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**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)**

**INTERIM RESULTS ANNOUNCEMENT  
FOR THE SIX MONTHS ENDED 30 JUNE 2025**

**FINANCIAL HIGHLIGHTS**

	<b>For the six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Revenue	<b>1,942,383</b>	2,394,528
Segment results <sup>(1)</sup>	<b>6,421</b>	(32,916)
Loss before tax	<b>(75,721)</b>	(267,000)
Total loss for the period	<b>(80,828)</b>	(273,666)
Total loss for the period attributable to owners of the Company	<b>(84,079)</b>	(272,820)

(1) The measure used for reporting segment result is the adjusted segment profit (loss) before (i) certain gain or loss from changes in fair value of financial assets at FVTPL; (ii) interest on bank borrowings; (iii) impairment loss and disposal loss on non-current assets; (iv) reversal of impairment loss on financial assets; and (v) loss on closure of restaurants.

The board (the “**Board**”) of directors (the “**Director(s)**”) of Xiabuxiabu Catering Management (China) Holdings Co., Ltd. (the “**Company**”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the “**Group**”, “**we**” or “**our**”) for the six months ended 30 June 2025 (the “**Reporting Period**”).

## BUSINESS REVIEW AND OUTLOOK

### Overview

By the end of June 2025, the Group operated a total of 937 restaurants worldwide, including 918 restaurants in China and 19 restaurants in other markets. In the first half of 2025, the Group opened 32 new Xiabuxiabu restaurants. At 30 June 2025, the Group operated 760 Xiabuxiabu restaurants and 158 Coucou restaurants in 18 provinces and autonomous regions and 3 centrally administered municipalities in Mainland China, namely Beijing, Tianjin and Shanghai. A total of 16 Coucou restaurants and 3 Xiabuxiabu restaurants are operated outside Mainland China.

The Group's revenue decreased by 18.9% from RMB2,394.5 million in the first half of 2024 to RMB1,942.4 million for the Reporting Period. The sales from Xiabuxiabu decreased by 13.5% from RMB1,313.1 million in the first half of 2024 to RMB1,135.3 million for the Reporting Period. The sales generated from Coucou decreased by 25.8% from RMB1,004.5 million in first half of 2024 to RMB745.2 million for the Reporting Period. The Group recorded a pre-tax loss of RMB75.7 million for the Reporting Period, representing a significant decrease of 71.6% from RMB267.0 million in the first half of 2024. The Group recorded a net loss of RMB80.8 million for the Reporting Period, reflecting a substantial reduction of 70.5% from RMB273.7 million in the first half of 2024. It was primarily attributable to (i) the Group continued to focus on cost optimization by driving structural cost reductions and efficiency improvements through digitalized supply chain and leveraging the centralized procurement advantages to establish collaborative supply chain network with suppliers; (ii) the Group continued to upgrade the new logistic center and standardized logistic processes to optimizing delivery routes and networks in order to enhance operational efficiency and to achieve overall cost reductions and to improve operating performance; and (iii) the Group continued to optimize restaurant structure by closing under-performing restaurants, and opening new restaurants focusing on expanding into high-potential areas, etc, thereby improving restaurant operational efficiency. As a result of the above, the amount of provision for asset impairment losses on closed and continuously loss-making restaurants significantly decreased for approximately 64.1% compared to the same period in 2024.

The Group has continuously ensured a healthy cash flow and a sound financial position, while advancing various operational management initiatives, including: (i) implementing a restaurant network renewal strategy by precisely positioning in high-potential areas and structurally exiting under-performing restaurants to achieve resource reallocation and efficiency improvements, thereby establishing a new paradigm for lean cost management; (ii) deepening the layout of our on-demand delivery service ecosystem to drive high-quality expansion of business scale and structural improvements in operational efficiency; (iii) strategically expanding the prepaid consumption model, optimizing discount outcomes through dynamic value governance mechanisms, and achieving synergistic growth in operational revenue and profit margins; and (iv) advancing deep cooperation plans with leading anime IPs, leveraging co-branded product development, store theme renovations, and digital marketing to deeply engage young consumer groups, revitalize the brand, and build a strong new growth engine.

## Operational Highlights

### *The Group's restaurant network*

By the end of June 2025, the Group operated a total of 937 restaurants worldwide, including 918 restaurants in Mainland China and 19 restaurants in other markets. In the first half of 2025, the Group opened 32 new Xiabuxiabu restaurants in Mainland China. In addition, the Group closed a total of 29 Xiabuxiabu restaurants and a total of 23 Coucou restaurants in the first half of 2025 due to commercial reasons.

The table below sets forth the number of the Group's Xiabuxiabu restaurants (“#”) by region as at the dates indicated:

	As at 30 June			
	2025		2024	
	#	%	#	%
Tier 1 cities <sup>(1)</sup> . . . . .	325	42.6	328	39.7
Tier 2 cities <sup>(2)</sup> . . . . .	313	41.0	306	37.1
Tier 3 cities and below <sup>(3)</sup> . . . . .	122	16.0	187	22.6
Other markets <sup>(4)</sup> . . . . .	3	0.4	5	0.6
<b>Total.</b> . . . . .	<b>763</b>	<b>100.0</b>	<b>826</b>	<b>100.0</b>

(1) Beijing, Shanghai, Guangzhou and Shenzhen.

(2) Except for the tier 1 cities mentioned above, all centrally administered municipalities and most provincial capitals in Mainland China, plus Baoding, Changzhou, Dalian, Langfang, Nantong, Ningbo, Qingdao, Suzhou, Wuxi, Xuzhou and Yantai etc.

(3) All cities in Mainland China except for tier 1 and tier 2 cities mentioned in (1) and (2) above.

(4) Hong Kong (China), Taiwan (China) and Singapore.

The table below sets forth the number of the Group's Coucou restaurants (“#”) by region as at the dates indicated:

	As at 30 June			
	2025		2024	
	#	%	#	%
Tier 1 cities <sup>(1)</sup> . . . . .	64	36.8	84	34.3
Tier 2 cities <sup>(2)</sup> . . . . .	91	52.3	138	56.3
Tier 3 cities and below <sup>(3)</sup> . . . . .	3	1.7	7	2.9
Other markets <sup>(4)</sup> . . . . .	16	9.2	16	6.5
<b>Total.</b> . . . . .	<b>174</b>	<b>100.0</b>	<b>245</b>	<b>100.0</b>

(1) Beijing, Shanghai, Guangzhou and Shenzhen.

(2) Except for the tier 1 cities mentioned above, all centrally administered municipalities and most provincial capitals in Mainland China, plus Dalian, Foshan, Dongguan, Huizhou, Jiaxing, Jiangyin, Nantong, Ningbo, Qingdao, Quanzhou, Xiamen, Suzhou, Wenzhou, Wuxi, Xuzhou, Zhongshan and Zhuhai.

(3) Taizhou, Huzhou and Zhangzhou.

(4) Hong Kong (China), Taiwan (China) and Singapore.

### ***Key operational information of the Group's restaurants***

Set forth below are certain key performance indicators of the Group's Xiabuxiabu restaurants by region for the periods indicated:

	<b>For the six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
<b>Net Revenue (in RMB thousands)<sup>(1)</sup></b>		
Tier 1 cities <sup>(2)</sup> . . . . .	<b>529,207</b>	623,944
Tier 2 cities <sup>(3)</sup> . . . . .	<b>321,748</b>	389,250
Tier 3 cities and below <sup>(4)</sup> . . . . .	<b>165,843</b>	223,087
Other markets <sup>(5)</sup> . . . . .	<b>12,065</b>	18,244
<b>Total.</b> . . . . .	<b><u>1,028,863</u></b>	<b><u>1,254,525</u></b>
<b>Average spending per customer (RMB)<sup>(6)</sup></b>		
Tier 1 cities <sup>(2)</sup> . . . . .	<b>54.8</b>	60.0
Tier 2 cities <sup>(3)</sup> . . . . .	<b>51.4</b>	57.9
Tier 3 cities and below <sup>(4)</sup> . . . . .	<b>52.7</b>	59.2
Other markets <sup>(5)</sup> . . . . .	<b>131.5</b>	123.4
<b>Average</b> . . . . .	<b><u>53.7</u></b>	<b><u>59.6</u></b>
<b>Seat turnover rate (x)<sup>(7)</sup></b>		
Tier 1 cities <sup>(2)</sup> . . . . .	<b>3.0</b>	2.8
Tier 2 cities <sup>(3)</sup> . . . . .	<b>2.4</b>	2.1
Tier 3 cities and below <sup>(4)</sup> . . . . .	<b>2.1</b>	1.9
Other markets <sup>(5)</sup> . . . . .	<b>2.8</b>	2.4
<b>Average</b> . . . . .	<b><u>2.6</u></b>	<b><u>2.3</u></b>

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- (1) Excludes revenue from card sales.
  - (2) Beijing, Shanghai, Guangzhou and Shenzhen.
  - (3) Except for the tier 1 cities mentioned above, all centrally administered municipalities and most provincial capitals in Mainland China, plus Baoding, Changzhou, Dalian, Langfang, Nantong, Ningbo, Qingdao, Suzhou, Wuxi, Xuzhou and Yantai etc.
  - (4) All cities in Mainland China except for tier 1 and tier 2 cities mentioned in (2) and (3) above.
  - (5) Hong Kong (China), Taiwan (China) and Singapore.
  - (6) Calculated by dividing revenue generated from sales of Xiabuxiabu restaurants for the period by total customer traffic of Xiabuxiabu restaurants for the period.
  - (7) Calculated by (for counter seats) dividing total customer traffic by total Xiabuxiabu restaurants' operation days and average seat count during the period, or (for dining tables) dividing total customer traffic by total Xiabuxiabu restaurants' operation days and average table count during the period.

Although overall consumption remained relatively weak in the first half of 2025, the Company emphasises enhancing customer consumption experiences and strengthening members' loyalty to the Xiabuxiabu brand. Adhering to the philosophy of “treating customers as friends and providing heartfelt service”, the brand continuously revitalises itself by integrating digital, youthful, and internet-driven thinking into member customer operations and interactions. The customer turnover rate increased from 2.3x for the six months ended 30 June 2024 to 2.6x for the Reporting Period, an increase of 13.0% period-to-period.

The table below sets forth same-store sales and sales growth of Group's Xiabuxiabu restaurants for the periods indicated:

	For the six months ended 30 June	
	2025	2024
<b>Number of same-store*</b>		
Tier 1 cities . . . . .	302	
Tier 2 cities . . . . .	309	
Tier 3 cities and below . . . . .	118	
Other markets . . . . .	3	
<b>Total. . . . .</b>	<b>732</b>	
<b>Same-store sales (in RMB million)</b>		
Tier 1 cities . . . . .	458.8	548.6
Tier 2 cities . . . . .	319.8	373.7
Tier 3 cities and below . . . . .	119.7	144.7
Other markets . . . . .	12.1	11.3
<b>Total. . . . .</b>	<b>910.4</b>	<b>1,078.3</b>
<b>Same-store sales growth (%)</b>		
Tier 1 cities . . . . .	(16.4)	
Tier 2 cities . . . . .	(14.4)	
Tier 3 cities and below . . . . .	(17.3)	
Other markets . . . . .	7.1	
<b>Average . . . . .</b>	<b>(15.6)</b>	

\* Including restaurants that commenced operations prior to the beginning of the periods under comparison and operated for the same number of days during the six-month periods ended 30 June 2024 and 2025, respectively.

