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HAIDILAO INTERNATIONAL HOLDING LTD.

海底捞国际控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 6862)

**ANNOUNCEMENT OF ANNUAL RESULTS
FOR THE YEAR ENDED DECEMBER 31, 2025**

The board (the “**Board**”) of directors (the “**Directors**”) of Haidilao International Holding Ltd. (the “**Company**”) hereby announces the audited consolidated results of the Company and its subsidiaries (together, the “**Group**”) for the year ended December 31, 2025 (the “**Reporting Period**”), together with comparative audited figures for 2024. The results have been reviewed by the audit committee of the Company (the “**Audit Committee**”).

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

KEY FINANCIAL HIGHLIGHTS

	For the year ended December 31,	
	2025 RMB'000	2024 RMB'000
Revenue	43,225,355	42,754,687
Revenue from restaurant operation	39,063,629	40,880,951
Profit before tax	5,811,695	6,624,055
Profit for the year	4,041,885	4,700,278
Profit attributable to owners of the Company	4,049,824	4,708,084
Basic earnings per share (RMB)	0.75	0.87
Core operating profit (non-IFRS measure) ^{Note}	5,403,233	6,229,880

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

KEY BUSINESS HIGHLIGHTS

	As of and for the year ended December 31,	
	2025	2024
Number of self-operated Haidilao restaurants	1,304	1,355
Number of franchised Haidilao restaurants	79	13
Average table turnover rate for self-operated Haidilao restaurants (times/day)	3.9	4.1
Average spending per guest for self-operated Haidilao restaurants (RMB)	97.7	97.5
System sales growth of Haidilao restaurants	(3.7%)	

2025 PERFORMANCE REVIEW

Overview

In 2025, the catering consumption market continued to face a complex environment characterized by intensified competition and evolving consumption needs. Haidilao steadfastly adhered to its core management philosophy of “customer satisfaction and employee efforts”, and continued to deepen the direction of “refined management” and “multi-brand synergy”. During the Reporting Period, the Group’s revenue amounted to RMB43,225.4 million, representing a year-on-year increase of 1.1%; the core operating profit reached RMB5,403.2 million, representing a year-on-year decrease of 13.3%; and the profit for the year was recorded at RMB4,041.9 million, representing a year-on-year decrease of 14.0%, primarily driven by a decrease in table turnover rates and the adjustments required for innovative models involving products and scenarios.

During the Reporting Period, the Group owned multiple catering brands. As of December 31, 2025, for the Haidilao brand, we operated a total of 1,383 restaurants, among which, 1,304 were self-operated restaurants, with 79 new restaurants opened during the year; and 79 were franchised restaurants, with 21 new restaurants opened and 45 self-operated restaurants were converted to franchised restaurants during the year. During the Reporting Period, 85 of our self-operated restaurants were proactively shut down due to operating performance falling short of expectations, or relocated as a result of the migration of commercial landmarks or aging facilities. As of December 31, 2025, in addition to Haidilao brand, the Group operated 20 catering brands with a total of 207 restaurants.

In terms of restaurant performance, in 2025, the overall table turnover rate of self-operated Haidilao restaurants was 3.9 times per day, as compared to 4.1 times per day in 2024. Throughout the year, a total of 383.9 million customer visits were tallied, reflecting a decrease of 7.5% from the previous year.

Considering the Group’s performance in 2025, the Board recommends the distribution of a final cash dividend of HKD0.384 per share for the year ended December 31, 2025.

Business Review

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

Deepening the Operation of a “Different Haidilao”

The Group comprehensively advanced the “Different Haidilao” strategy, and achieved a deep transformation from standardized operation to differentiated competition through the precise operating model of “one strategy for one restaurant”. In terms of diversified restaurant matrix and scenario innovation, targeting the characteristics of different business districts and segmented customer groups, the Group successfully built restaurant models including fresh-cut restaurants, late-night snack restaurants, family-oriented restaurants and pet-friendly restaurants. As of the end of 2025, we had completed the renovation of over 200 themed restaurants in aggregate, among which, fresh-cut restaurants and late-night snack restaurants achieved layout in key cities nationwide; the orderly establishment of scenario-based restaurants such as family-oriented restaurants and pet-friendly restaurants effectively enhanced the brand's penetration and customer stickiness in the existing market. In terms of core product competitiveness building and differentiation strategy, the Group continued to focus on product innovation, and built a competitive moat through the “national + regional” dual-wheel driven product launch mechanism. During the year, we made every effort to create a “fresh-cut” series for meat dishes, and have currently launched several major categories such as fresh-cut seafood, fresh-cut beef, fresh-cut chicken and fresh-cut pork. We adhered to the seasonal update mechanism to ensure that product supply aligns with seasonal needs. To enhance the localized adaptability of regional products, the Group strategically delegated partial product decision-making authority to regional levels, as of the end of 2025, regional specialty products reached a total of over 100 types, covering categories such as soup bases, dishes and desserts, which precisely met the diversified preferences of consumers in different regions.

Comprehensively Advancing the “Pomegranate Plan” and Multi-brand Matrix

In 2025, the Group officially entered a new stage of group-level operation characterized by “multi-brand parallel development”. Our “Pomegranate Plan” has shifted from internal incubation to market expansion.

As of the end of 2025, the Group has successfully operated 20 sub-brands covering segmented areas such as seafood food stalls, sushi, western light meals, mini hot pot and Chinese fast food, with a total of 207 restaurants; and our revenue from other restaurant operation reached RMB1,520.6 million, representing a notable year-on-year increase. To further enable the synergistic development of entrepreneurial projects and improve quality and efficiency, we reorganized the rules of the “Pomegranate Plan” and established a dual-system incubation mechanism of “Chef” and “People's Restaurant”. The “Chef” system focuses on independent entrepreneurship of employees, while the “People's Restaurant” system leans towards project incubation planned and driven by the headquarters. We not only unleashed the potential of internal entrepreneurship through the “Chef” mechanism, but also achieved multi-category and multi-tier market coverage through the “People's Restaurant” model.

In addition to the dine-in business, the Group's delivery business (including "the single-serving high-quality fast food") recorded significant growth in the past year. The revenue from the delivery business for the year reached RMB2,657.6 million, representing an increase of 111.9% compared to the previous year, and the Haidilao brand achieved a dual-wheel drive through the "in-restaurant + delivery" model. We comprehensively enhanced the supply capacity of the delivery business from four aspects: expanding categories, expanding restaurants, expanding time slots, and expanding channels. We have completed the layout of over 1,200 delivery networks nationwide and engaged in deep cooperation with all mainstream delivery platforms. We are also continuously optimizing the operational mechanism of the delivery business, developing new products that are more suitable for delivery scenarios, and improving the profit margin of the delivery business, while supporting other brands under the "Pomegranate Plan" to explore the delivery business. The delivery business has become an important pillar for the Group's revenue growth, and will contribute to the high-quality development of the Group in the future.

