the foreseeable future with the tax rate of 5%.

8. PROFIT FOR THE PERIOD

The Group's profit for the period has been arrived at after charging:

	For the six months ended June 30,	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Depreciation of property, plant and equipment	784,924	961,723
Depreciation of right-of-use assets	362,517	364,492
Amortization of other intangible assets	8,495	12,842
Total depreciation and amortization	1,155,936	1,339,057
Cost of inventories recognized as an expense	8,243,496	8,387,212
Property and equipment rentals		
– office premises, quarters and equipment (short-term leases)	4,736	3,007
– restaurants (variable lease payments)	53,817	58,164
	58,553	61,171
Other rental related expenses	157,648	149,765
Total rentals and related expenses	216,201	210,936
Directors' emoluments	64,434	67,065
Other staff costs:		
Salaries and other allowance	5,718,357	5,876,296
Retirement benefit scheme contributions	645,251	657,605
Employee welfare	556,110	554,163
Share-based payment expense	3,860	618
Total staff costs	6,988,012	7,155,747

9. DIVIDENDS

	For the six months ended June 30,	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Dividends recognized as distributions during the period	2,526,519	4,061,454

On May 19, 2025, as approved by the shareholders at the annual general meeting, a final dividend of Hong Kong Dollar (“**HKD**”) 0.507 (equivalent to RMB0.466) per share with a total amount of HKD2,745,405,000 (equivalent to RMB2,525,361,000) was declared to be distributed to shareholders for the year ended December 31, 2024 by the Company out of share premium and retained profits. The dividend was paid in June 2025.

During the six months ended June 30, 2025, dividends with the amount of RMB1,158,000 were declared and paid to non-controlling shareholders by a subsidiary of the Group.

Subsequent to the end of the current interim period, the directors of the Company have resolved to declare that an interim dividend of HKD0.338 (equivalent to RMB0.309) per share amounting to HKD1,830,270,000 (equivalent to RMB1,673,235,000) in aggregate will be paid to the shareholders of the Company whose names appear on the register of members of the Company on September 11, 2025.

10. EARNINGS PER SHARE

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

	For the six months ended June 30,	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Earnings for the purpose of basic earnings per share	<u>1,758,525</u>	<u>2,038,125</u>
	For the six months ended June 30,	
	2025	2024
	'000	'000
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	<u>5,415,000</u>	<u>5,415,000</u>

No diluted earnings per share for the six months ended June 30, 2025 and 2024 were calculated as there were no potential ordinary shares in issue for the six months ended June 30, 2025 and 2024.

11. RIGHT-OF-USE ASSETS

	RMB'000
At January 1, 2024 (Audited)	3,461,284
Additions	457,287
Termination of leases	(129,023)
Lease modification	30,836
Depreciation charge	(726,607)
Net impairment loss recognized	(9,279)
Reclassified as held for sale	<u>(65,700)</u>
At December 31, 2024 (Audited)	3,018,798
Additions	418,802
Termination of leases	(73,810)
Lease modification	(21,926)
Depreciation charge	(362,517)
Net impairment loss recognized	(3,896)
Reclassified as held for sale	<u>(33,470)</u>
At June 30, 2025 (Unaudited)	<u>2,941,981</u>

12. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	As at June 30, 2025 <i>RMB'000</i> (Unaudited)	As at December 31, 2024 <i>RMB'000</i> (Audited)
Trade receivables (<i>Note</i>)	<u>276,244</u>	<u>346,347</u>
Other receivables and prepayments:		
Prepayment to suppliers	297,560	406,737
Prepaid operating expenses	206,564	330,415
Input value-added tax recoverable	287,762	328,643
Loans to employees	24,709	22,130
Others	<u>70,058</u>	<u>83,159</u>
Subtotal	<u>886,653</u>	<u>1,171,084</u>
Total trade and other receivables and prepayments	<u><u>1,162,897</u></u>	<u><u>1,517,431</u></u>

Note:

Majority of trade receivables are due from payment platforms and are normally settled within 30 days and majority of trade receivables are aged within 30 days based on the date of rendering of services. There were no significant past due trade receivables.

13. TRADE PAYABLES

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

	As at June 30, 2025 <i>RMB'000</i> (Unaudited)	As at December 31, 2024 <i>RMB'000</i> (Audited)
Within 60 days	1,423,769	1,685,304
61 to 180 days	110,448	79,748
More than 181 days	49,294	31,310
	<u>1,583,511</u>	<u>1,796,362</u>

14. OTHER PAYABLES

	As at June 30, 2025 <i>RMB'000</i> (Unaudited)	As at December 31, 2024 <i>RMB'000</i> (Audited)
Staff costs payable	1,633,887	1,691,335
Other taxes payables	125,466	185,341
Renovation fee payables	110,963	157,043
Deposits from suppliers	57,115	67,266
Others	235,727	145,201
	<u>2,163,158</u>	<u>2,246,186</u>

CORPORATE GOVERNANCE AND OTHER INFORMATION

Compliance with the Corporate Governance Code

The Company had adopted and applied the principles and code provisions as set out in the Corporate Governance Code contained in Appendix C1 to the Listing Rules. During the six months ended June 30, 2025, the Company has complied with the code provisions in the Corporate Governance Code.

Compliance with the Model Code

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) set out in Appendix C3 to the Listing Rules. Specific enquiries have been made to all the Directors and the Directors have confirmed that they have complied with the Model Code during the six months ended June 30, 2025.