Set forth below are certain key performance indicators of the Group's Coucou restaurants by region for the periods indicated:

	<b>For the six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
<b>Net Revenue (in RMB thousands)<sup>(1)</sup></b>		
Tier 1 cities <sup>(2)</sup> . . . . .	<b>230,141</b>	338,592
Tier 2 cities <sup>(3)</sup> . . . . .	<b>287,505</b>	437,304
Tier 3 cities and below <sup>(4)</sup> . . . . .	<b>7,302</b>	21,373
Other markets <sup>(5)</sup> . . . . .	<b>160,712</b>	146,005
<b>Total</b> . . . . .	<b>685,660</b>	<b>943,273</b>
<b>Average spending per customer (RMB)<sup>(6)</sup></b>		
Tier 1 cities <sup>(2)</sup> . . . . .	<b>128.7</b>	124.3
Tier 2 cities <sup>(3)</sup> . . . . .	<b>122.1</b>	117.3
Tier 3 cities and below <sup>(4)</sup> . . . . .	<b>119.9</b>	116.8
Other markets <sup>(5)</sup> . . . . .	<b>282.3</b>	286.1
<b>Average</b> . . . . .	<b>143.8</b>	<b>137.8</b>
<b>Table turnover rate (x)<sup>(7)</sup></b>		
Tier 1 cities <sup>(2)</sup> . . . . .	<b>1.5</b>	1.7
Tier 2 cities <sup>(3)</sup> . . . . .	<b>1.3</b>	1.4
Tier 3 cities and below <sup>(4)</sup> . . . . .	<b>1.2</b>	1.3
Other markets <sup>(5)</sup> . . . . .	<b>2.0</b>	2.2
<b>Average</b> . . . . .	<b>1.4</b>	<b>1.6</b>



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- (1) Excludes revenue from card sales.
  - (2) Beijing, Shanghai, Guangzhou and Shenzhen.
  - (3) Except for the tier 1 cities mentioned above, all centrally administered municipalities and most provincial capitals in Mainland China, plus Dalian, Foshan, Dongguan, Huizhou, Jiaxing, Jiangyin, Nantong, Ningbo, Qingdao, Quanzhou, Xiamen, Suzhou, Wenzhou, Wuxi, Xuzhou, Zhongshan and Zhuhai.
  - (4) Taizhou, Huzhou and Zhangzhou.
  - (5) Hong Kong (China), Taiwan (China) and Singapore.
  - (6) Calculated by dividing revenue generated from sales of Coucou restaurants for the period by total customer traffic of Coucou restaurants for the period.
  - (7) For the dine-in customers, this is calculated by dividing total sales by total Coucou restaurants' operation days and average table count during the period. For the delivery part, the delivery sales that equals to the average dine-in customer spending is regarded as one dine-in customer.

In the first half of 2025, due to the impact of consumption downgrade and insufficient competitiveness of branded products, the Coucou brand faced significant challenges, with a continuous decline in customer traffic. Although the Company has taken various proactive measures such as increasing in-store all-you-can-drink and all-you-can-eat promotions, intensifying the frequency and scale of online and offline marketing activities, and boosting advertising spending across major media platforms, the table turnover rate of Coucou restaurants still decreased from 1.6x in the first half of 2024 to 1.4x in the first half of 2025, a decrease of 12.5% period-to-period.

The table below sets forth same-store sales and sales growth of Group's Coucou restaurants for the periods indicated:

	For the six months ended 30 June	
	2025	2024
<b>Number of same-store*</b>		
Tier 1 cities . . . . .	68	
Tier 2 cities . . . . .	103	
Tier 3 cities and below . . . . .	3	
Other markets . . . . .	15	
<b>Total. . . . .</b>	<b>189</b>	
<b>Same-store sales (in RMB million)</b>		
Tier 1 cities . . . . .	221.1	267.7
Tier 2 cities . . . . .	270.9	334.8
Tier 3 cities and below . . . . .	7.3	11.3
Other markets . . . . .	153.7	145.5
<b>Total. . . . .</b>	<b>653</b>	<b>759.3</b>
<b>Same-store sales growth (%)</b>		
Tier 1 cities . . . . .	(17.4)	
Tier 2 cities . . . . .	(19.1)	
Tier 3 cities and below . . . . .	(35.3)	
Other markets . . . . .	5.6	
<b>Average . . . . .</b>	<b>(14.0)</b>	

\* Including restaurants that commenced operations prior to the beginning of the periods under comparison and opened for the same number of days during the six-month periods ended 30 June 2024 and 2025, respectively.

## OUTLOOK

### *Business Outlook*

According to the data released by the National Bureau of Statistics, the gross domestic product (“**GDP**”) in the first half of 2025 increased by 5.3% period-to-period, and the second quarter was 1.1% higher than the first quarter. On a quarterly basis, GDP grew by 5.4% period-to-period in the first quarter and 5.2% in the second quarter. On 12 May 2025, the State Council revised the Measures for the Promotion and Management of the Catering Industry (the “**Measures**”). The Measures state that the state supports the healthy and orderly development of the catering industry, encourages catering service operators to develop mass-market catering, community catering, and green and healthy catering, improve service quality, innovate consumption scenarios, and enrich catering supply. The Measures encourage catering service operators to undertake digital upgrades and transformations, enhance their digital operational and management capabilities, and accelerate the integration of online and offline development. The revision of the Measures holds significant importance for promoting the recovery and high-quality development of the catering industry.

Xiabuxiabu emphasises enhancing customer consumption experiences and strengthening members’ loyalty to the Xiabuxiabu brand. This is achieved through four key initiatives: conducting comprehensive digital marketing campaigns, leveraging big data to enable precise operational management, collaborating with renowned intellectual property(ies) (“**IP(s)**”) to develop creative products, and integrating platform resources to promote “member-exclusive” discount activities. Adhering to the philosophy of “treating customers as friends and providing heartfelt service”, the brand continuously revitalises itself by integrating digital, youthful, and internet-driven thinking into member customer operations and interactions.

The Group achieved significant results in the field of innovative marketing in 2025. Since the official launch of its gift card business in April 2025, the Group has achieved sales of over RMB160 million and sold over 430,000 cards in the first half of 2025. Meanwhile, the privilege membership group demonstrated strong consumer vitality, with an average per capita repeat purchase spending reaching RMB 449, a 3.9% increase from RMB 432 in the same period last year. The frequency of purchases rose to 5.4 times, up 10.2% from 4.9 times in the same period last year, representing a significant increase of 4.4 times compared to the 1.2 times consumption frequency of ordinary members. This has provided strong support for the Group’s consumer loyalty and future growth.

Continue to enhance the membership loyalty programme: in the second half of the year, the Group will continue to optimise its membership product portfolio, innovate membership benefits such as gift cards, launch differentiated benefits in conjunction with seasonal events, and further cooperate with partners to expand its user base. Meanwhile, through omnichannel sales across online and offline platforms, the Group has effectively expanded consumption occasions. By enhancing member stickiness through innovative product design, the Group has driven private domain traffic operations into a new phase, enabling member value to circulate across broader scenarios and achieving a natural extension from single-occasion dining consumption to gifting and social interaction scenarios. Xiabuxiabu Group is gradually building a more comprehensive and vibrant member ecosystem, establishing a solid foundation for the brand's long-term value growth.

Two-wheel drive of logistics upgrade and commercial flow optimisation: comprehensively promote the digital transformation of logistics, and realise the integrated management of centralised commands, intensive data, and localised resources through the “three-step process” of online orders, settlements, and operations. Simultaneously optimising the commerce flow system to establish the most cost-effective end-to-end path from procurement to delivery, breaking down departmental boundaries to achieve synergistic efficiency gains, and leveraging digitalisation to continuously enhance supply chain operational efficiency, thereby solidifying market leadership.

Xiabuxiabu advances its core strategy on “market expansion, brand elevation, and operational optimization.” Online, it rapidly expands delivery market coverage and launches new delivery products to capture the quick-service prepared food market, while actively pursuing e-commerce partnerships to drive traffic. Offline, it continuously optimizes restaurant layouts by closing underperforming restaurants and opening new locations in high-potential areas to enhance operational efficiency. It also boosts brand exposure and influence through expanding co-branded IP collaborations. In the second half of 2025, Xiabuxiabu will launch a comprehensive strategic partnership with the renowned anime IP Doraemon. This collaboration will encompass co-creation of merchandise and gifts, integrated marketing promotions, and fan base engagement. Leveraging the IP's strong appeal among Gen Z consumers, the initiative aims to enhance the brand's youthfulness, in order to capture market share, and strengthen brand competitiveness in long run.

In the first half of 2025, Coucou gradually launched four flavors of hot pot soup bases: Spring Vegetable and Seafood Pickled Pork Soup Base, Da Hong Pao Tea-Infused Spicy Soup Base, Longjing Tea-Infused Hot Pot, and Tomato Borscht Beef Brisket Hot Pot. Inspired by the concept of tea and hot pot, the brand also launched a series of new products featuring Longjing tea flavors, while bringing back the classic crab roe yellow croaker hot pot, which was previously highly praised, in limited quantities. Additionally, several new tea beverage flavors have been added to the tea beverage category to complement the overall drink menu, offering customers a more diverse selection. To celebrate the brand's ninth anniversary, it has made its first attempt at a comprehensive collaboration with the internationally renowned IP-Miffy. In addition to launching multiple Miffy-themed limited-edition sets and products in-store, the brand has also introduced Miffy-themed tableware and other merchandise for sale, offering consumers an immersive Miffy Kingdom experience. This collaboration marks the brand's first attempt to break into new markets, leveraging the fan base of a well-known IP to expand brand awareness and achieve new customer acquisition and increased brand recognition within its private domain. Coucou also actively explores applications beyond traditional hot pot dining scenarios, and began testing new growth areas such as business lunches and solo dining options during lunch hours in June 2025, targeting the dining needs of white-collar workers during lunch breaks. This model is currently in the testing phase and will continue to be optimised and upgraded in the second half of 2025.

Enhance brand visibility internationally: based on regional uniqueness, establish a three-dimensional operational framework encompassing “product + scenario + emotion”. In terms of marketing activities, actively promote integrated online and offline operations. For delivery services, expand product categories for specific brands and launch new snack menus to fill gaps in market. On social media platforms, we drive traffic through interactive content and engaging giveaway activities, effectively converting online traffic into offline engagement, while leveraging multi-platform strategies to further expand user reach. We carefully craft a composite setting combining “dining + entertainment + emotional experience” to create diverse value experiences for users. Through incentive measures, we lower the barriers to user interaction and enhance user identification and loyalty by imparting social value to the brand—such as providing a platform for young musicians to showcase their work.

## ***2025 Industry Outlook***

2025 is a year full of possibilities and challenges.

According to the data released by the National Bureau of Statistics, national catering revenue in the first half of 2025 was RMB2,748 billion, representing a period-to-period increase of 4.3%; the revenue of catering enterprises above the designated size was RMB799.6 billion, representing a period-to-period increase of 3.6%. In the first half of 2025, China's consumer market became increasingly active under the impetus of a series of policies aimed at expanding domestic demand and promoting consumption, with a positive development trend. Policy and scenario innovations also brought new momentum for the development of catering enterprises. However, the catering industry is facing unprecedented challenges, characterised by “slowing revenue growth, declining profits, and intensifying competition”.