Empowering Brand Iteration through Digital and Intelligent Marketing, and Driving Image Revitalization and Upgrade with Dual Wheels

During the Reporting Period, the Group built a multi-dimensional marketing system through "headquarters coordination + regional localized reinforcement + restaurant standard execution". On the product side, we made precise efforts around "seasonal product launches" and festival nodes; on the customer base side, we deepened our reach to customer groups such as college students and family customers. On the marketing side, we achieved a cross-boundary breakthrough in Haidilao IP collaborations, co-branding with ACG, online games, and celebrities, increasing fan-oriented marketing activities, and effectively reaching highly engaged and highly interactive customer groups. During these marketing events, the sales volume of related set meals and the click-through rates of products all significantly increased. At the same time, by setting up the all-platform IP account for "Haidilao's XIAOLAOLAO" and deploying youth-oriented communication channels such as short dramas and animations, we achieved a deep breakthrough in brand image, with a significant increase in social platform exposure throughout the year. These youth-oriented activities reshaped consumers' established brand perception of Haidilao, established the connection between the brand and new scenarios, and accumulated new customer base assets.

Organizational Structure Reshaping: Building a "Front, Middle and Back Office" Synergistic System

To support the multi-brand and multi-track expansion strategy, the Group completed a deep transformation and restructuring of its organizational structure during the Reporting Period, establishing a systematic architecture with clear responsibilities and efficient linkage:

Front office (market breakthrough matrix): Focusing on market penetration and brand incubation, it empowers frontline business units with higher decision-making autonomy, so as to achieve rapid iteration and scaled expansion of various emerging brands in segmented tracks.

Middle office (intelligent strategic hub): Centered on the "intelligent middle office", it undertakes the functions of strategic dispatch, resource coordination and technological empowerment, achieving scale effects and the replicability of experience through cross-brand resource integration.

Back office (cornerstone business guarantee): Deepening the fundamental base of the Haidilao brand, it focuses on the ultimate experience of service quality and the deep inheritance of brand culture, continuously consolidating its industry leading position and building a strong market competition barrier.

Building and Deepening the Intelligent Middle Office for the Catering Ecosystem

The Group firmly believes that digital and intelligent technology is the core engine supporting the future scaled expansion of Haidilao’s multiple brands. In 2025, the Group planned and established an “intelligent middle office for the catering ecosystem” shared by all brands, establishing a strategic direction of technology-driven expansion. This middle office is not only the technological foundation of the Group, but also the “digital and intelligent hub” for achieving strategic synergy and driving precise decision-making.

Experience standardization and AI empowerment: The intelligent middle office conducts digital modeling of Haidilao’s operational experience, service standards and product logic accumulated over thirty years. Through AI algorithms, we have preliminarily achieved automatic scheduling, intelligent ordering and precise inventory management, thereby reducing the difficulty of restaurant operation and management.

Full-link empowerment system: Leveraging this intelligent middle office, the Group has established a full-lifecycle support system encompassing site selection insights, precision marketing, and deep supply chain synergy. Through the intensive management model of “strong middle office”, new brands are able to share the core resources and technological capabilities accumulated by the Group, significantly improving the efficiency of resource allocation.

Management model transformation: Relying on the highly integrated data dashboards of the intelligent middle office, the management is able to gain insights into consumer behavioral preferences and the evolution of market trends in time, driving a deep transformation of the Group’s management model from “experience reliance” to “data-driven decision-making”, and enhancing the objectivity, precision and foresight of strategic decisions through quantitative analysis and predictive models.

FUTURE OUTLOOK: RETURNING TO THE ESSENCE AND LEADING THE FUTURE

The Group will continue to adhere to its core management philosophy of “customer satisfaction and employee efforts”. Our development initiatives mainly include:

- continuing to enhance the dining experience of consumers, including deepening the insight and perception of consumers’ needs, continuously improving product research and development capabilities, and continuously refining our service capabilities to meet the personalized needs of consumers;
- comprehensively advancing the “Pomegranate Plan”, and continuing our diversified business strategy through institutional innovation, talent introduction, and management synergy;
- continuously increasing research and development investment in the intelligent middle office, optimizing the synergistic efficiency between franchised and self-operated restaurants, and empowering management with digital operations; and
- strategically pursuing acquisitions of high-quality assets to further diversify our catering business patterns and customer base.

MANAGEMENT DISCUSSION AND ANALYSIS

Revenue

The revenue of the Group increased by 1.1% from RMB42,754.7 million for the year ended December 31, 2024 to RMB43,225.4 million in 2025.

Revenue by Segment

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

	For the year ended December 31,			
	2025		2024	
	<i>(RMB'000 except percentages)</i>			
Haidilao restaurant operation	37,543,043	86.9%	40,397,616	94.5%
Delivery business	2,657,550	6.1%	1,253,869	2.9%
Other restaurant operation	1,520,586	3.5%	483,335	1.1%
Sales of condiment products and food ingredients	1,155,098	2.7%	575,140	1.4%
Franchise business	270,420	0.6%	16,706	0.0%
Others	78,658	0.2%	28,021	0.1%
Total revenue	<u>43,225,355</u>	<u>100.0%</u>	<u>42,754,687</u>	<u>100.0%</u>

The revenue of our Group is mainly generated from Haidilao restaurant operation, which accounted for 86.9% of our total revenue in 2025. The revenue of Haidilao restaurant operation decreased by 7.1% from RMB40,397.6 million in 2024 to RMB37,543.0 million in 2025, mainly due to the decrease in the restaurants' table turnover rate and the decrease in the number of self-operated Haidilao restaurants due to the steady progress of the franchise business. The restaurants' table turnover rate was 3.9 times per day in 2025. The average spending per guest of our Haidilao restaurants increased from RMB97.5 in 2024 to RMB97.7 in 2025.

Revenue from delivery business increased by 111.9% from RMB1,253.9 million in 2024 to RMB2,657.6 million in 2025, mainly because of the rapid growth of the single-serving high-quality fast food business.

Revenue from other restaurant operation increased by 214.6% from RMB483.3 million in 2024 to RMB1,520.6 million in 2025, primarily attributed to the launch of other innovative catering brands under the "Pomegranate Plan" and contributions from various dining scenarios such as camping hot pot and corporate hot pot.

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

	For the year ended December 31,	
	2025	2024
Average spending per guest⁽¹⁾ (RMB)		
Tier 1 cities ⁽²⁾	105.0	104.0
Tier 2 cities ⁽³⁾	96.8	96.9
Tier 3 cities and below ⁽⁴⁾	91.4	91.4
<i>Chinese mainland restaurants</i>	95.7	95.7
Hong Kong, Macau and Taiwan regions	198.4	199.7
Overall	97.7	97.5
Table turnover rate⁽⁵⁾ (times/day)		
Tier 1 cities ⁽²⁾	3.9	4.0
Tier 2 cities ⁽³⁾	3.9	4.1
Tier 3 cities and below ⁽⁴⁾	3.9	4.0
<i>Chinese mainland restaurants</i>	3.9	4.0
Hong Kong, Macau and Taiwan regions	4.3	4.3
Overall	3.9	4.1
Newly-opened restaurants ⁽⁶⁾	4.2	4.4
Other restaurants	3.9	4.1
Overall	3.9	4.1

Notes:

