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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)

ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2025

The board (the “**Board**”) of directors (the “**Director(s)**”) of Xiabuxiabu Catering Management (China) Holdings Co., Ltd. (the “**Company**”) is pleased to announce the consolidated results of the Company and its subsidiaries (the “**Group**”) for the year ended 31 December 2025 (the “**Reporting Period**”).

FINANCIAL HIGHLIGHTS

	For the year ended	
	31 December	2024
	2025	2024
	RMB'000	RMB'000
	(audited)	(audited)
Revenue	3,788,705	4,754,843
Segment results ⁽¹⁾	(128,650)	(68,234)
Loss before tax	(284,162)	(389,136)
Total loss for the year	(296,428)	(398,477)
Total loss for the year attributable to owners of the Company	(300,546)	(400,681)

(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.

BUSINESS REVIEW AND OUTLOOK

Overview

In 2025, the Group opened 54 Xiabuxiabu restaurants and three (3) Coucou restaurants. The Group also closed down 56 Xiabuxiabu restaurants and 53 Coucou restaurants. These restaurants were closed down as they were primarily loss-making, many operated in locations that were mismatching to the “value for money” model which Xiabuxiabu stood for and models that were not able to portray the brand correctly. The Group believes that with continuous adjustment, the Company will be able to further improve the overall profitability of the restaurants and continue to go forward.

As at 31 December 2025, the Group owned and operated 755 Xiabuxiabu restaurants in 78 cities of 16 provinces and autonomous regions and in three centrally administered municipalities in Mainland China, namely Beijing, Tianjin and Shanghai, and three (3) Xiabuxiabu restaurants outside Mainland China.

The Group also owned and operated 131 Coucou restaurants in 29 cities of 13 provinces, in three (3) centrally administered municipalities in Mainland China, namely Beijing, Tianjin and Shanghai, and 16 Coucou restaurants outside Mainland China.

The Group’s revenue decreased by 20.3% from RMB4,754.8 million in 2024 to RMB3,788.7 million in 2025. The decline in revenue for the Reporting Period was mainly driven by continuous fierce competition in the industry, a shift towards more rational consumer spending and a net decrease of 52 restaurants compared to the same period last year.

INDUSTRY REVIEW

In 2025, China’s catering sector experienced a gradual recovery. According to the National Bureau of Statistics, total catering revenue reached RMB5,798.2 billion, representing a year-on-year increase of 3.2%. Amid fluctuations in the macroeconomic environment and consumer confidence, demand recovered at a moderate pace while competition continued to intensify, marking a transition from rapid expansion to more intense competition within the existing market. Consumer behaviour also became increasingly rational, with value for money emerging as a key consideration and average spending per customer remaining under pressure.

Meanwhile, the supply side of the industry continued to adjust as less efficient operators gradually exited the market, leading to a gradual increase in industry concentration. In response to rising costs and heightened competition, operators have explored more efficient operating models, including satellite restaurants and smaller restaurant models, while digital transformation continues to deepen. As Chinese catering brands gain broader recognition and cross-border consumption gradually recovers, some leading brands have also accelerated their expansion into overseas markets.

OVERALL BUSINESS AND FINANCIAL PERFORMANCE

The Group's restaurant network

In 2025, the Group opened a total of 57 new restaurants, including 54 Xiabuxiabu restaurants and three (3) Coucou restaurants. In addition, the Group closed a total of 109 restaurants, including 56 Xiabuxiabu restaurants and 53 Coucou restaurants in 2025 as some of the restaurants were in locations that were not able to present the Xiabuxiabu “value for money” brand image and also due to various commercial reasons. In aggregate, the Group's total number of restaurants in operation was 905 as at 31 December 2025.