The catering industry overall continues to face structural challenges, with rising operating costs and intensifying market competition continuing to put the operational capabilities of catering companies to the test. From a development trend perspective, the in-depth application of smart and digital technologies is reshaping the industry ecosystem, with innovation and upgrades taking place across the board from supply chain management to end-user service experiences. Meanwhile, the diversification of consumption scenarios is also opening up broader market opportunities for businesses. As a leading company in the industry, Xiabuxiabu will adhere to the development philosophy of quality-centric and innovation-driven growth, leveraging refined operations and digital transformation to continuously enhance our core competitiveness.

## MANAGEMENT DISCUSSION AND ANALYSIS

The following table is a summary of the Group's consolidated statement of profit or loss and other comprehensive income with line items in absolute amounts and as percentages of the Group's total revenue for the periods indicated, together with the change (expressed in percentages) for the six months ended 30 June 2024 and for the six months ended 30 June 2025:

	For the six months ended 30 June				Period-
	2025		2024		to-period
	<u>RMB'000</u>	<u>%</u>	<u>RMB'000</u>	<u>%</u>	change
	(Unaudited)		(Unaudited)		%
<b>Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income</b>					
Revenue . . . . .	1,942,383	100.0	2,394,528	100.0	(18.9)
Other income . . . . .	19,822	1.0	21,266	0.9	(6.8)
Raw materials and consumables used . . . .	(641,386)	(33.0)	(827,496)	(34.6)	(22.5)
Staff costs . . . . .	(666,466)	(34.3)	(814,137)	(34.0)	(18.1)
Property rentals and related expenses . . . .	(120,190)	(6.2)	(159,655)	(6.7)	(24.7)
Utilities expenses . . . . .	(75,399)	(3.9)	(90,066)	(3.8)	(16.3)
Depreciation and amortization . . . . .	(317,713)	(16.4)	(399,790)	(16.7)	(20.5)
Other expenses . . . . .	(160,832)	(8.3)	(185,428)	(7.7)	(13.3)
Other gains and losses . . . . .	(29,543)	(1.5)	(161,648)	(6.8)	(81.7)
Finance costs . . . . .	(26,397)	(1.4)	(44,574)	(1.9)	(40.8)
<b>Loss before tax . . . . .</b>	<b>(75,721)</b>	<b>(3.9)</b>	<b>(267,000)</b>	<b>(11.2)</b>	<b>(71.6)</b>
Income tax expense . . . . .	(5,107)	(0.3)	(6,666)	(0.3)	(23.4)
<b>Loss for the period . . . . .</b>	<b>(80,828)</b>	<b>(4.2)</b>	<b>(273,666)</b>	<b>(11.4)</b>	<b>(70.5)</b>
<b>Total comprehensive expense for the period . . . . .</b>	<b>(80,828)</b>	<b>(4.2)</b>	<b>(273,666)</b>	<b>(11.4)</b>	<b>(70.5)</b>

## ***Revenue***

The Group's revenue decreased by 18.9% from RMB2,394.5 million for the six months ended 30 June 2024 to RMB1,942.4 million for the Reporting Period, which was due to the decrease in the number of restaurants and consumption downgrade. The revenue generated from Xiabuxiabu decreased by 13.5% from RMB1,313.1 million for the six months ended 30 June 2024 to RMB1,135.3 million for the Reporting Period; and the revenue contributed by Coucou decreased by 25.8% from RMB1,004.5 million for the six months ended 30 June 2024 to RMB745.2 million for the Reporting Period. The sales revenue of condiment products increased by 4.8% from RMB45.0 million for the six months ended 30 June 2024 to RMB47.2 million for the Reporting Period, with the overall trend remaining stable.

## ***Other income***

The Group's other income decreased by RMB1.5 million from RMB21.3 million for the six months ended 30 June 2024 to RMB19.8 million for the Reporting Period, representing a decline of 6.8%, which was mainly due to a decrease in interest income.

## ***Raw materials and consumables***

The Group's raw material and consumables decreased by RMB 186.1 million from RMB 827.5 million in the first half of 2024 to RMB 641.4 million during the Reporting Period, representing a 22.5% decline. This reduction was primarily attributable to: (i) As of 30 June 2025, the number of restaurants decreased by a net of 135 compared to 30 June 2024; (ii) continuously maintaining and updating the long-term strategic supplier database to increase the number of suppliers; (iii) implementing online price comparison procedures to rapidly and accurately select low-cost, high-quality suppliers across multiple dimensions, thereby enhancing procurement efficiency while effectively reducing unit procurement costs.

## ***Staff costs***

The Group's staff cost decreased by 18.1% from RMB814.1 million for the six months ended 30 June 2024 to RMB666.5 million for the Reporting Period, which was mainly because the Company optimized its restaurants structure by closing under-performing restaurants. As of 30 June 2025, the number of restaurants decreased by a net of 135 compared to 30 June 2024. The number of employees decreased from 24,606 as of 30 June 2024 to 17,930 as of 30 June 2025. Therefore, the overall staff cost decreased. As a percentage of the Group's revenue, staff costs slightly increased from 34.0% in the first half of 2024 to 34.3% in the first half of 2025. The proportion of employee costs relative to revenue remained stable.

## ***Property rentals and related expenses***

The Group's property rentals and related expenses decreased by 24.7% from RMB159.7 million for the six months ended 30 June 2024 to RMB120.2 million for the Reporting Period due to closure of some under-performing restaurants. The Group's property rentals and related expenses as a percentage of the Group's revenue has decreased from 6.7% in the first half of 2024 to 6.2% in the Reporting Period.



### ***Utilities expenses***

The Group's utilities expenses decreased by 16.3% from RMB90.1 million for the six months ended 30 June 2024 to RMB75.4 million for the Reporting Period, which was mainly attributable to the decrease in the number of restaurants in the first half of the year by 135 compared to the same period last year. During the Reporting Period, utilities expenses as a percentage of the Group's revenue was at 3.9%, representing a slight increase compared to 3.8% for the corresponding period last year.

### ***Depreciation and amortization***

The Group's depreciation and amortization decreased by 20.5% from RMB399.8 million for the six months ended 30 June 2024 to RMB317.7 million for the Reporting Period, primarily due to (i) the decrease in the number of restaurants in the first half of the year by 135 compared to the same period of last year and (ii) the increased efforts to utilize existing resources. As a percentage of the Group's revenue, depreciation and amortization decreased slightly from 16.7% in the first half of 2024 to 16.4% in the first half of 2025.

### ***Other expenses***

The Group's other expenses decreased by RMB24.6 million or 13.3% from RMB185.4 million for the six months ended 30 June 2024 to RMB160.8 million for the Reporting Period. Among these, (i) logistics expenses decreased by 28.9% from RMB18.7 million in the first half of 2024 to RMB13.3 million during the Reporting Period, due to continuous upgrades to the new logistic center and standardized logistic processes to optimizing delivery routes and networks, in order to enhance operational efficiency and to achieve logistics expenses reductions and to improve operating performance; (ii) significant decrease in professional service fees during the Reporting Period resulting in a 27.3% reduction in professional service fees from RMB 21.5 million in the first half of 2024 to RMB 15.6 million in the Reporting Period; and (iii) effective reduction in maintenance costs through the use of warranty services and insurance, which decreased by 33.1% from RMB 7.9 million in the first half of 2024 to RMB 5.3 million during the Reporting Period. The Group's continuous refined control and management of operating costs has led to an overall downward trend in expenses.

### ***Other gains and losses***

The Group recognized other net losses of RMB29.5 million for the Reporting Period as compared to other net losses of RMB161.6 million for the six months ended 30 June 2024, representing a significant decrease of 81.7% primarily due to the Group's effort in optimising its restaurants structure by closing under-performing restaurants, leading to a reduction in the amount of provision for asset impairment losses from RMB203.0 million in the corresponding period in 2024 to RMB73.0 million during the Reporting Period, a significant decrease of 64.1% (as detailed in note 7 to the condensed consolidated financial statements).

### ***Finance costs***

The Group recorded finance costs of RMB26.4 million for the Reporting Period, mainly derived from interest on lease liabilities of RMB22.3 million, representing a decrease of 40.8% compared to the financial costs of RMB44.6 million in the same period last year.

### ***Income tax expense***

During the Reporting Period, the Group incurred RMB5.1 million in income tax expense, while the income tax expense for the six months ended 30 June 2024 was RMB6.7 million, a decrease of 23.4% period-to-period. This is mainly resulted from (i) profits recorded for certain subsidiaries of the Company during the Reporting Period; and (ii) a decrease of RMB0.7 million in net deferred income tax assets of certain subsidiaries as at 30 June 2025 as compared to the corresponding period in 2024.

### ***Liquidity and capital resources***

For the six months ended 30 June 2025, the Group financed its operations primarily through cash from the Group's operations. The Group intends to finance its expansion and business operations through organic and sustainable growth as well as bank financing.

### ***Bank balances and cash***

As at 30 June 2025, the Group had cash and cash equivalents of RMB313.2 million (31 December 2024: RMB362.7 million), which primarily consisted of cash on hand and demand deposits and which were mainly denominated in Renminbi as to 95%, Hong Kong dollars as to 3.0%, US dollars as to 0.2%, Singapore dollars as to 1.2% and New Taiwan dollars as to 0.5%.

On the other hand, the Group also held balance of financial assets amounting to RMB551.0 million as at 30 June 2025 (as detailed in note 16 to the condensed consolidated financial statements as well as the description below).

In view of the Group's currency mix, the Group currently does not use any derivative contracts to hedge against the Group's exposure to currency risk. The Group's management manages the currency risk by closely monitoring the movement of the foreign currency rates and considering hedging significant foreign currency exposure should such need arise.

### ***Financial assets at fair value through profit or loss (“FVTPL”)***

As at 30 June 2025, the Group had financial assets at FVTPL which amounted to RMB551.0 million in aggregate, which mainly represented financial products (the “**Financial Products**”) issued by Fubon Huayi Bank Co., LTD., Galaxy Securities Co., LTD., CICC Wealth Management Co., LTD., COFCO Trust Co., LTD., China CITIC Bank Co., LTD., China Merchants Bank Co., LTD., Industrial Bank Co., LTD., Huatai Securities Co., LTD., Ping An Bank Co., LTD (collectively, the “**Investment Fund Companies**”), which are investments with no predetermined or guaranteed return and are not principal protected, with expected annual return rates ranging from 2% to 4.8%. Two of the Financial Products, with a principal amount of RMB133.0 million, are classified as non-current assets due to their maturity date in 2028. The amount redeemed from the Financial Products was recorded as gain from changes in fair value of financial assets designated as financial assets at FVTPL, which amounted to approximately RMB13.5 million as at 30 June 2025.

The Group generally subscribed for financial products on a revolving basis, which means that the Group would subscribe for additional financial products when the terms of certain financial products previously subscribed for by the Company expired. Subscriptions of financial products were made for treasury management purpose to maximize the return on the unutilized funds of the Group after taking into account, among others, the level of risk, return on investment, liquidity and the term to maturity. Generally, the Group would select short-term financial products issued by reputable commercial banks and investment fund companies that had relatively low associated risk. Prior to making an investment, the Group had also ensured that there remains sufficient working capital for the Group’s business needs, operating activities and capital expenditures even after making the investments in such financial products. Although the financial products were marketed as wealth management products which were not principal protected nor with pre-determined or guaranteed return, the underlying investments were in line with the internal risk management, cash management and investment policies of the Group and the Company had fully recovered the principal and received the expected returns upon the redemption or maturity of similar financial products subscribed in the past.