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

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

	For the year ended December 31,	
	2025	2024
Number of same stores⁽¹⁾		
Tier 1 cities		188
Tier 2 cities		433
Tier 3 cities and below		491
Hong Kong, Macau and Taiwan regions		23
Overall		1,135
Same store sales⁽²⁾ (in thousands of RMB)		
Tier 1 cities	5,803,606	6,167,763
Tier 2 cities	12,035,710	13,254,454
Tier 3 cities and below	13,610,069	14,400,824
Hong Kong, Macau and Taiwan regions	1,445,321	1,446,042
Overall	32,894,706	35,269,083
Average same store sales per day⁽³⁾ (in thousands of RMB)		
Tier 1 cities	84.7	89.9
Tier 2 cities	76.2	83.9
Tier 3 cities and below	76.0	80.4
Hong Kong, Macau and Taiwan regions	172.9	173.1
Overall	79.5	85.2
Average same store table turnover rate⁽⁴⁾ (times/day)		
Tier 1 cities	3.9	4.1
Tier 2 cities	3.9	4.2
Tier 3 cities and below	3.9	4.0
Hong Kong, Macau and Taiwan regions	4.3	4.3
Overall	3.9	4.1

Notes:

- (1) Includes restaurants that had commenced operations prior to the beginning of the periods under comparison and opened for 300 days and above in both 2024 and 2025.
- (2) The gross revenue from restaurant operation at our same stores for the period indicated.
- (3) Calculated by dividing the gross revenue from restaurant operation at our same stores for the period by the total operation days at our same stores for the period.
- (4) Calculated by dividing the total tables served at our same stores for the period by the total operation days for the period and average table count during the period.

Revenue from Haidilao Restaurant Operation by Geographic Region

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

	As of and for the year ended December 31,					
	2025			2024		
	Number of restaurants	Gross Revenue/ Revenue (RMB'000)		Number of restaurants	Gross Revenue/ Revenue (RMB'000)	
Chinese Mainland						
Tier 1 cities	223	6,616,719	17.6%	220	7,156,988	17.7%
Tier 2 cities	487	13,852,621	36.9%	531	15,700,301	38.7%
Tier 3 cities and below	571	15,580,589	41.6%	581	16,177,821	40.0%
Subtotal	1,281	36,049,929	96.1%	1,332	39,035,110	96.4%
Hong Kong, Macau and Taiwan regions	23	1,445,322	3.9%	23	1,446,043	3.6%
Total number of restaurants/gross revenue	1,304	37,495,251	100%	1,355	40,481,153	100%
Credit (net of): Customer loyalty program		47,792			(83,537)	
Total number of restaurants/revenue	1,304	37,543,043		1,355	40,397,616	

System Sales of Haidilao Restaurants

In 2025, Haidilao restaurants recorded a year-on-year system sales decrease of 3.7%.

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

Raw Materials and Consumables Used

Our raw materials and consumables used increased by 8.1% from RMB16,211.1 million in 2024 to RMB17,526.2 million in 2025. As a percentage of revenue, our raw materials and consumables used increased from 37.9% in 2024 to 40.5% in 2025, primarily due to (i) the increase in the proportion of revenue from other business segments besides the Haidilao restaurant operation business; and (ii) our optimization of the dish structure to enhance customer experience.

Staff Costs

Our staff costs decreased by 0.3% from RMB14,113.3 million in 2024 to RMB14,073.0 million in 2025. As a percentage of revenue, our staff costs remained relatively stable at 33.0% in 2024 and 32.6% in 2025, respectively.

Rentals and Related Expenses

Our rentals and related expenses increased by 0.7% from RMB425.5 million in 2024 to RMB428.6 million in 2025. As a percentage of revenue, our rentals and related expenses remained stable at 1.0% in 2024 and 2025.

Utilities Expenses

Our utilities expenses increased by 0.7% from RMB1,465.7 million in 2024 to RMB1,475.5 million in 2025. As a percentage of revenue, our utilities expenses remained relatively stable at 3.4% in 2024 and 2025.

Travelling and Communication Expenses

Our travelling and communication expenses increased by 12.4% from RMB257.4 million in 2024 to RMB289.4 million in 2025, primarily due to a higher frequency of employee travel for inspections and business communication. As a percentage of revenue, our travelling and communication expenses remained relatively stable at 0.6% in 2024 and 0.7% in 2025, respectively.

Depreciation and Amortization

Our depreciation and amortization decreased by 14.7% from RMB2,558.5 million in 2024 to RMB2,182.1 million in 2025, primarily due to the full provision for depreciation and amortization of properties, plants and equipment of certain restaurants previously. As a percentage of revenue, depreciation and amortization decreased from 6.0% in 2024 to 5.0% in 2025, primarily due to the decrease in depreciation and amortization.

Other Expenses

Our other expenses increased by 21.8% from RMB1,864.1 million in 2024 to RMB2,270.1 million in 2025. As a percentage of revenue, our other expenses increased from 4.4% in 2024 to 5.3% in 2025, primarily due to (i) an increase of RMB294.2 million in business development expenses and expenses charged by delivery platforms, driven by promotion and support fees associated with our delivery business and more diverse marketing activities; and (ii) an increase of RMB107.9 million in administrative expenses, storage expenses and daily maintenance expenses in line with revenue growth.

Share of Results of Associates and a Joint Venture

Our share of results in relation to (i) our associate Fuhai (Shanghai) Food Technology Co., Ltd. (馥海(上海)食品科技有限公司) (“**Fuhai**”), in which we held a 40% equity interest; (ii) our joint venture Ying Hai Holdings Pte. Ltd., in which we held a 51% equity interest and which had been deregistered during the Reporting Period; and (iii) other associates invested by Beijing Youdingyou Catering Co., Ltd. (北京優鼎優餐飲管理有限公司), decreased from RMB51.8 million in 2024 to RMB49.3 million in 2025.

Other Gains and Losses

Our other gains and losses was RMB439.5 million of gains in 2025 as compared to a gain of RMB352.2 million in 2024. This increase was primarily due to: (i) an increase of RMB247.8 million in gains from the disposal of certain restaurant business to franchisees; (ii) partly offset by the net loss arising on financial liabilities at FVTPL and the decrease in net gain arising from financial assets at FVTPL as compared with 2024.

Finance Costs

Our finance costs decreased by 13.3% from RMB274.7 million in 2024 to RMB238.2 million in 2025, primarily due to the decrease in interests on lease liabilities.

Income Tax Expense

Our income tax expense decreased by 8.0% from RMB1,923.8 million in 2024 to RMB1,769.8 million in 2025, primarily due to the decrease in profit before tax in 2025.

Profit for the Year

As a result of the foregoing, we recorded profit of RMB4,041.9 million in 2025, as compared to the profit of RMB4,700.3 million recorded in 2024.