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

	As at 31 December			
	2025		2024	
	#	%	#	%
Tier 1 cities ⁽¹⁾	328	43.3	319	42.0
Tier 2 cities ⁽²⁾	275	36.3	312	41.0
Tier 3 cities and below ⁽³⁾	152	20.0	126	16.6
Other markets ⁽⁴⁾	3	0.4	3	0.4
Total	758	100.0	760	100.0

(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, Wuxi, Xuzhou and Yantai.

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

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

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

	As at 31 December			
	2025		2024	
	#	%	#	%
Tier 1 cities ⁽¹⁾	55	37.4	70	35.6
Tier 2 cities ⁽²⁾	74	50.3	108	54.8
Tier 3 cities ⁽³⁾	2	1.4	3	1.5
Other markets ⁽⁴⁾	16	10.9	16	8.1
Total	147	100.0	197	100.0

(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 Foshan, Dongguan, Jiaying, Nantong, Ningbo, Quanzhou, Xiamen, Suzhou, Wuxi, Xuzhou, Zhuhai, Qingdao, Huizhou and Zhongshan.

(3) Taizhou and Zhangzhou.

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

Key operational information for the Group's restaurants

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

	For the year ended	
	31 December	
	2025	2024
Net revenue (in RMB thousands)		
Tier 1 cities ⁽¹⁾	1,111,898	1,227,399
Tier 2 cities ⁽²⁾	668,488	754,260
Tier 3 cities and below ⁽³⁾	333,687	417,595
Other markets ⁽⁴⁾	24,829	37,230
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Total	2,138,902	2,436,484
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Average spending per customer (RMB)⁽⁵⁾		
Tier 1 cities ⁽¹⁾	52.9	55.5
Tier 2 cities ⁽²⁾	48.8	52.9
Tier 3 cities and below ⁽³⁾	50.1	53.3
Other markets ⁽⁴⁾	134.1	145.4
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Average	51.5	54.8
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Seat turnover rate (x)⁽⁶⁾		
Tier 1 cities ⁽¹⁾	3.2	3.1
Tier 2 cities ⁽²⁾	2.6	2.2
Tier 3 cities and below ⁽³⁾	2.1	1.9
Other markets ⁽⁴⁾	2.8	2.5
	<hr/>	<hr/>
Average	2.8	2.5
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(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, Wuxi, Xuzhou and Yantai.

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

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

(5) Calculated by dividing revenue generated from sales of Xiabuxiabu restaurants for the year by total customer traffic of Xiabuxiabu restaurants for the year.

(6) Calculated by dividing total customer traffic by total Xiabuxiabu restaurant operation days and average seat count of Xiabuxiabu restaurants during the year, for the bar counter section; calculated by dividing total customer traffic by total Xiabuxiabu restaurant operation days and average table count of Xiabuxiabu restaurants during the year, for the table seating section.

In 2025, revenue contribution from Xiabuxiabu and Coucou restaurants continued to be the main source of revenue of the Group, and contributed 95.8% of the Group's total revenue. In the face of the current fierce competition in the catering market, Xiabuxiabu has achieved full-time supply, multi-scenario expansion and regional customization to boost customer visits. In 2025, Xiabuxiabu still achieved a commendable seat turnover rate of 2.8x, fully demonstrating its solid operational strength. At the same time, Xiabuxiabu continuously enriched delivery-made cooked food products, created a dining environment and dining experience suitable for a specific period of time, and strengthened the deep cultivation of business in southern China while consolidating the stable growth of strong northern regions.

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

	For the year ended	
	31 December	
	2025	2024
Number of same-store*		
Tier 1 cities	315	
Tier 2 cities	312	
Tier 3 cities and below	126	
Other markets	3	
	<hr/>	
Total	756	
	<hr/> <hr/>	
Same-store sales (in RMB million)		
Tier 1 cities	993.1	1,102.6
Tier 2 cities	664.6	725.1
Tier 3 cities and below	247.1	279.5
Other markets	24.8	28.2
	<hr/>	
Total	1,929.6	2,135.4
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Same-store sales growth (%)		
Tier 1 cities	(9.9)	
Tier 2 cities	(8.3)	
Tier 3 cities and below	(11.6)	
Other markets	(12.1)	
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Average	(9.6)	
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* Including restaurants that commenced operations prior to the beginning of the years under comparison and opened for the same number of days in both 2024 and 2025.