In view of an upside of earning a more attractive return than current saving or fixed deposit rate under the low interest rate trend of the Financial Products, the Directors are of the view that the Financial Products pose relatively low risk to the Group and the terms and conditions of each of the subscriptions are fair and reasonable and are in the interests of the Company and its shareholders as a whole.

There was no single financial product in the Group’s investment portfolio that has a carrying amount accounting for more than 5% of the Group’s total assets as at 30 June 2025.

The subscription of financial products during the period ended 30 June 2025, whether individually or in aggregate (if required), does not constitute a discloseable transaction under Chapter 14 of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

### ***Indebtedness***

As at 30 June 2025, the Group had short term borrowing (including liabilities under discounted bills, or any covenant in connection thereof) of RMB365.5 million (31 December 2024: RMB380.4 million, a decrease of 3.9% period-to-period) which were denominated in RMB and carried fixed interest rates ranging from 1.1% to 2.9% and were expected to mature within one year.

### ***Gearing ratio***

As at 30 June 2025, the Group's gearing ratio was 47.8%. Gearing ratio was calculated by dividing bank and other borrowings by total equity as of the same date and multiply by 100%.

### ***Capital expenditures***

The Group made payment for the capital expenditures representing the purchase of property, plant and equipment of RMB44.6 million during the Reporting Period in connection with new restaurants opening and re-decoration and furnishing of existing restaurants. For the six months ended 30 June 2024, the Group made payment for the capital expenditure of RMB140.9 million, a decrease of 68.4% period-to-period. The Group's capital expenditure in the first half of 2025 was funded primarily by cash generated from its operating activities. In the first half of 2025, the Group opened a total of 32 new restaurants.

### ***Pledge of assets***

As at 30 June 2025, the Group has pledged bank deposits of RMB57.5 million as collateral for the Group's short-term bank loans.

### ***Contingent liabilities and guarantees***

As at 30 June 2025, the Group did not have any significant unrecorded contingent liabilities, guarantees or any litigation against the Group.

### ***Significant investments held, material acquisitions and future plans for major investment***

During the Reporting Period, save as disclosed below, the Group did not conduct any material investments, acquisitions or disposals. The Group has no significant investments held and specific future plan for major investment or acquisition for major capital assets or other businesses in accordance with the Listing Rules. However, the Group will continue to identify new opportunities for business development.

### *Acquisition of 40% equity interest in Xiabuxiabu (China) Food Holdings Co., Limited*

On 17 April 2025, the Company entered into an agreement with Mr. Ho Kuang-Chi pursuant to which the Company conditionally agreed to acquire, and Mr. Ho Kuang-Chi conditionally agreed to sell 40% equity interest in Xiabuxiabu (China) Food Holdings Co., Limited a non-wholly owned subsidiary of the Company, at a consideration of RMB89 million (the “**Acquisition**”). As at the date of this announcement, Xiabuxiabu (China) Food Holdings Co., Limited is held as to 60% by the Company and 40% by Mr. Ho Kuang-Chi. It will become a wholly-owned subsidiary of the Company upon completion of the Acquisition. Mr. Ho Kuang-Chi is the chairman of the Board, an executive Director and a controlling shareholder of the Company, and thus a connected person of the Company. The Acquisition constitutes a discloseable and connected transaction for the Company under Chapters 14 and 14A of the Listing Rules which is subject to the reporting, annual review, announcement, circular (including independent financial advice) and independent Shareholders’ approval requirements. For details, please refer to the announcement of the Company dated 17 April 2025 and circular of the Company dated 27 August 2025.

An extraordinary general meeting of the Company will be convened and held on 12 September 2025 for approval of the Acquisition.

### *Employee and remuneration policies*

As at 30 June 2025, the Group had a total of 17,930 employees (31 December 2024: 24,606), of which 106 employees worked at the Group’s food processing facilities and warehouse logistics, 2,062 were restaurant management staff, 14,768 were restaurant service staff and 994 were operation management and administrative staff.

The Group offers competitive wages and other benefits to the Group’s restaurant employees to manage employee attrition. The Group also offers training programs tailored to specific needs of career development of the Group’s employees. Discretionary performance bonus is also offered as a further incentive to the Group’s restaurant staff when certain performance targets are achieved. The Group’s staff costs include all salaries and benefits payable to all the Group’s employees and staff, including the Group’s executive directors, headquarters staff and food processing facilities staff.

For the Reporting Period, the total staff cost of the Group (including salaries, bonuses, social insurances, provident funds and share incentive schemes) amounted to RMB666.5 million (30 June 2024: RMB814.1 million, a decrease of 18.1% period-to-period), representing approximately 34.3% of the total revenue of the Group.

## **FINANCIAL RESULTS**

The financial information set out below in this announcement represents an extract from the condensed consolidated financial statements, which is unaudited but has been reviewed by the Company’s independent auditor, Deloitte Touche Tohmatsu, in accordance with the Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”, and by the audit committee of the Company (the “**Audit Committee**”).

## FINANCIAL INFORMATION

The condensed consolidated results of the Group for the six months ended 30 June 2025 are as follows:

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

FOR THE SIX MONTHS ENDED 30 JUNE 2025

	<i>Notes</i>	For the six months ended 30 June	
		2025	2024
		<i>RMB'000</i> (Unaudited)	<i>RMB'000</i> (Unaudited)
Revenue	3	1,942,383	2,394,528
Other income	5	19,822	21,266
Raw materials and consumables used		(641,386)	(827,496)
Staff costs		(666,466)	(814,137)
Property rentals and related expenses		(120,190)	(159,655)
Utilities expenses		(75,399)	(90,066)
Depreciation and amortization		(317,713)	(399,790)
Other expenses	6	(160,832)	(185,428)
Other gains and losses	7	(29,543)	(161,648)
Finance costs	8	(26,397)	(44,574)
<b>Loss before tax</b>	9	<b>(75,721)</b>	<b>(267,000)</b>
Income tax expense	10	(5,107)	(6,666)
Loss for the period		<b>(80,828)</b>	<b>(273,666)</b>
<b>Total comprehensive expense for the period</b>		<b>(80,828)</b>	<b>(273,666)</b>
<b>Loss for the period attributable to:</b>			
Owners of the Company		(84,079)	(272,820)
Non-controlling interest		3,251	(846)
		<b>(80,828)</b>	<b>(273,666)</b>
<b>Total comprehensive expense attributable to:</b>			
Owners of the Company		(84,079)	(272,820)
Non-controlling interest		3,251	(846)
		<b>(80,828)</b>	<b>(273,666)</b>
<b>Loss per share</b>			
– Basic (RMB cents per share)	12	<b>(8.01)</b>	<b>(26.22)</b>
– Diluted (RMB cents per share)	12	<b>(8.01)</b>	<b>(26.22)</b>

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2025

		As at 30 June 2025	As at 31 December 2024
	Notes	RMB'000 (Unaudited)	RMB'000 (Audited)
<b>Non-current assets</b>			
Property, plant and equipment	13	442,264	556,283
Right-of-use assets	13	748,515	879,313
Intangible assets		7,404	7,116
Deferred tax assets		2,354	3,050
Rental deposits		140,606	148,203
Financial assets at fair value through profit or loss ("FVTPL")	16	132,977	132,766
Interest in a joint venture		99,952	100,061
		<b>1,574,072</b>	<b>1,826,792</b>
<b>Current assets</b>			
Inventories	14	216,262	289,220
Trade and other receivables and prepayments	15	353,430	314,518
Income tax recoverable		2,736	4,065
Financial assets at FVTPL	16	417,984	454,194
Restricted bank balances		107,357	87,871
Term deposits		11,140	7,188
Bank balances and cash		313,177	362,695
		<b>1,422,086</b>	<b>1,519,751</b>
<b>Current liabilities</b>			
Trade payables	17	183,507	235,850
Accrual and other payables		407,000	486,152
Lease liabilities	18	224,650	292,355
Borrowings	19	365,527	380,406
Contract liability	20	391,689	428,019
Deferred income		910	910
		<b>1,573,283</b>	<b>1,823,692</b>
<b>Net current liabilities</b>		<b>(151,197)</b>	<b>(303,941)</b>
<b>Total assets less current liabilities</b>		<b>1,422,875</b>	<b>1,522,851</b>



		As at 30 June 2025	As at 31 December 2024
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
		(Unaudited)	(Audited)
<b>Non-current liabilities</b>			
Deferred income		4,549	5,005
Lease liabilities	18	599,943	618,717
Provisions		52,886	54,239
		<u>657,378</u>	<u>677,961</u>
<b>Net assets</b>		<u><b>765,497</b></u>	<u><b>844,890</b></u>
<b>Capital and reserves</b>			
Share capital		176	176
Share premium and reserves		<u>691,267</u>	<u>773,911</u>
Equity attributable to owners of the Company		<b>691,443</b>	774,087
Non-controlling interest		<u>74,054</u>	<u>70,803</u>
<b>Total equity</b>		<u><b>765,497</b></u>	<u><b>844,890</b></u>



**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2025**

	Share Capital	Share premium	Equity- settled share- based payments reserve	Statutory surplus reserve	Treasury share reserve	Retained earnings	Subtotal	Non- controlling interest	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>Balance at 1 January 2025 (Audited)</b>	<b>176</b>	<b>280,159</b>	<b>6,861</b>	<b>62,090</b>	<b>(155,694)</b>	<b>580,495</b>	<b>774,087</b>	<b>70,803</b>	<b>844,890</b>
(Loss)/gain for the period	—	—	—	—	—	(84,079)	(84,079)	3,251	(80,828)
Total comprehensive expense for the period	—	—	—	—	—	(84,079)	(84,079)	3,251	(80,828)
Recognition of equity-settled share-based payments	—	—	1,435	—	—	—	1,435	—	1,435
Exercise of Restricted Share Unit (“RSU”)	—	(2,091)	(5,882)	—	7,973	—	—	—	—
<b>Balance at 30 June 2025 (Unaudited)</b>	<b>176</b>	<b>278,068</b>	<b>2,414</b>	<b>62,090</b>	<b>(147,721)</b>	<b>496,416</b>	<b>691,443</b>	<b>74,054</b>	<b>765,497</b>
<b>Balance at 1 January 2024 (Audited)</b>	<b>176</b>	<b>307,887</b>	<b>8,477</b>	<b>61,674</b>	<b>(158,477)</b>	<b>981,592</b>	<b>1,201,329</b>	<b>68,599</b>	<b>1,269,928</b>
Loss for the period	—	—	—	—	—	(272,820)	(272,820)	(846)	(273,666)
Total comprehensive expense for the period	—	—	—	—	—	(272,820)	(272,820)	(846)	(273,666)
Recognition of equity-settled share-based payments	—	—	2,002	—	—	—	2,002	—	2,002
Exercise of Restricted Share Unit (“RSU”)	—	2,639	(5,422)	—	2,783	—	—	—	—
Payments of dividends ( <i>Note 11</i> )	—	(30,367)	—	—	—	—	(30,367)	—	(30,367)
<b>Balance at 30 June 2024 (Unaudited)</b>	<b>176</b>	<b>280,159</b>	<b>5,057</b>	<b>61,674</b>	<b>(155,694)</b>	<b>708,772</b>	<b>900,144</b>	<b>67,753</b>	<b>967,897</b>