Core Operating Profit (Non-IFRS Measure)

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

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

	For the year ended	
	December 31,	
	2025	2024
	RMB'000	RMB'000
Profit for the year	4,041,885	4,700,278
<i>Net of the following gains/(losses):</i>		
Interest income	270,683	382,926
Share of results of associates	49,348	56,897
Share of result of a joint venture	–	(5,122)
Gain on disposal of certain restaurant business to franchisees	347,007	99,158
Net foreign exchange gain (loss)	11,600	(63,708)
Net gain arising on financial assets at FVTPL	92,301	194,297
Net loss arising on financial liabilities at FVTPL	(124,272)	–
Gain arising from redemption of long term bonds	–	4,405
Finance costs	(238,205)	(274,678)
Income tax expense	(1,769,810)	(1,923,777)
Core operating profit (non-IFRS measure)	5,403,233	6,229,880

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

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

Capital Liquidity and Financial Resources

For the year ended December 31, 2025, we primarily funded our operations, expansion, capital expenditures and dividends distribution through cash generated from our operations. We monitor our cash flows and cash balance on a regular basis and strive to maintain an optimum liquidity that can meet our working capital needs while supporting continuing business expansion.

Cash and Cash Equivalents

Our principal uses of cash are for procuring food ingredients and consumables, paying staff costs, renovating and decorating our restaurants and other business activities. Our cash and cash equivalents decreased from RMB6,406.9 million as of December 31, 2024 to RMB3,950.9 million as of December 31, 2025. In addition, as of December 31, 2025, the Group held certain time deposits with original maturity over three months and the total amount of bank balances and cash was RMB6,602.3 million.

Right-of-use Assets

Under International Financial Reporting Standards 16 Leases (“**IFRS 16**”), we recognize right-of-use assets with respect to our property and land leases. Our right-of-use assets are depreciated over the lease term or the useful life of the underlying asset, whichever is shorter. As of December 31, 2025, we recognized right-of-use assets of RMB2,867.7 million.

Inventories

Our inventories mainly represented our food ingredients, condiment products, beverage and other materials used in our restaurant operation. Our inventories increased from RMB1,060.6 million as of December 31, 2024 to RMB1,076.9 million as of December 31, 2025. The inventories turnover days decreased from 24.0 days for the year ended December 31, 2024 to 22.3 days for the year ended December 31, 2025.

Trade Receivables

The majority of our trade receivables were from payment platforms such as Alipay or WeChat Pay and from our franchisees. Receivables from these payment platforms and the franchisees were normally settled within a short period of time. Our trade receivables increased from RMB346.3 million as of December 31, 2024 to RMB448.2 million as of December 31, 2025. The turnover days of trade receivables increased from 3.2 days for the year ended December 31, 2024 to 3.4 days for the year ended December 31, 2025.

Trade Payables

Trade payables mainly represent the balances due to the independent third party suppliers of food ingredients and consumables. Our trade payables increased from RMB1,796.4 million as of December 31, 2024 to RMB1,910.7 million as of December 31, 2025. The turnover days of trade payables decreased from 41.2 days for the year ended December 31, 2024 to 38.6 days for the year ended December 31, 2025.

Bank Borrowings

As of December 31, 2025, we had bank borrowings of RMB399.2 million. In 2025, the Group obtained new bank borrowings amounting to RMB400.0 million and repaid bank borrowings amounting to RMB98.0 million.

Contingent Liabilities

As of December 31, 2025, we did not have any material contingent liabilities, guarantees or any litigations or claims of material importance, pending or threatened against any member of our Group that is likely to have a material and adverse effect on our business, financial condition or results of operations.

Charge of Assets

As of December 31, 2025, the Group's pledged/restricted bank deposits amounted to RMB113.1 million, primarily as a guarantee for our short-term bank borrowings.

As of December 31, 2025, no property, plant and equipment was charged by the Group.

Debt-to-equity Ratio

As of December 31, 2025, the Group's debt-to-equity ratio was 24.3%.

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

Foreign Exchange Risk and Hedging

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

Employees and Remuneration Policy

As of December 31, 2025, the Group had a total of 125,620 employees. For the year ended December 31, 2025, the Group has incurred a total staff costs (including salaries, wages, allowance and benefits) of RMB14,073.0 million.

Material Acquisitions and Disposals

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

No Material Changes

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

Future Plans for Material Investments or Capital Assets

As of December 31, 2025, the Group has no specific plans for any material investments or acquisition of capital assets.

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	<i>Notes</i>	For the year ended	
		2025	2024
		<i>RMB'000</i>	<i>RMB'000</i>
Revenue	3	43,225,355	42,754,687
Other income	4	580,505	635,651
Raw materials and consumables used		(17,526,186)	(16,211,077)
Staff costs		(14,072,970)	(14,113,263)
Rentals and related expenses		(428,606)	(425,543)
Utilities expenses		(1,475,499)	(1,465,696)
Depreciation and amortization		(2,182,061)	(2,558,496)
Travelling and communication expenses		(289,372)	(257,408)
Other expenses		(2,270,102)	(1,864,070)
Share of results of associates		49,348	56,897
Share of result of a joint venture		–	(5,122)
Other gains and losses	5	439,488	352,173
Finance costs	6	(238,205)	(274,678)
Profit before tax		5,811,695	6,624,055
Income tax expense	7	(1,769,810)	(1,923,777)
Profit for the year	8	<u>4,041,885</u>	<u>4,700,278</u>

	<i>Notes</i>	For the year ended December 31,	
		2025	2024
		RMB'000	RMB'000
Other comprehensive (expense) income			
<i>Item that will not be reclassified subsequently to profit or loss:</i>			
Fair value (loss) gain on investments in equity instruments at fair value through other comprehensive income (“FVTOCI”)		<u>(141,258)</u>	<u>174,076</u>
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		<u>(135,991)</u>	20,792
Share of other comprehensive income (expense) of associates, net of related income tax		<u>55</u>	<u>(22)</u>
		<u>(135,936)</u>	<u>20,770</u>
Other comprehensive (expense) income for the year		<u>(277,194)</u>	<u>194,846</u>
Total comprehensive income for the year		<u>3,764,691</u>	<u>4,895,124</u>
Profit (loss) for the year attributable to:			
Owners of the Company		<u>4,049,824</u>	4,708,084
Non-controlling interests		<u>(7,939)</u>	<u>(7,806)</u>
		<u>4,041,885</u>	<u>4,700,278</u>
Total comprehensive income (expense) attributable to:			
Owners of the Company		<u>3,772,630</u>	4,902,930
Non-controlling interests		<u>(7,939)</u>	<u>(7,806)</u>
		<u>3,764,691</u>	<u>4,895,124</u>
EARNINGS PER SHARE			
Basic (RMB)	<i>10</i>	0.75	0.87
Diluted (RMB)	<i>10</i>	0.75	0.87