The Company’s employees, who are likely to be in possession of inside information of the Company, have also been subject to the Model Code for securities transactions. No incident of non-compliance of the Model Code by the Company’s employees was noted by the Company during the six months ended June 30, 2025.

Purchase, Sale or Redemption of Listed Securities

With respect to the US\$600 million 2.150% 2026 Senior Notes, as of June 30, 2025, a total of US\$285,480,000 principal amount of the 2026 Senior Notes remained outstanding.

As of June 30, 2025, the Company’s issued share capital included 159,000,000 ordinary shares held by the trust established under the Company’s share award scheme. The trust was established to hold shares for the benefit of participants under the share award scheme. As the trust acts solely as a custodian of the shares, these shares are presented as treasury shares (as ascribed in the Listing Rules) in the Group’s condensed consolidated financial statements.

Save as disclosed above, as of June 30, 2025, the Company did not hold any other treasury shares.

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

Audit Committee

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

The Audit Committee has considered and reviewed the Group's interim results for the six months ended June 30, 2025, the accounting principles and practices adopted by the Company and the Group. The Audit Committee considers that the interim financial results for the six months ended June 30, 2025 are in compliance with the relevant accounting standards, rules and regulations and appropriate disclosures have been duly made.

Use of Proceeds from the Global Offering

The Company's shares were listed on the Stock Exchange on September 26, 2018 (the "**Global Offering**"). The net proceeds from the Global Offering amounted to approximately HK\$7,299.3 million. For the six months ended June 30, 2025, the net proceeds have been applied in the manner as set out in the section headed "Future Plans and Use of Proceeds" of the prospectus of our Company dated September 12, 2018 (the "**Prospectus**"). As of June 30, 2025, the proceeds from the Global Offering of the Company had been fully utilized.

	Percentage %	Net Proceeds HK\$ million	Utilized amount during the Reporting Period HK\$ million	As of June 30, 2025	
				Utilized amount HK\$ million	Unutilized amount HK\$ million
For expansion plan	60.0	4,379.5	–	4,379.5	–
For development and implementation of new technology	20.0	1,459.9	27.1	1,459.9	–
For the repayment of loan facility and credit facility	15.0	1,094.9	–	1,094.9	–
For working capital and general corporate purposes	5.0	365.0	–	365.0	–
Total	<u>100.0</u>	<u>7,299.3</u>	<u>27.1</u>	<u>7,299.3</u>	<u>–</u>

Use of Proceeds from the Placing

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

The net proceeds raised from the 2021 Placing were approximately HK\$2,337.0 million. For the six months ended June 30, 2025, the net proceeds had been applied in the manner as set out in the announcements dated November 12, 2021 and November 22, 2021. As of June 30, 2025, the Company cumulatively used HK\$1,918.1 million, accounting for approximately 82.1% of the proceeds from the 2021 Placing in accordance with the intended uses, details of which are set forth as follows:

	Percentage %	Net Proceeds HK\$ million	Utilized amount during the Reporting Period HK\$ million	As of June 30, 2025	
				Utilized amount HK\$ million	Unutilized amount HK\$ million
For supply chain management and product development	30.0	701.1	–	701.1	–
For payment of credit facilities	30.0	701.1	–	701.1	–
For working capital and general corporate purposes	40.0	934.8	226.6	515.9	418.9
Total	100.0	2,337.0	226.6	1,918.1	418.9

The Company expects to utilize the balance of net proceeds of approximately HK\$418.9 million by end of 2026. This expected timeline is based on the best estimation of future market conditions and business operations made by the Company and remains subject to change based on current and future development of market conditions and actual business needs. For further details of the 2021 Placing, please refer to the announcements of the Company dated November 12, 2021 and November 22, 2021.

Events after the Reporting Period

The Directors are not aware of any significant event requiring disclosure that has taken place subsequent to June 30, 2025 and up to the date of this announcement.

Interim Dividend

The Board has resolved to declare an interim dividend of HK\$0.338 (equivalent to RMB0.309) per Share for the six months ended June 30, 2025 to be payable to the Shareholders whose names appear on the register of members of the Company at the close of business on Thursday, September 11, 2025. The interim dividend will be distributed in HK\$ and is calculated based on the average benchmark exchange rate of RMB against HK\$ announced by the People's Bank of China in the five working days prior to but excluding the date of the Board meeting held on Monday, August 25, 2025. The interim dividend is expected to be paid to the Shareholders on or before Wednesday, October 15, 2025.

Closure of Register of Members for Proposed Interim Dividend

The register of members of the Company will also be closed from Tuesday, September 9, 2025 to Thursday, September 11, 2025, both days inclusive, in order to determine the entitlement of the Shareholders to the interim dividend. The Shareholders whose names appear on the register of members of the Company at the close of business on Thursday, September 11, 2025, will be entitled to the interim dividend. In order to qualify for the entitlement of the interim dividend, all share transfer documents accompanied by the relevant share certificates and transfer forms must be lodged with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong before 4:30 p.m. on Monday, September 8, 2025.

Publication of Interim Results Announcement and Interim Report

This announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.haidilao.com). The interim report for the six months ended June 30, 2025 containing all the information required by Appendix D2 to the Listing Rules will be despatched to the Shareholders (if applicable) and published on the websites of the Stock Exchange and the Company in due course.

APPRECIATION

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

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

Hong Kong, August 25, 2025

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