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2025**

	<b>For six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Net cash generated from operating activities</b>	<b>195,495</b>	<b>371,657</b>
Cash flows from investing activities		
Interests income received	3,183	5,407
Purchase of financial assets at FVTPL	(1,206,009)	(971,000)
Proceeds from disposal of financial assets at FVTPL	1,249,728	1,121,792
Purchases of property, plant and equipment	(44,575)	(140,934)
Payments for right-of-use assets	(2,243)	(3,111)
Utilisation of provisions	(2,012)	(4,819)
Payments for rental deposits	(11,034)	(15,189)
Collection of rental deposits	17,276	14,601
Proceeds from disposal of property, plant and equipment	1,776	27,809
Purchase of intangible assets	(895)	(1,736)
Placement of restricted bank balances	(45,450)	(89,291)
Withdrawal of restricted bank balances	25,964	72,138
Placement of term deposits with initial terms of over three months	(11,140)	—
Withdrawal of term deposits with initial terms of over three months	7,188	—
<b>Net cash (used in) from investing activities</b>	<b>(18,243)</b>	<b>15,667</b>
Cash flow from financing activities		
Dividend paid	—	(30,367)
Repayments of borrowings	(349,468)	(146,580)
Repayments of leases liabilities	(209,643)	(298,794)
New bank borrowings raised	334,589	276,656
Interest paid	(3,281)	(7,420)
<b>Net cash used in financing activities</b>	<b>(227,803)</b>	<b>(206,505)</b>
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>(50,551)</b>	<b>180,819</b>
Cash and cash equivalents at the beginning of the period	362,695	129,366
Effect of foreign exchange rate changes, net	1,033	(153)
<b>Cash and cash equivalents at the end of the period represented by bank balances and cash</b>	<b>313,177</b>	<b>310,032</b>

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE SIX MONTHS ENDED 30 JUNE 2025

### 1. GENERAL INFORMATION AND BASIS OF PREPARATION

Xiabuxiabu Catering Management (China) Holdings Co., Ltd. (the “**Company**”) was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands on 14 May 2008. The registered office of the Company is Cricket Square, Hutchins Drive P.O. Box 2681 Grand Cayman Islands KY1-1111. The Company is an investment holding company and the Company and its subsidiaries (collectively referred to as the “**Group**”) are principally engaged in Chinese hotpot restaurant operations in the People’s Republic of China (“**PRC**”).

The Company’s immediate holding company is Ying Qi Investments Limited (incorporated in the British Virgin Islands), and its ultimate controlling party is Mr. Ho Kuang-Chi, who is also the Chairman of the Company.

The condensed consolidated financial statements are presented in Renminbi (“**RMB**”), which is the same as the functional currency of the Company.

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard (“**IAS**”) 34 “Interim Financial Reporting” issued by the International Accounting Standards Board (“**IASB**”) as well as the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

As at 30 June 2025, the Group’s current liabilities exceeded its current assets by approximately RMB151,197,000. The liquidity of the Group is primarily dependent on its ability to maintain adequate cash inflows from operations and sufficient financing to meet its financial obligations as and when they fall due. The directors of the Company (“**Directors**”) have a reasonable expectation that the Group has adequate resources to continue in operational existence after taking into account of the future 12 months cash flow forecast and the unused banking facilities of the Group amounting to RMB274 million to meet their financial obligations in the foreseeable future. Thus, the Group continues to adopt the going concern basis of accounting in preparing the condensed consolidated financial statements.

### 2. PRINCIPAL ACCOUNTING POLICIES

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

Other than additional accounting policies resulting from application of amendments to International Financial Reporting Standards (“**IFRSs**”), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2025 are the same as those presented in the Group’s annual financial statements for the year ended 31 December 2024.

## 2. PRINCIPAL ACCOUNTING POLICIES *(continued)*

### Application of amendments to IFRSs

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

Amendments to IAS 21

Lack of Exchangeability

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

The Group's revenue which represents the amount received and receivable from the restaurant's operation, sales of condiment products and other goods, net of discount and sales related taxes, are as follows:

	For the six months ended 30 June 2025			
	<u>Xiabuxiabu</u>	<u>Coucou</u>	<u>Others</u>	<u>Total</u>
	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>Types of goods or service</b>				
Restaurant operations	1,132,151	745,141	–	1,877,292
Sales of condiment products	–	–	47,159	47,159
Sales of other goods	3,148	19	14,765	17,932
Total	<u>1,135,299</u>	<u>745,160</u>	<u>61,924</u>	<u>1,942,383</u>
<b>Geographical markets</b>				
Mainland China	1,123,234	584,448	61,924	1,769,606
Other markets	12,065	160,712	–	172,777
Total	<u>1,135,299</u>	<u>745,160</u>	<u>61,924</u>	<u>1,942,383</u>

### 3. REVENUE (continued)

	For the six months ended 30 June 2024			
	Xiabuxiabu	Coucou	Others	Total
	<u>RMB '000</u>	<u>RMB '000</u>	<u>RMB '000</u>	<u>RMB '000</u>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>Types of goods or service</b>				
Restaurant operations	1,312,510	1,004,462	—	2,316,972
Sales of condiment products	—	—	44,985	44,985
Sales of other goods	639	15	31,917	32,571
Total	<u>1,313,149</u>	<u>1,004,477</u>	<u>76,902</u>	<u>2,394,528</u>
<b>Geographical markets</b>				
Mainland China	1,308,696	845,321	76,902	2,230,919
Other markets	4,453	159,156	—	163,609
Total	<u>1,313,149</u>	<u>1,004,477</u>	<u>76,902</u>	<u>2,394,528</u>

### 4. OPERATING SEGMENTS

Information reported to the executive Directors of the Company, being the chief operating decision maker (“**CODM**”), for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided.

Specifically, the Group’s reportable segments under IFRS 8 are as follows:

- Xiabuxiabu: restaurant operation and related service under brand name of “Xiabuxiabu”.
- Coucou: restaurant operation and related service under brand name of “Coucou”.

In addition to the above reportable segments, other operating segments include operation of the condiment products and other goods that were not sold out by Xiabuxiabu restaurants or Coucou restaurants. None of these segments met the quantitative thresholds for the reportable segments in both current and prior periods. Accordingly, they were grouped in “Others”. In addition, included in “Others” is a procurement function which centrally purchases raw materials and consumables and sell to Xiabuxiabu and Coucou restaurants.

#### 4. OPERATING SEGMENTS *(continued)*

The following is an analysis of the Group's revenue and results by reportable and operating segments:

##### Six months ended 30 June 2025

	Xiabuxiabu	Coucou	Total reportable segments	Others	Adjustments and eliminations	Consolidated
	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
SEGMENT REVENUE						
External sales	1,135,299	745,160	1,880,459	61,924	–	1,942,383
Inter-segment sales	–	–	–	1,219,472	(1,219,472)	–
	<u>1,135,299</u>	<u>745,160</u>	<u>1,880,459</u>	<u>1,281,396</u>	<u>(1,219,472)</u>	<u>1,942,383</u>
Segment results <i>(Note)</i>	<u>55,603</u>	<u>(54,588)</u>	<u>1,015</u>	<u>5,406</u>	<u>–</u>	<u>6,421</u>
Impairment loss on property, plant and equipment	(14,869)	(15,804)	(30,673)	–	–	(30,673)
Impairment loss on right-of-use assets	(17,657)	(22,259)	(39,916)	–	–	(39,916)
Impairment loss on rental deposit	(398)	(2,004)	(2,402)	–	–	(2,402)
Reversal of impairment loss on other receivables	–	–	–	13,916	–	13,916
Loss on closure of restaurants	(533)	(391)	(924)	–	–	(924)
Gain from changes in fair value – of financial assets at FVTPL	8,297	–	8,297	5,155	–	13,452
Loss on disposal of property, plant and equipment, net	(485)	(380)	(865)	–	–	(865)
Interest on bank borrowings	(230)	(15)	(245)	(3,036)	–	(3,281)
Segment profit (loss)	<u>29,728</u>	<u>(95,441)</u>	<u>(65,713)</u>	<u>21,441</u>	<u>–</u>	<u>(44,272)</u>
Unallocated central administration costs						(28,868)
Unallocated Directors' emoluments						(2,581)
Loss before tax						<u>(75,721)</u>

##### Other segment information

Amounts included in the measure of segment results:

	Xiabuxiabu	Coucou	Total reportable segments	Others	Unallocated costs	Consolidated
	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Depreciation and amortization	(177,838)	(138,976)	(316,814)	(360)	(539)	(317,713)
Gain on termination of leases	3,408	1,578	4,986	–	–	4,986
Gain on reassessment of lease liabilities	4,921	1,599	6,520	–	–	6,520
Finance costs (excluding interest on bank borrowings)	<u>(16,071)</u>	<u>(6,864)</u>	<u>(22,935)</u>	<u>(181)</u>	<u>–</u>	<u>(23,116)</u>

#### 4. OPERATING SEGMENTS *(continued)*

The following is an analysis of the Group's revenue and results by reportable and operating segments: *(continued)*

##### Six months ended 30 June 2024

	Xiabuxiabu	Coucou	Total reportable segments	Others	Adjustments and eliminations	Consolidated
	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
SEGMENT REVENUE						
External sales	1,313,149	1,004,477	2,317,626	76,902	–	2,394,528
Inter-segment sales	–	–	–	1,592,091	(1,592,091)	–
	<u>1,313,149</u>	<u>1,004,477</u>	<u>2,317,626</u>	<u>1,668,993</u>	<u>(1,592,091)</u>	<u>2,394,528</u>
Segment results <i>(Note)</i>	<u>61,758</u>	<u>(78,924)</u>	<u>(17,166)</u>	<u>(15,750)</u>	<u>–</u>	<u>(32,916)</u>
Impairment loss on property, plant and equipment	(33,246)	(77,471)	(110,717)	–	–	(110,717)
Impairment loss on right-of-use assets	(26,681)	(44,414)	(71,095)	–	–	(71,095)
Impairment loss on rental deposit	(7,437)	(13,786)	(21,223)	–	–	(21,223)
Reversal of impairment loss on other receivables	–	–	–	1,775	–	1,775
Loss on closure of restaurants	(3,923)	(3,385)	(7,308)	–	–	(7,308)
Gain from changes in fair value of financial assets at FVTPL	15,093	–	15,093	2,206	–	17,299
(Loss) gain on disposal of property, plant and equipment, net	(486)	96	(390)	(62)	–	(452)
Interest on bank borrowings	(1,018)	(1,112)	(2,130)	(5,290)	–	(7,420)
Segment profit (loss)	<u>4,060</u>	<u>(218,996)</u>	<u>(214,936)</u>	<u>(17,121)</u>	<u>–</u>	<u>(232,057)</u>
Unallocated central administration costs						(32,891)
Unallocated Directors' emoluments						(2,052)
Loss before tax						<u>(267,000)</u>

##### Other segment information

Amounts included in the measure of segment results:

	Xiabuxiabu	Coucou	Total reportable segments	Others	Unallocated costs	Consolidated
	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Depreciation and amortization	(234,801)	(163,991)	(398,792)	(460)	(538)	(399,790)
Gain on termination of leases	5,334	–	5,334	–	–	5,334
Gain on reassessment of lease liabilities	11,604	12,769	24,373	–	–	24,373
Finance costs (excluding interest on bank borrowings)	<u>(25,321)</u>	<u>(11,727)</u>	<u>(37,048)</u>	<u>(106)</u>	<u>–</u>	<u>(37,154)</u>

#### 4. OPERATING SEGMENTS *(continued)*

*Note:* The measure used for reporting segment result is the adjusted segment profit (loss) before (i) certain gain or loss from changes in fair value of financial assets at FVTPL; (ii) interest on bank borrowings; (iii) impairment loss and disposal loss on non-current assets; (iv) reversal of impairment loss on financial assets; and (v) loss on closure of restaurants.