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<i>Notes</i>	As at December 31,	
		2025	2024
		RMB'000	RMB'000
Non-current Assets			
Property, plant and equipment		3,511,284	3,319,749
Right-of-use assets	<i>11</i>	2,867,679	3,018,798
Goodwill		84,845	84,845
Other intangible assets		49,252	52,198
Interests in associates		173,115	179,959
Deferred tax assets		407,568	602,527
Other financial assets		2,142,022	1,981,265
Financial assets at FVTPL		57,451	17,227
Financial assets at FVTOCI		182,671	323,929
Rental deposits		184,913	174,430
Pledged/restricted bank deposits		2,125	2,172
		9,662,925	9,757,099
Current Assets			
Inventories		1,076,904	1,060,641
Trade and other receivables and prepayments	<i>12</i>	1,503,657	1,517,431
Amounts due from related parties		279,149	274,395
Other financial assets		1,397,641	964,975
Financial assets at FVTPL		1,228,803	1,139,998
Rental deposits		91,305	70,244
Pledged/restricted bank deposits		110,996	371,676
Bank balances and cash		6,602,348	7,474,820
		12,290,803	12,874,180
Assets classified as held for sale		136,474	149,978
		12,427,277	13,024,158

		As at December 31,	
	<i>Notes</i>	2025	2024
		RMB'000	RMB'000
Current Liabilities			
Trade payables	<i>13</i>	1,910,661	1,796,362
Other payables	<i>14</i>	2,297,502	2,246,186
Amounts due to related parties		354,804	373,495
Long term bonds		2,028,881	45,308
Dividend payable		–	3,805
Tax payable		395,395	620,244
Lease liabilities		856,802	888,821
Bank borrowings		399,183	97,549
Financial liabilities at FVTPL		121,152	–
Contract liabilities		895,767	938,400
Provisions		6,227	10,867
		9,266,374	7,021,037
Liabilities directly associated with assets classified as held for sale		57,588	82,784
		9,323,962	7,103,821
Net Current Assets		3,103,315	5,920,337
Total Assets less Current Liabilities		12,766,240	15,677,436
Non-current Liabilities			
Long term bonds		–	2,027,867
Deferred tax liabilities		94,445	106,144
Lease liabilities		2,649,704	3,108,701
Provisions		16,956	17,228
		2,761,105	5,259,940
Net Assets		10,005,135	10,417,496
Capital and Reserves			
Share capital	<i>15</i>	183	183
Reserves		10,013,749	10,433,611
Equity attributable to owners of the Company		10,013,932	10,433,794
Non-controlling interests		(8,797)	(16,298)
Total Equity		10,005,135	10,417,496

NOTES:

1. GENERAL INFORMATION

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

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

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

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

2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

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

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

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

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

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

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

¹ Effective for annual periods beginning on or after a date to be determined

² Effective for annual periods beginning on or after January 1, 2026

³ Effective for annual periods beginning on or after January 1, 2027

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

IFRS 18 Presentation and Disclosure in Financial Statements

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

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after January 1, 2027, with early application permitted. IFRS 18 requires retrospective application with specific transition provisions. The application of the new standard is not expected to have significant impact on the financial performance and positions of the Group in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the consolidated statement of profit or loss. Additional disclosures required for the Group's MPMs will be disclosed in a separate note to the consolidated financial statements.

3. REVENUE AND SEGMENT INFORMATION

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

	For the year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Types of services or goods:		
Restaurant operation	39,063,629	40,880,951
Delivery business	2,657,550	1,253,869
Sales of condiment products and food ingredients	1,155,098	575,140
Franchise business	270,420	16,706
Others	78,658	28,021
	43,225,355	42,754,687
Timing of revenue recognition:		
At a point in time	42,880,345	42,737,981
Over time	345,010	16,706
	43,225,355	42,754,687

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

No revenue from individual customer contributing over 10% of total revenue of the Group during the year ended December 31, 2025 (2024: Nil).

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

	Revenue		Non-current assets (<i>Note</i>)	
	For the year ended December 31,		As at December 31,	
	2025	2024	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Chinese Mainland	41,689,007	41,254,963	5,969,025	5,973,857
Outside Chinese Mainland	1,536,348	1,499,724	717,150	681,692
	<u>43,225,355</u>	<u>42,754,687</u>	<u>6,686,175</u>	<u>6,655,549</u>

Note:

Non-current assets presented above excluded other financial assets, financial assets at FVTPL, financial assets at FVTOCI, rental deposits, pledged/restricted bank deposits and deferred tax assets.

4. OTHER INCOME

	For the year ended December 31,	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Interest income on:		
– bank deposits	151,272	275,632
– other financial assets	108,698	98,275
– rental deposits	10,713	9,019
	<u>270,683</u>	<u>382,926</u>
Government grants (<i>Note i</i>)	87,559	68,713
Compensation claim income	44,694	29,570
Others (<i>Note ii</i>)	177,569	154,442
	<u>580,505</u>	<u>635,651</u>

Notes:

- i. The amounts represented the subsidies received from the local governments for the Group's business development. There were no unfulfilled conditions or contingencies relating to these government grants in the years that the relevant income was recognized.
- ii. Others mainly included other income from sales of kitchen wastes, service fee income from third-party e-commerce platforms and other items, which individually are not material to the Group.

5. OTHER GAINS AND LOSSES

	For the year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Net impairment loss recognized in respect of		
– property, plant and equipment	(16,318)	(3,595)
– right-of-use assets	(3,109)	(9,279)
– interests in associates	(16,247)	(4,100)
	<u>(35,674)</u>	<u>(16,974)</u>
Impairment losses (including reversals of impairment losses) on financial assets:		
– trade receivables	(1,572)	–
– rental deposits	(6,422)	(2,670)
Gain on disposal of property, plant and equipment, other intangible assets and termination of leases, net	96,350	93,853
Gain on disposal of certain restaurant business to franchisees	347,007	99,158
Net foreign exchange gain (loss)	11,600	(63,708)
Net gain arising on financial assets at FVTPL	92,301	194,297
Net loss arising on financial liabilities at FVTPL	(124,272)	–
Gain arising from redemption of long term bonds	–	4,405
Others	60,170	43,812
	<u>439,488</u>	<u>352,173</u>

6. FINANCE COSTS

	For the year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Interests on lease liabilities	186,028	213,345
Interests on long term bonds	45,952	48,379
Interests on bank borrowings	5,434	11,987
Interests on other borrowing	–	260
Interest charge on provisions	791	707
	<u>238,205</u>	<u>274,678</u>

7. INCOME TAX EXPENSE

	For the year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Current tax:		
– PRC Enterprise Income Tax (“EIT”)	1,321,945	1,672,027
– withholding tax	207,190	283,510
– other jurisdictions	55,612	54,143
	<u>1,584,747</u>	<u>2,009,680</u>
Under (over) provision in prior years:		
– PRC EIT	5,557	926
– other jurisdictions	(3,754)	2,807
	<u>1,803</u>	<u>3,733</u>
	<u>1,586,550</u>	<u>2,013,413</u>
Deferred tax	<u>183,260</u>	<u>(89,636)</u>
	<u>1,769,810</u>	<u>1,923,777</u>

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

Under the EIT Law, withholding tax is also imposed on dividends declared and paid to non-PRC resident in respect of profits earned by the PRC subsidiaries from January 1, 2008 onwards. As at December 31, 2025, deferred tax liability RMB91,000,000 (2024: RMB102,650,000) was recognized in respect of the undistributed earnings expected to be distributed in the foreseeable future with the tax rate of 5% (2024: 5%).

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions at 8.25% to 30% (2024: 8.25 % to 28%) on the estimated assessable profits for the year.

No provision for taxation in Hong Kong has been made as no taxable profit was derived from Hong Kong in 2025 and 2024.

The income tax expense for the years ended December 31, 2025 and 2024 can be reconciled to the profit before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

	For the year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Profit before tax	5,811,695	6,624,055
Tax at 25%	1,452,924	1,656,014
Tax effect of expenses not deductible for tax purposes	90,382	165,908
Tax effect of income not taxable for tax purposes	(13,944)	(14,224)
Tax effect of tax losses not recognized	95,741	103,768
Tax effect of deductible temporary differences not recognized	16,104	11,028
Utilization of tax losses previously not recognized	(43,170)	(96,997)
Utilization of deductible temporary differences previously not recognized	(6,734)	(67,060)
Withholding tax	195,540	196,160
Under provision of current tax in respect of prior years	1,803	3,733
Effect of different tax rates of subsidiaries operating in other jurisdictions	(16,887)	(34,553)
Others	(1,949)	–
Income tax expense for the year	1,769,810	1,923,777

8. PROFIT FOR THE YEAR

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

	For the year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Depreciation of property, plant and equipment	1,422,264	1,808,050
Depreciation of right-of-use assets	742,739	726,607
Amortization of other intangible assets	17,058	23,839
Total depreciation and amortization	2,182,061	2,558,496
Cost of inventories recognized as an expense	17,526,186	16,211,077
Property and equipment rentals		
– office premises, quarters and equipment (short-term leases)	9,644	11,152
– restaurants (variable lease payments)	120,834	114,927
	130,478	126,079
Other rental related expenses	298,128	299,464
Total rentals and related expenses	428,606	425,543
Directors' emoluments	155,099	161,575
Other staff costs:		
Salaries and other allowances	11,529,717	11,568,116
Employee welfare	1,107,683	1,085,560
Retirement benefit scheme contributions	1,242,082	1,296,644
Share-based payment expense	38,389	1,368
Total staff costs	14,072,970	14,113,263
Auditor's remuneration	7,380	7,380

9. DIVIDENDS

	For the year ended December 31,	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Dividends for ordinary shareholders of the Company recognized as distribution during the year		
– Interim dividend (<i>Note i</i>)	1,666,754	1,934,312
– Final dividend (<i>Note ii</i>)	2,525,361	4,061,454
Dividends declared and paid to non-controlling shareholders of a subsidiary (<i>Note iii</i>)	2,922	–
	4,195,037	5,995,766

Notes:

- i. On August 25, 2025, an interim dividend of HKD0.338 (equivalent to RMB0.308*) per share with a total amount of HKD1,830,270,000 (equivalent to RMB1,666,754,000*) was declared to be distributed to the shareholders for the six months ended June 30, 2025 by the Company out of retained profits. The dividend was paid in October 2025.

On August 27, 2024, an interim dividend of HKD0.391 (equivalent to RMB0.358*) per share with a total amount of HKD2,117,265,000 (equivalent to RMB1,934,312,000*) was declared to be distributed to the shareholders for the six months ended June 30, 2024 by the Company out of retained profits. The dividend was paid in October 2024.

- ii. On May 19, 2025, as approved by the shareholders at the annual general meeting, a final dividend of HKD0.507 (equivalent to RMB0.466*) per share with a total amount of HKD2,745,405,000 (equivalent to RMB2,525,361,000*) was declared to be distributed to shareholders for the year ended December 31, 2024 by the Company out of share premium and retained profits. The dividend was paid in June 2025.

On June 5, 2024, as approved by the shareholders at the annual general meeting, a final dividend of HKD0.824 (equivalent to RMB0.750*) per share with a total amount of HKD4,461,960,000 (equivalent to RMB4,061,454,000*) was declared to be distributed to shareholders for the year ended December 31, 2023 by the Company out of share premium. The dividend was paid in July 2024.

- iii. During the year ended December 31, 2025, dividends in the amount of RMB2,922,000 were declared and paid to non-controlling shareholders of a subsidiary.

* *calculated based on the exchange rate of RMB against HKD announced by the People's Bank of China on the approval date.*

Subsequent to the end of the reporting period, a final dividend in respect of the year ended December 31, 2025 of HKD0.384 per share, amounting to approximately HKD2,079,544,000 has been proposed by the Directors and is subject to approval by the shareholders at the forthcoming annual general meeting, which will be held on May 19, 2026.

10. EARNINGS PER SHARE

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

	For the year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Earnings for the purpose of basic earnings per share	4,049,824	4,708,084
	5,415,080	5,415,000
	5,415,080	5,415,000

No diluted earnings per share for the years ended December 31, 2025 and 2024 were calculated as there were no potential ordinary shares in issue for the years ended December 31, 2025 and 2024.

11. RIGHT-OF-USE ASSETS

	Leased properties RMB'000	Leasehold lands RMB'000	Total RMB'000
At January 1, 2024	3,252,420	208,864	3,461,284
Additions	457,287	–	457,287
Termination of leases	(129,023)	–	(129,023)
Lease modification	30,836	–	30,836
Depreciation charge	(721,326)	(5,281)	(726,607)
Net impairment loss recognized	(9,279)	–	(9,279)
Reclassified as held for sale	(65,700)	–	(65,700)
At December 31, 2024	2,815,215	203,583	3,018,798
Additions	834,701	61,538	896,239
Termination of leases	(220,038)	–	(220,038)
Lease modification	(1,100)	–	(1,100)
Depreciation charge	(735,921)	(6,818)	(742,739)
Transferred from assets classified as held for sale	16,826	–	16,826
Net impairment loss recognized	(3,109)	–	(3,109)
Reclassified as held for sale	(97,198)	–	(97,198)
At December 31, 2025	2,609,376	258,303	2,867,679

	For the year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Expense relating to short-term leases	9,644	11,152
Variable lease payments not included in the measurement of lease liabilities	120,834	114,927
Total cash outflow for leases (<i>Note</i>)	1,227,343	1,017,894

Note:

The amount includes payments of principal and interest portion of lease liabilities, payments for leasehold lands, variable lease payments and short-term leases.

For the years ended December 31, 2025 and 2024, the Group leases various buildings or lands for its operations. For the year ended December 31, 2025, lease contracts are entered into for fixed terms of 12 months to 40 years (2024: 12 months to 40 years), but may have termination options as described below. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

Variable lease payments

Leases of restaurants, office premises and lands are either with only fixed lease payments or contain variable lease payment that are based on 0.5% to 15% of sales with or without minimum annual lease payments that are fixed over the lease term for the year ended December 31, 2025 (2024: 0.5% to 15%). The payment terms are common in restaurants in the areas where the Group operates. The amounts of fixed and variable lease payments paid to relevant lessors for the years are as follows:

For the year ended December 31, 2025

	Number of leases	Fixed payments <i>RMB'000</i>	Variable payments <i>RMB'000</i>	Total payments <i>RMB'000</i>
Office premises without variable lease payments	21	17,928	–	17,928
Restaurants without variable lease payments	1,102	584,702	–	584,702
Restaurants with variable lease payments	626	430,910	120,834	551,744
Lands without variable lease payments	3	63,325	–	63,325
	<u>1,752</u>	<u>1,096,865</u>	<u>120,834</u>	<u>1,217,699</u>
Total				

For the year ended December 31, 2024

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

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

Termination options

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

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

For the years ended December 31, 2025 and 2024, the Group decided to discontinue the operations of certain restaurants before the expiry of original lease terms of those restaurants. As a result, the Group is reasonably certain to exercise the termination option stipulated in the lease contracts for the relevant restaurants, and lease liabilities and right-of-use assets have been adjusted accordingly.