The following is an analysis of the Group's assets and liabilities by reportable and operating segments:

	<u>30/06/2025</u>	<u>31/12/2024</u>
	<u><i>RMB'000</i></u>	<u><i>RMB'000</i></u>
	<u>(Unaudited)</u>	<u>(Audited)</u>
<b>Continuing operations</b>		
Xiabuxiabu	2,146,139	2,436,544
Coucou	<u>581,997</u>	<u>627,958</u>
Total reportable segment assets	2,728,136	3,064,502
Other operating segments	166,625	178,301
Unallocated headquarters office building and land use right	<u>101,397</u>	<u>103,740</u>
Consolidated assets	<u><b>2,996,158</b></u>	<u><b>3,346,543</b></u>
	<u>30/06/2025</u>	<u>31/12/2024</u>
	<u><i>RMB'000</i></u>	<u><i>RMB'000</i></u>
	<u>(Unaudited)</u>	<u>(Audited)</u>
<b>Continuing operations</b>		
Xiabuxiabu	1,436,350	1,671,540
Coucou	<u>357,576</u>	<u>414,542</u>
Total reportable segment liabilities	1,793,926	2,086,082
Other operating segments	<u>436,735</u>	<u>415,571</u>
Consolidated liabilities	<u><b>2,230,661</b></u>	<u><b>2,501,653</b></u>



## 5. OTHER INCOME

	For the six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Interest income on:		
– bank deposits	3,183	5,407
– rental deposits	1,902	2,907
	<u>5,085</u>	<u>8,314</u>
Government grant	<u>7,528</u>	<u>4,151</u>
Delivery income for takeout orders	847	617
Sale of consumables	1,755	2,786
Others	4,607	5,398
	<u>7,209</u>	<u>8,801</u>
	<u><u>19,822</u></u>	<u><u>21,266</u></u>

## 6. OTHER EXPENSES

	For the six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Delivery service fee	34,775	33,756
Marketing expenses	30,251	29,492
Professional service fee	15,605	21,466
Royalty expenses	19,971	24,053
Logistics expense	13,320	18,738
Travel and communication expenses	10,796	14,108
Office and administrative expenses	16,240	16,973
Maintenance fees	5,302	7,925
Others	14,572	18,917
	<u>160,832</u>	<u>185,428</u>

## 7. OTHER GAINS AND LOSSES

	For the six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Loss on disposal of property, plant and equipment, net	(865)	(452)
Gain on termination of leases	4,986	5,334
Gain on reassessment of lease liabilities ( <i>Note</i> )	6,520	24,373
Foreign exchange gain, net	6,472	392
Loss on closure of restaurants	(924)	(7,308)
Reversal of impairment loss on other receivables	13,916	1,775
Impairment loss on rental deposit	(2,402)	(21,223)
Impairment loss on property, plant and equipment	(30,673)	(110,717)
Impairment loss on right-of-use assets	(39,916)	(71,095)
Gains from changes in fair value of financial assets at FVTPL	13,452	17,299
Others	(109)	(26)
	<b>(29,543)</b>	<b>(161,648)</b>

*Note:* For the restaurants that the Group plans to exercise the early termination option, the Group remeasures the lease liability to reflect changes to the lease payments and recognised the amount of the remeasurement of the lease liability as an adjustment to the right-of-use assets. However, for the leases that the carrying amount of the right-of-use assets is reduced to zero, the Group recognised the gain on remeasurement of lease liabilities in profit or loss amounted to RMB6,520,000 during the current interim period (six months ended 30 June 2024: RMB24,373,000).

## 8. FINANCE COSTS

	For the six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Interest on lease liabilities	22,287	35,887
Interest on bank borrowings	3,281	7,420
Unwinding of discounts of provisions	829	1,267
	<b>26,397</b>	<b>44,574</b>

## 9. LOSS BEFORE TAX

The Group's loss for the period has been arrived at after charging the following items:

	For the six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Depreciation of right-of-use assets	205,267	249,274
Depreciation of property, plant and equipment	111,839	149,670
Amortization of intangible assets	607	846
Total depreciation and amortization	<b>317,713</b>	<b>399,790</b>
Operating lease rentals in respect of restaurants lease payments		
– variable lease payment ( <i>Note</i> )	32,482	42,241
– short-term lease	20,910	26,936
– other rental expenses	66,798	90,478
Total property rentals and related expenses	<b>120,190</b>	<b>159,655</b>
Directors' emoluments	2,581	2,052
Other staff cost	663,885	812,085
Total staff cost	<b>666,466</b>	<b>814,137</b>

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

## 10. INCOME TAX EXPENSE

	For the six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Enterprise income tax (“EIT”)		
Current tax	4,411	1,725
Deferred tax	696	4,941
Total income tax recognised in profit or loss	<b>5,107</b>	<b>6,666</b>

## 10. INCOME TAX EXPENSE *(continued)*

Under the EIT Law, withholding tax is imposed on dividends declared and paid to non-PRC resident in respect of profits earned by the PRC subsidiaries from 1 January 2008 onwards. Deferred taxation has not been provided for in the condensed consolidated financial statements in respect of the temporary differences attributable to the accumulated undistributed profits of PRC subsidiaries amounting to RMB1,198 million as at 30 June 2025 (As at 31 December 2024: RMB1,235 million), as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

At the end of the reporting period, the Group has deductible temporary differences of RMB733,331,000 (2024: RMB670,166,000) with no deferred tax asset recognised as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

At the end of the reporting period, the Group has unused tax losses of RMB1,022,447,000 (2024: RMB1,001,578,000) available for offset against future profits. No deferred tax asset has been recognised in relation to such unused tax losses due to the unpredictability of future profit streams in respective subsidiaries. Included in unrecognised tax losses are losses of RMB983,860,000 (31 December 2024: RMB 949,544,000) that will expire in 2030. Other losses may be carried forward indefinitely.

## 11. DIVIDENDS

	<b>For the six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Dividends recognised as distributions during the period	<u>—</u>	<u>30,367</u>

No interim dividends were proposed to equity shareholders of the Company attributable to the interim period after the end of the reporting period.

## 12. LOSS PER SHARE

The calculation of the basic and diluted loss per share for the period is as following:

	<b>For the six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<i>Loss for the purposes of calculating basic and diluted earnings per share</i>		
Loss for the period attributable to owners of the Company	<u><b>(84,079)</b></u>	<u><b>(272,820)</b></u>

## 12. LOSS PER SHARE *(continued)*

The weighted average number of ordinary shares for the purpose of calculating basic loss per share reconciles to the weighted average number of ordinary shares used in the calculation of diluted loss per share as follows:

	<b>For the six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>'000</b>	<b>'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Weighted average number of ordinary shares for the purpose of calculating basic loss per share	<b>1,049,909</b>	1,040,631
Effect of dilutive potential ordinary shares <i>(Note)</i>	<b>N/A</b>	N/A
Weighted average number of ordinary shares for the purpose of calculating diluted loss per share	<b><u>1,049,909</u></b>	<b><u>1,040,631</u></b>

*Note:* The calculation of diluted loss per share for the six months ended 30 June 2025 does not assume the exercise of the Company's share options and restricted shares since their exercise would result in a decrease in loss per share.

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

During the six months ended 30 June 2025, additions to the property, plant and equipment amounted to RMB31,134,000 (six months ended 30 June 2024: RMB97,002,000) consisting of leasehold improvement, machinery, motor vehicles, furniture and fixtures and construction in progress.

During the current interim period, the Group entered into several new lease agreements with lease terms ranged from 1 to 5 years. The Group is required to make fixed term payments and additional variable payments depending on the restaurants' performance during the contract period. On lease commencement date, the Group recognised right-of-use assets of RMB120,656,000 (six months ended 30 June 2024: RMB177,811,000) and lease liability of RMB117,048,000 (six months ended 30 June 2024: RMB171,595,000).

### **Impairment assessment**

As at 30 June 2025, in view of the unfavourable future prospects of some restaurants, the management of the Group concluded there was an impairment indicator for relevant property, plant and equipment and right-of-use assets, with carrying amounts of RMB136,155,000 and RMB179,113,000 respectively (31 December 2024: RMB229,152,000 and RMB329,700,000), and conducted impairment assessment on the recoverable amounts. The Group estimates the recoverable amount of the restaurants to which the leasehold improvement and right-of-use assets belong as it is not possible to estimate the recoverable amount of the assets individually, including allocation of corporate assets when reasonable and consistent basis can be established.

### 13. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS *(continued)*

#### **Impairment assessment** *(continued)*

The recoverable amount of each restaurant concerned has been determined based on a value in use calculation. That calculation uses cash flow projections based on financial budgets approved by the management of the Group covering the remaining lease term with a pre-tax discount rate ranging from 12.14% to 14.07% as at 30 June 2025 (30 June 2024: 13.46% to 14.25%) reflecting the specific risks relating to the relevant restaurants operated in different regions. The other key assumption for the value in use calculated is revenue annual growth rate which is determined based on historical performance and relevant operation plans.

Based on the result of the assessment, the management of the Group determined that the recoverable amount of certain restaurants are lower than the carrying amount. The impairment loss has been recognised and allocated to relevant property, plant and equipment and right-of-use assets such that the carrying amount of each category of asset is not reduced below the highest of its fair value less cost of disposal, its value in use and zero. Based on the value in use calculation and the allocation, impairment loss of RMB30,673,000 (six months ended 30 June 2024: RMB110,717,000) and RMB39,916,000 (six months ended 30 June 2024: RMB71,095,000) before netting the reversal of impairment loss of RMB nil (six months ended 30 June 2024: nil) and RMB nil (six months ended 30 June 2024: nil), has been recognised against the carrying amount of property, plant and equipment and right-of-use assets, respectively.

### 14. INVENTORIES

	As at <b>30 June 2025</b>	As at 31 December 2024
	<u><b>RMB'000</b></u>	<u><b>RMB'000</b></u>
	<b>(Unaudited)</b>	(Audited)
Food and beverage	<b>197,099</b>	264,348
Other materials	<b>14,240</b>	17,509
Consumables	<b>4,923</b>	7,363
	<b>216,262</b>	289,220

## 15. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	As at 30 June 2025	As at 31 December 2024
	<u>RMB'000</u>	<u>RMB'000</u>
	(Unaudited)	(Audited)
Trade receivables	<u>19,659</u>	<u>29,250</u>
Prepaid operating expenses	30,108	29,324
Prepayments to suppliers	23,972	1,297
Amounts prepaid to the RSU Trustee for purchase of ordinary shares ( <i>Note 21</i> )	756	756
Input value-added tax recoverable	259,677	237,021
Other receivables	<u>35,505</u>	<u>47,238</u>
	369,677	344,886
<i>Less: Allowance for credit losses</i>	<u>(16,247)</u>	<u>(30,368)</u>
Total trade and other receivables and prepayments	<u><b>353,430</b></u>	<u><b>314,518</b></u>

The Group allows an average credit period of 1-30 days to its trade customers.

The following is an analysis of trade receivables by age, presented based on the invoice dates:

	As at 30 June 2025	As at 31 December 2024
	<u>RMB'000</u>	<u>RMB'000</u>
	(Unaudited)	(Audited)
Within 30 days	18,533	22,943
31 to 90 days	886	5,784
91 to 180 days	<u>240</u>	<u>523</u>
	<u><b>19,659</b></u>	<u><b>29,250</b></u>

## 16. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial asset mandatorily measured at FVTPL:

	As at 30 June 2025	As at 31 December 2024
	<u>RMB'000</u>	<u>RMB'000</u>
	(Unaudited)	(Audited)
Financial products ( <i>Note</i> )	<u>550,961</u>	<u>586,960</u>
Current	417,984	454,194
Non-current	<u>132,977</u>	<u>132,766</u>
	<u>550,961</u>	<u>586,960</u>

*Note:*

As at 30 June 2025, the Group's financial assets at FVTPL are the financial products issued by banks and investment fund companies which have with no predetermined or guaranteed return and no principal protected. These financial assets are with expected rates of return, depending on the market price of underlying financial instruments, including government bonds, central bank bills, trust and other financial assets.

The maturity date of the financial products classified as non-current asset are 13 July 2028 and 12 September 2028 (2024: 13 July 2028 and 12 September 2028).

Further details of the fair value measurements are disclosed in Note 24. The fair value change is recognised in the line items of other gains and losses.

## 17. TRADE PAYABLES

An aged analysis of the Group's trade payables, as at the end of the reporting period, based on the goods received dates, is as follows:

	As at 30 June 2025	As at 31 December 2024
	<u>RMB'000</u>	<u>RMB'000</u>
	(Unaudited)	(Audited)
Within 60 days	177,511	227,575
61 to 180 days	3,109	2,992
181 to 1 year	<u>2,887</u>	<u>5,283</u>
	<u>183,507</u>	<u>235,850</u>



## 18. LEASE LIABILITIES

	As at 30 June 2025	As at 31 December 2024
	<u>RMB'000</u>	<u>RMB'000</u>
	(Unaudited)	(Audited)
<b>Lease liabilities payable:</b>		
Within one year	224,650	292,355
Within a period of more than one year but not exceeding two years	241,565	293,476
Within a period of more than two year but not exceeding five years	341,795	312,759
Within a period of more than five years	<u>16,583</u>	<u>12,482</u>
	824,593	911,072
<i>Less: Amount due for settlement with 12 months shown under current liabilities</i>	<u>(224,650)</u>	<u>(292,355)</u>
Amount due for settlement after 12 months shown under non-current liabilities	<u><u>599,943</u></u>	<u><u>618,717</u></u>

The weighted average incremental borrowing rates applied to lease liabilities range from 3.60% to 5.64% (As at 31 December 2024: from 3.60% to 6.16%).

Lease obligations that are denominated in currencies other than the functional currencies of the relevant group entities are set out below:

	SG Dollars	HK Dollars
	<u>RMB'000</u>	<u>RMB'000</u>
As at 30 June 2025 (Unaudited)	2,295	82,962
As at 31 December 2024 (Audited)	2,893	94,683

## 19. BORROWINGS

	As at 30 June 2025	As at 31 December 2024
	<u>RMB'000</u>	<u>RMB'000</u>
	(Unaudited)	(Audited)
Unsecured	257,378	175,144
Secured ( <i>Notes</i> )	108,149	205,262
	<u>365,527</u>	<u>380,406</u>

As at 30 June 2025, the bank borrowings carry fixed interest rate from 1.10 % to 2.90 % (As at 31 December 2024: 0.46% to 3.65%) per annum.

### *Notes:*

- (i) As at 30 June 2025, the borrowings associated to the discounted inter-group bills receivables with recourse are amounting to RMB92,500,000 (As at 31 December 2024: RMB112,500,000), which are secured by bank deposits of the Group amounting to RMB42,500,000 as at 30 June 2025 (As at 31 December 2024: RMB17,500,000).
- (ii) As at 31 December 2024, bank borrowings amounting to RMB49,997,000 are guaranteed by a subsidiary of the Group and secured by certain property, plant and equipment with the carrying amount of RMB12,269,000.
- (iii) As at 30 June 2025, certain of the Group's short-term bank borrowings amounting to RMB15,649,000 (As at 31 December 2024: RMB42,765,000) are secured by the pledge of the Group's bank deposits of RMB15,014,000 (As at 31 December 2024: RMB8,550,000).

## 20. CONTRACT LIABILITY

	As at 30 June 2025	As at 31 December 2024
	<u>RMB'000</u>	<u>RMB'000</u>
	(Unaudited)	(Audited)
Customer loyalty programme ( <i>Note i</i> )	16,367	27,432
Prepaid cards and advance from customers ( <i>Note ii</i> )	343,893	274,473
Privilege membership programs ( <i>Note iii</i> )	31,429	126,114
	<u>391,689</u>	<u>428,019</u>

### Notes:

- i. The contract liability of customer loyalty programme is recognised along with the restaurant services provided during each reporting period. As at 30 June 2025, the balance of RMB16,367,000 (as at 31 December 2024: RMB27,432,000) presents the unredeemed performance obligation relating to the customer loyalty programme.
- ii. The prepaid cards and advance from customers of the Group are refundable. However, no material refund was raised historically and the management of the Group expects the amounts to be refunded in the future reporting periods are insignificant.
- iii. The privilege membership programs offer privilege members rights to multiple benefits, such as discounts on certain products and assorted discount coupons with pre-defined quantities, consideration collected is allocated to the benefits provided based on their relative standalone selling price and revenue is recognised when food or services are delivered or the benefits expire. In determining the relative standalone selling price of the benefits, the Company considers likelihood of future redemption based on historical redemption pattern and reviews such estimates periodically based upon the latest available information regarding redemption and expiration patterns.
- iv. For the period ended 30 June 2025, revenue recognised that was included in the contract liability balance at the beginning of the year was RMB234,988,000 (for the period ended 30 June 2024, RMB194,195,000).

## 21. EQUITY-SETTLED SHARE-BASED PAYMENT TRANSACTIONS

### (1) RESTRICTED SHARE UNIT SCHEME

On 28 November 2014, a RSU Scheme of the Company was approved and adopted by the shareholders of the Company. The RSU Scheme was valid and effective for a period of ten years, commencing from the listing date, being 17 December 2014 (unless terminated earlier in accordance with its terms) (the “**RSU Scheme Period**”).

The maximum number of RSUs that may be granted under the RSU Scheme in aggregate (excluding RSUs that have lapsed or been cancelled in accordance with the rules of the RSU Scheme) must not exceed 42,174,566 shares, being 4% of the total number of shares in issue as at the listing date (the “**RSU Scheme Limit**”). The RSU Scheme Limit may be refreshed from time to time subject to prior approval from the shareholders in general meeting, provided that the total number of shares underlying the RSUs granted following the date of approval of the refreshed limit (the “**New Approval Date**”) under the limit as refreshed from time to time must not exceed 4% of the number of shares in issue as of the relevant New Approval Date. The purpose of the RSU Scheme is to incentivize the Directors, senior management and employees for their contribution to the Group and to attract and retain suitable personnel to enhance the development of the Group.

The Company has appointed Computershare Hong Kong Trustees Limited as the RSU Trustee for the administration of the RSU Scheme pursuant to the rules of the RSU Scheme.

#### *i. Purchase of shares under the RSU Scheme*

During the six months ended 30 June 2025 and the year ended 31 December 2024, the Company did not acquire its existing shares from the market. The shares were held on trust for the benefit of the RSU participants pursuant to the RSU Scheme and the trust deed. The shares so purchased were used as awards for relevant participants in the RSU Scheme.

## 21. EQUITY-SETTLED SHARE-BASED PAYMENT TRANSACTIONS *(continued)*

### (1) RESTRICTED SHARE UNIT SCHEME *(continued)*

#### ii. Details of granted RSUs

RSUs tranche	Number of awarded shares	Grant date	Expiry date	Fair value at grant date <i>HKD</i>	Vesting period
RSUs tranche A	2,910,920	17/11/2016	17/11/2026	4.83	25% for each of 4 years after 01/04/2018
RSUs tranche B	3,993,190	08/05/2017	08/05/2027	6.99	25% for each of 4 years after 01/04/2019
RSUs tranche D	33,378	31/01/2018	31/01/2028	14.98	25% for each of 4 years after 01/04/2019
RSUs tranche E	1,000,981	14/12/2018	14/12/2028	11.20	25% for each of 4 years after 01/04/2020
RSUs tranche F	44,326	22/01/2019	22/01/2029	11.28	25% for each of 4 years after 01/04/2019
RSUs tranche G	1,346,707	30/09/2020	30/09/2030	9.49	25% for each of 4 years after 01/04/2021
RSUs tranche H	4,407,078	30/09/2020	30/09/2030	9.49	25% for each of 4 years after 01/04/2022
RSUs tranche J	199,000	01/04/2023	01/04/2033	6.27	33.3% for each of 3 years after 01/04/2024
RSUs tranche K	732,331	01/04/2024	01/04/2034	1.60	33.3% for each of 3 years after 01/04/2025
RSUs tranche L	2,255,577	01/04/2024	01/04/2034	1.60	33.3% for each of 3 years after 01/04/2025

The grantees of the RSUs are not required to pay for the grant of any RSUs under the RSU Scheme or for the exercise of the RSUs. The RSUs shall be exercisable over a period of ten years commencing from the date on which the RSUs are granted and the RSU would be forfeited when the staff resigned before the vesting day.

## 21. EQUITY-SETTLED SHARE-BASED PAYMENT TRANSACTIONS *(continued)*

### (1) RESTRICTED SHARE UNIT SCHEME *(continued)*

#### ii. *Details of granted RSUs (continued)*

The RSUs are not entitled to rights to dividends or voting rights during the vesting period. The fair value of the RSUs is measured by reference to the market price of the Company's ordinary shares at the grant date.

The following table discloses the movement of the Company's share awards granted to the selected participants for the period ended 30 June 2025 and outstanding as at 30 June 2025:

	Number of Awarded Shares				RSU Scheme	
	Outstanding as at 1 January 2025	Grant during the reporting period	Exercised during the reporting period	Forfeited during the reporting period	transferred during the reporting period	Outstanding as at 30 June 2025
RSU Scheme						
RSUs granted to						
Directors	402,675	–	(402,675)	–	–	–
Employees	3,040,551	–	(1,460,397)	(134,098)	(1,446,056)	–
Total	3,443,226	–	(1,863,072)	(134,098)	(1,446,056)	–

The Group recognised the total expense of RMB690,000 for the period ended 30 June 2025 in relation to the RSU Scheme. As the RSU Scheme expired, the RSUs previously granted which remain unvested were transferred to a new scheme (refer to note (2) – Share Award Scheme for further details) in accordance with the rules of the RSU Scheme. The grantees, number of RSUs granted, and the terms and conditions of the transferred RSUs remain unchanged before and after the transfer. As at 30 June 2025, there is no shares outstanding under the RSU Scheme.