Restrictions or covenants on leases

As at December 31, 2025, lease liabilities of RMB3,506,506,000 (2024: RMB3,997,522,000) are recognized with related right-of-use assets of RMB2,662,123,000 (2024: RMB2,869,365,000). The lease contracts do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased properties may not be used as security for borrowing purposes.

Leases committed

As at December 31, 2025, the Group has entered into new leases for several restaurants that have yet to commence, with non-cancellable period ranging from 1 to 10 years, the total future undiscounted cash flows over the non-cancellable period amounted to RMB26,356,000 (2024: RMB19,091,000).

12. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	As at December 31,	
	2025	2024
	RMB'000	RMB'000
Trade receivables (<i>Note</i>)	449,786	346,347
Less: allowance for credit losses	(1,572)	—
	<u>448,214</u>	<u>346,347</u>
Subtotal		
Other receivables and prepayments:		
Prepayment to suppliers	431,615	406,737
Prepaid operating expenses	192,097	330,415
Input value-added tax recoverable	282,818	328,643
Loans to employees	53,142	22,130
Others	95,771	83,159
	<u>1,055,443</u>	<u>1,171,084</u>
Subtotal		
Total trade and other receivables and prepayments	<u><u>1,503,657</u></u>	<u><u>1,517,431</u></u>

Note:

Majority of trade receivables were due from payment platforms and franchisees which are normally settled within 30 days. Trade receivables are aged within 30 days based on the date of rendering of services.

13. TRADE PAYABLES

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

	As at December 31,	
	2025	2024
	RMB'000	RMB'000
Within 60 days	1,657,632	1,685,304
61 to 180 days	193,759	79,748
More than 181 days	59,270	31,310
	<u>1,910,661</u>	<u>1,796,362</u>

14. OTHER PAYABLES

	As at December 31,	
	2025	2024
	RMB'000	RMB'000
Staff costs payable	1,414,251	1,691,335
Other taxes payables	107,067	185,341
Renovation fee payables	359,303	157,043
Deposits from suppliers and franchisees	204,880	67,266
Others	212,001	145,201
	<u>2,297,502</u>	<u>2,246,186</u>

15. SHARE CAPITAL

	Par value USD	Number of shares	Nominal amount USD'000	Shown in the
				consolidated financial statements RMB'000
Authorized:				
At beginning and end of 2024 and 2025	0.000005	<u>10,000,000,000</u>	<u>50</u>	
Issued:				
At beginning and end of 2024 and 2025 (Note)	0.000005	<u>5,574,000,000</u>	<u>29</u>	<u>183</u>

Note:

As at December 31, 2025 and 2024, the share capital issued included 158,521,660 and 159,000,000 ordinary shares held by the Share Award Scheme (as defined below) and 2025 Share Scheme (as defined below) trusts which were established by the Company to hold the shares for the benefit of the participants of the Share Award Scheme and 2025 Share Scheme, respectively. As the Share Award Scheme and 2025 Share Scheme trusts act solely as custodians for the Company's shares, the shares held by the Share Award Scheme and 2025 Share Scheme trust were presented as treasury shares and were debited to equity in the consolidated financial statements of the Group.

During the year ended December 31, 2025, the Company repurchased its own ordinary shares through the Stock Exchange as follows:

Month of repurchase	Number of ordinary shares	Price per share		Aggregate consideration paid HKD'000
		Highest HKD	Lowest HKD	
September 2025	4,145,000	13.39	13.02	54,890*

* equivalent to RMB50,207,000

Among the repurchased ordinary shares during the year ended December 31, 2025, 3,814,761 (2024: Nil) shares were remained as treasury shares at the end of the reporting period.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Compliance with the Corporate Governance Code

The Company had adopted and applied the principles and code provisions as set out in the Corporate Governance Code contained in Appendix C1 to the Listing Rules. During the year ended December 31, 2025, the Company has complied with the code provisions in the Corporate Governance Code.

Pursuant to Code Provision C.2.1 of Part 2 of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Although Mr. Zhang Yong concurrently has been serving as the chairman of the Board and the chief executive officer since January 13, 2026 resulting in the Company's deviation from Code Provision C.2.1, the Board believes that this structure will not impair the balance of power and authority between the Board and the management of the Company, given that: (i) there are sufficient checks and balances within the Board, as decisions to be made by the Board require approval by at least a majority of the Directors, and the Board includes six independent non-executive Directors, which is in compliance with the requirement under the Listing Rules; (ii) Mr. Zhang Yong and the other Directors are aware of and undertake to fulfill their fiduciary duties as Directors, which require, among other things, that they act for the benefit of and in the best interests of the Company and make decisions for the Group accordingly; and (iii) the balance of power and authority is ensured by the operations of the Board which comprises experienced and high caliber individuals who meet regularly to discuss issues affecting the operations of the Company. Moreover, the overall strategies and other key business, financial, and operational policies of the Group are made collectively after thorough discussion at both Board and senior management levels. The Board will continue to review the effectiveness of the corporate governance structure of the Group in order to assess whether the separation of the roles of the chairman of the Board and chief executive officer is necessary.

Compliance with the Model Code

The Group has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) set out in Appendix C3 to the Listing Rules. Specific enquiries have been made to all the Directors and the Directors have confirmed that they have complied with the Model Code during the year ended December 31, 2025.

The Company's employees, who are likely to be in possession of inside information of our Group, have also been subject to the Model Code for the securities transactions. No incident of non-compliance of the Model Code by our employees was noted by the Group during the year ended December 31, 2025.

Purchase, Sale or Redemption of Listed Securities

With respect to the USD600 million 2.150% 2026 Senior Notes, as of December 31, 2025, a total of USD285,480,000 principal amount of the 2026 Senior Notes remained outstanding. The Company has redeemed the 2026 Senior Notes in full at their remaining outstanding principal amount of USD285,480,000 on the maturity date.

As of December 31, 2025, the Company's issued share capital included 158,521,660 ordinary shares held by the trusts established under the Company's share award scheme ("**Share Award Scheme**") and the Company's post-IPO share scheme (existing shares) (the "**2025 Share Scheme**") (adopted on February 13, 2025), which were established by the Company to hold the shares for the benefit of the participants of the Share Award Scheme and the 2025 Share Scheme. As the trusts act solely as custodians of the shares, these shares are presented as treasury shares (as ascribed in the Listing Rules) in the consolidated financial statements of the Group.

During the Reporting Period, the Company through the trustee of the 2025 Share Scheme purchased 4,145,000 shares of the Company at cash consideration of HKD54,890,000 on the Stock Exchange.

Save as disclosed above, as of December 31, 2025, the Company did not hold any other treasury shares.

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

Audit Committee

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

The Audit Committee has reviewed the Group's annual results for the year ended December 31, 2025, the accounting principles and practices adopted by the Company and the Group and discussed matters in relation to internal control and financial reporting with the management. The Audit Committee considers that the annual financial results for the year ended December 31, 2025 are in compliance with the relevant accounting standards, rules and regulations and appropriate disclosures have been duly made.

Scope of work of Messrs. Deloitte Touche Tohmatsu

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended December 31, 2025 as set out in the preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year as approved by the Board on March 24, 2026. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

Use of Proceeds from the Global Offering

The Company's shares were listed on the Stock Exchange on September 26, 2018 (the "**Global Offering**"). The net proceeds from the Global Offering amounted to approximately HKD7,299.3 million. For the year ended December 31, 2025, the net proceeds have been applied in the manner as set out in the section headed "Future Plans and Use of Proceeds" of the prospectus of our Company dated September 12, 2018. As of December 31, 2025, the proceeds from the Global Offering of the Company had been fully utilized.

	As of December 31, 2025					
	Percentage	Net Proceeds	Unutilized amount	Utilized amount	Utilized amount	Unutilized amount
	%	HKD million	as of January 1, 2025 HKD million	during the Reporting Period HKD million	amount HKD million	amount HKD million
For expansion plan	60.0	4,379.5	–	–	4,379.5	–
For development and implementation of new technology	20.0	1,459.9	27.1	27.1	1,459.9	–
For the repayment of loan facility and credit facility	15.0	1,094.9	–	–	1,094.9	–
For working capital and general corporate purposes	5.0	365.0	–	–	365.0	–
Total	100.0	7,299.3	27.1	27.1	7,299.3	–

Use of Proceeds from the Placing

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

The net proceeds raised from the 2021 Placing were approximately HKD2,337.0 million. As of December 31, 2025, the net proceeds had been applied in the manner as set out in the announcements dated November 12, 2021 and November 22, 2021. As of December 31, 2025, the Company cumulatively used HKD2,142.7 million, accounting for approximately 91.7% of the proceeds from the 2021 Placing in accordance with the intended uses, details of which are set forth as follows:

	As of December 31, 2025					
	Percentage	Net Proceeds	Unutilized amount	Utilized amount	Utilized amount	Unutilized amount
	%	HKD million	as of January 1, 2025 HKD million	during the Reporting Period HKD million	amount HKD million	amount HKD million
For supply chain management and product development	30.0	701.1	–	–	701.1	–
For payment of credit facilities	30.0	701.1	–	–	701.1	–
For working capital and general corporate purposes	40.0	934.8	645.5	451.2	740.5	194.3
Total	100.0	2,337.0	645.5	451.2	2,142.7	194.3

The Company expects to utilize the balance of net proceeds of approximately HKD194.3 million in accordance with the intended uses previously disclosed by the end of 2026. This expected timeline is based on the best estimation of future market conditions and business operations made by the Company and remains subject to change based on current and future development of market conditions and actual business needs. For further details of the 2021 Placing, please refer to the announcements of the Company dated November 12, 2021 and November 22, 2021.

Events after the Reporting Period

On January 13, 2026, (i) Mr. Gou Yiqun (苟軼群) has resigned as an executive Director and the chief executive officer; (ii) Ms. Song Qing (宋青) has resigned as an executive Director and a member of the nomination committee; (iii) Ms. Gao Jie (高潔) has resigned as an executive Director; (iv) each of Ms. Li Nana (李娜娜), Ms. Zhu Yinhua (朱銀花), Ms. Jiao Defeng (焦德鳳) and Ms. Zhu Xuanyi (朱軒宜) has been appointed as an executive Director; (v) Mr. Zhang Yong (張勇), the Chairman of the Board and an executive Director of the Company, has been appointed as the chief executive officer; and (vi) Ms. Li Nana has been appointed as a member of the nomination committee. For further details, please refer to the announcement of the Company dated January 13, 2026.

On January 14, 2026, the Company redeemed the 2026 Senior Notes in full at their remaining outstanding principal amount of USD285,480,000. The Company considered that there will be no material impact on its financial position as a result of the redemption of the outstanding Notes at maturity. The Notes have been forthwith cancelled upon redemption and delisted from the Stock Exchange. For further details, please refer to the announcement of the Company dated January 14, 2026.

Save as disclosed above, the Directors are not aware of any significant event requiring disclosure that has taken place subsequent to December 31, 2025 and up to the date of this announcement.

FINAL DIVIDEND

The Board has recommended the payment of a final dividend of HKD0.384 per share for the year ended December 31, 2025, subject to the approval of the shareholders of the Company (the “**Shareholders**”) at the forthcoming annual general meeting (“**AGM**”) to be held on Tuesday, May 19, 2026. The proposed final dividend will be distributed in HKD. The recommended dividends will be paid to the Shareholders whose names appear on the register of members of the Company at the close of business on Friday, May 29, 2026. Subject to the Shareholders’ approval at the AGM, the proposed final dividend is expected to be paid to the Shareholders on or before Thursday, June 18, 2026.

CLOSURE OF REGISTER OF MEMBERS FOR AGM

The register of members of the Company will be closed from Thursday, May 14, 2026 to Tuesday, May 19, 2026, both days inclusive, in order to determine the eligibility of the Shareholders to attend and vote at the AGM to be held on Tuesday, May 19, 2026. In order to be eligible to attend and vote at the AGM, all share transfer documents accompanied by the relevant share certificates and transfer forms must be lodged with the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong before 4:30 p.m. on Wednesday, May 13, 2026.

CLOSURE OF REGISTER OF MEMBERS FOR PROPOSED FINAL DIVIDEND

The register of members of the Company will also be closed from Tuesday, May 26, 2026 to Friday, May 29, 2026, both days inclusive, in order to determine the entitlement of the Shareholders to the proposed final dividend. The Shareholders whose names appear on the register of members of the Company at the close of business on Friday, May 29, 2026, will be entitled to the proposed final dividend. In order to be eligible to be entitled to the proposed final dividend, all share transfers documents accompanied by the relevant share certificates and transfer forms must be lodged with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong before 4:30 p.m. on Friday, May 22, 2026.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

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

The annual report of the Company for the year ended December 31, 2025 containing all the information required by the Listing Rules will be despatched to the Shareholders (if applicable) and published on the website of the Stock Exchange and the Company in due course.

APPRECIATION

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

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

Hong Kong, March 24, 2026

As of the date of this announcement, the Board of Directors of the Company comprises Mr. Zhang Yong as the Chairman and executive Director; Mr. Zhou Zhaocheng as the Vice Chairman and executive Director; Mr. Li Peng, Ms. Li Nana, Ms. Zhu Yinhua, Ms. Jiao Defeng and Ms. Zhu Xuanyi as executive Directors; and Dr. Chua Sin Bin, Mr. Hee Theng Fong, Mr. Qi Daqing, Dr. Ma Weihua, Mr. Wu Xiaoguang and Mr. Zhang Junjie as independent non-executive Directors.