### (2) SHARE AWARD SCHEME

A Share Award Scheme was adopted by the Company on 28 August 2024 (the “**Share Award Scheme**”). The purposes of the Share Award Scheme are to attract, retain and incentivise the Directors, management and key employees of the Group, to align their interests with the long-term success of the Company, to provide fair and competitive compensation to the Directors, management and key employees and to drive the achievement of strategic objectives of the Company.

Computershare Hong Kong Trustees Limited has been appointed by the Company as the Share Award Trustee. To satisfy a share award, the Company shall transfer to the trust the necessary funds and instruct the Trustee to acquire shares through on-market transactions at the prevailing market price. No new shares will be issued by the Company to satisfy any awards granted.

## 21. EQUITY-SETTLED SHARE-BASED PAYMENT TRANSACTIONS (Continued)

### (2) SHARE AWARD SCHEME (continued)

The maximum number of shares to be awarded under the Share Award Scheme is 108,617,448 shares, being 10% of the issued shares of the Company as at the date of Share Award Scheme adopted. There is no maximum number of shares which may be awarded to a selected participant under the Share Award Scheme.

The Company has appointed Computershare Hong Kong Trustees Limited as the Share Award Trustee for the administration of the Share Award Scheme pursuant to the rules of the Share Award Scheme.

#### i. Purchase of share under the Share Award Scheme

As the RSU Scheme expired, the outstanding shares held by the Share Award Trustee for the purpose of the RSU Scheme were transferred to the Share Award Scheme, with board approval authorised by the Company's shareholders.

#### ii. Details of awards granted under the Share Award scheme

Share Awards Scheme	Number of awarded shares	Grant date	Expiry date	Fair value at grant date <i>HK Dollars</i>	Vesting period
Tranche A	4,349,902	01/04/2025	01/04/2035	0.81	33.3% for each of 3 years after 01/04/2026

The following table discloses the movement of the Company's RSUs granted to the selected participants for the period ended 30 June 2025 and outstanding as at 30 June 2025 under the Share Award Scheme:

	Number of Awarded Shares				
	Outstanding as at 1 January 2025	Granted during the reporting period	Exercised during the reporting period	Forfeited during the reporting period	RSU Scheme transferred during the reporting period
Share Awards Scheme					
Share Awards Scheme granted to					
Directors	–	1,467,836	–	–	–
Employees	–	2,882,066	–	–	1,446,056
Total	–	4,349,902	–	–	1,446,056

## 21. EQUITY-SETTLED SHARE-BASED PAYMENT TRANSACTIONS *(Continued)*

### (2) SHARE AWARD SCHEME *(continued)*

#### ii. *Details of granted Share Award Scheme (continued)*

The grantees of the RSUs are not required to pay for the grant of any RSUs under the Share Award Scheme or for the exercise of the RSUs. The RSUs shall be exercisable over a period of ten years commencing from the date on which the RSUs are granted and the RSU would be forfeited when the staff resigned before the vesting day.

The RSUs under the Share Award Scheme are not entitled to rights to dividends or voting rights during the vesting period. The fair value of the RSUs are measured by reference to the market price of the Company's ordinary shares at the grant date.

The Group recognised the total expense of RMB745,000 for the period ended 30 June 2025 in relation to Share Awards Scheme granted by the Company.

## 22. COMMITMENTS

	As at 30 June 2025 <i>RMB'000</i> (Unaudited)	As at 31 December 2024 <i>RMB'000</i> (Audited)
Capital expenditure contracted for but not provided in respect of acquisition of property, plant and equipment	<b>8,927</b>	9,090

## 23. RELATED PARTY TRANSACTIONS

### (a) Related party transactions

Other than as disclosed elsewhere in these condensed consolidated financial statements, the Group has following transactions and balances with related parties:

Relationship	Nature of transactions	For the six months ended 30 June	
		2025 <i>RMB'000</i> (Unaudited)	2024 <i>RMB'000</i> (Unaudited)
Related companies controlled by the Controlling Shareholder	Royalty expense	<b>19,971</b>	24,053
	Short-term lease expense	<b>600</b>	600



## 23. RELATED PARTY TRANSACTIONS *(Continued)*

### (a) Related party transactions *(continued)*

Relationship	Nature of balances	As at 30 June 2025	As at 31 December 2024
		<i>RMB'000</i> (Unaudited)	<i>RMB'000</i> (Audited)
Related companies controlled by the Controlling Shareholder	Accrual and other payables	4,543	6,076

The balances with these related parties are unsecured, interest-free and payable on demand.

### (b) Remuneration of key management personnel of the Group

	For the six months ended 30 June	
	2025	2024
	<i>RMB'000</i> (Unaudited)	<i>RMB'000</i> (Unaudited)
Short term employee benefits	2,352	2,114
Equity-settled share-based payments	229	542
	2,581	2,656

## 24. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Some of the Group's financial assets are measured at fair values at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation techniques and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active market for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

## 24. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (Continued)

Financial assets	Fair value as at (RMB'000)		Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
	30 June 2025	31 December 2024				
Financial assets at FVTPL	550,961	586,960	Level 3	Discounted cash flow.  Future cash flows are estimated based on estimated return.	Estimated return	The higher the discount rate, the lower the fair value, vice versa;  The higher the estimated return, the higher the fair value, vice versa

A slight increase in the discount rate used in isolation would result in a decrease in the fair value.

A 1% increase in the discount rate, holding all other variables constant, would increase the carrying amount of the financial assets at FVTPL by RMB2,809,000 as at 30 June 2025. (31 December 2024: RMB2,405,000).

A 1% decrease in the discount rate, holding all other variables constant, would decrease the carrying amount of the financial assets at FVTPL by RMB2,040,000 as at 30 June 2025.. (31 December 2024: RMB2,334,000).

A 1% decrease in the estimated return rates holding all other variables constant would decrease the carrying amount of the short-term investments by RMB3,741,000 (31 December 2024: RMB3,164,000).

A 1% increase in the estimated return rates holding all other variables constant would increase the carrying amount of the short-term investments by RMB3,711,000 (31 December 2024: RMB3,034,000).

There were no transfers between Level 1, level 2 and level 3 during the reporting period.

## 24. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS *(Continued)*

### Reconciliation of Level 3 fair value measurement of financial assets

The following table represents the reconciliation of Level 3 Measurements of the financial assets at FVTPL:

	<i>RMB'000</i>
At 1 January 2024 (audited)	653,994
Purchase of financial assets at FVTPL	971,000
Redemption of financial assets at FVTPL	(1,121,792)
Net gains on financial assets at FVTPL	17,299
At 30 June 2024 (unaudited)	520,501
At 1 January 2025 (audited)	586,960
Purchase of financial assets at FVTPL	1,206,009
Redemption of financial assets at FVTPL	(1,249,728)
Net gains on financial assets at FVTPL	7,720
At 30 June 2025 (unaudited)	550,961

### Fair value of the financial assets and liabilities that are not measured at fair value on a recurring basis

The Directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the condensed consolidated financial statements approximate their fair values.

## 25. EVENTS AFTER THE REPORTING PERIOD

On 17 April 2025, the Company entered into an agreement with Mr. Ho Kuang-Chi (the Controlling Shareholder) pursuant to which the Company conditionally agreed to acquire, and Mr. Ho Kuang-Chi conditionally agreed to sell, a 40% equity interest in Xiabuxiabu (China) Food Holdings Co., Limited, a non-wholly owned subsidiary of the Company, at a consideration of RMB89 million (the “**Acquisition**”). Further details regarding the Acquisition are provided in the Company’s announcement dated 17 April 2025.

As at 30 June 2025, Xiabuxiabu (China) Food Holdings Co., Limited is 60% owned by the Company and 40% by Mr. Ho Kuang-Chi. Following the completion of the Acquisition, Xiabuxiabu (China) Food Holdings Co., Limited will become a wholly owned subsidiary of the Company. The Acquisition is expected to be completed in September 2025, following the convening and holding of an extraordinary general meeting on 12 September 2025, at which the transaction will be put to vote.

## OTHER INFORMATION

### INTERIM DIVIDEND

The Board has resolved not to declare any interim dividend for the six months ended 30 June 2025.

### SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

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

### COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

During the Reporting Period, the Company has applied the principles of good corporate governance and complied with the applicable code provisions of Part 2 of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules (the “**Corporate Governance Code**”), except for a deviation from code provision C.2.1 of Part 2 of the Corporate Governance Code which states that the roles of the chairman and chief executive should be separate and should not be performed by the same individual.

As Mr. Ho Kuang-Chi, the founder of the Company, is familiar with and has extensive knowledge and experience in the Group’s business, the Board considers that vesting the roles of both chairman of the Board and chief executive officer in the same person provides the Group with strong and consistent leadership and facilitates the implementation and execution of our Group’s business strategy. The balance of power and authority is adequately ensured by the operations of the senior management and the Board, which comprises experienced and high-caliber individuals. The Board will nevertheless review the Company’s structure from time to time in light of the prevailing circumstances.

The Board will continue to review and monitor the practices of the Company for the purpose of complying with the Corporate Governance Code and maintaining a high standard of corporate governance practices of the Company.

### MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules (the “**Model Code**”) as its code of conduct regarding directors’ securities transactions. All Directors have confirmed, following specific enquiry by the Company, that they have complied with the Model Code during the Reporting Period.

The Company’s employees, who are likely to be in possession of inside information of the Company, are also subject to the Model Code for securities transactions. No incident of non-compliance of the Model Code by the such employees was noted by the Company during the Reporting Period.

## **PURCHASE, SALE AND REDEMPTION OF LISTED SECURITIES**

During the Reporting Period, the Company and its subsidiaries did not purchase, sell or redeem any of the listed securities (including sale of treasury shares) of the Company. As at 30 June 2025, the Company did not hold any treasury shares.

## **AUDIT COMMITTEE**

The Company established the Audit Committee with written terms of reference in compliance with the Corporate Governance Code. As at the date of this announcement, the Audit Committee comprises three independent non-executive Directors, namely Mr. Hon Ping Cho Terence, Mr. Kot Man Tat and Mr. Huang Cheng-Chung. Mr. Hon Ping Cho Terence is the chairman of the Audit Committee.

## **PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY**

This interim results announcement is published on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and that of the Company ([www.xiabu.com](http://www.xiabu.com)). The interim report of the Company for the six months ended 30 June 2025 will be despatched to the shareholders of the Company (if requested) and will be available on the website of the Stock Exchange and that of the Company in due course.

By order of the Board of  
**Xiabuxiabu Catering Management (China) Holdings Co., Ltd.**  
**HO Kuang-Chi**  
*Chairman*

Hong Kong, 28 August 2025

*As at the date of this announcement, the Board comprises Mr. HO Kuang-Chi and Mr. FENG Hui-Huang as executive directors; Ms. CHEN Su-Yin as non-executive director; and Mr. HON Ping Cho Terence, Ms. CHEUNG Sze Man, Mr. KOT Man Tat and Mr. HUANG Cheng-Chung as independent non-executive directors.*