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

	For the year ended	
	31 December	
	2025	2024
Net revenue (in RMB thousands)		
Tier 1 cities ⁽¹⁾⁽⁷⁾	454,684	646,375
Tier 2 cities ⁽²⁾⁽⁷⁾	536,153	830,161
Tier 3 cities ⁽³⁾	14,095	35,947
Other markets ⁽⁴⁾	322,775	362,714
Total	1,327,707	1,875,197
Average spending per customer (RMB)⁽⁵⁾		
Tier 1 cities ⁽¹⁾	129.5	122.3
Tier 2 cities ⁽²⁾	122.2	119.8
Tier 3 cities ⁽³⁾	121.5	112.8
Other markets ⁽⁴⁾	306.1	276.8
Average	148.8	123.5
Table turnover rate (x)⁽⁶⁾		
Tier 1 cities ⁽¹⁾	1.6	1.6
Tier 2 cities ⁽²⁾	1.3	1.4
Tier 3 cities ⁽³⁾	1.2	1.2
Other markets ⁽⁴⁾	2.1	2.1
Average	1.4	1.6

(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, Jiaxing, Nantong, Ningbo, Quanzhou, Xiamen, Suzhou, Wenzhou, Wuxi, Xuzhou, Zhuhai, Qingdao, Huizhou, Jinhua and Zhongshan.

(3) Taizhou, Zhangzhou and Huzhou.

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

(5) Calculated by dividing revenue generated from sales of Coucou restaurants for the year by total customer traffic of Coucou restaurants for the year.

(6) For the dine-in part, this is calculated by dividing total sales number by total Coucou restaurant operation days and average table count of Coucou restaurants during the year. For the delivery part, the delivery sales that equals to the average dine-in customer spending is regarded as one dine-in customer.

(7) To enhance the consistency of information disclosure, the “first-tier cities” disclosed in the 2024 annual report, originally defined as Beijing, Shanghai, Guangzhou, Shenzhen and certain new first-tier cities, are adjusted to Beijing, Shanghai, Guangzhou and Shenzhen, consistent with the 2025 annual report; the above adjustment only involves the classification of revenue by city tier and does not affect the total revenue or other financial indicators already disclosed by the Group.

In 2025, due to the impact of economic downturn, the dine-in customer flow of Coucou restaurants could not fully restore, and the table turnover rate of Coucou restaurants slightly decreased from 1.6x in 2024 to 1.4x in 2025. In response to the changes in the market environment, Coucou continued to increase customer traffic to dine-in through online platforms.

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

	For the year ended	
	31 December	
	2025	2024
Number of same-store*		
Tier 1 cities	69	
Tier 2 cities	101	
Tier 3 cities	3	
Other markets	16	
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Total	189	
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Same-store sales (in RMB million)		
Tier 1 cities	385.0	446.1
Tier 2 cities	442.5	540.9
Tier 3 cities	12.6	17.7
Other markets	301.5	325.5
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Total	1,141.6	1,330.2
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Same-store sales growth (%)		
Tier 1 cities	(13.7)	
Tier 2 cities	(18.2)	
Tier 3 cities	(28.9)	
Other markets	(7.4)	
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Average	(14.2)	
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* Including restaurants that commenced operations prior to the beginning of the years under comparison and opened for the same number of days in both 2024 and 2025.

OUTLOOK FOR 2026

Business Outlook

Looking ahead to 2026, with the gradual materialisation of macroeconomic policies and measures designed to boost service consumption, the catering industry is expected to experience a marginal improvement in supply and demand dynamics following a period of profound consolidation and supply-side clearance. The expected slowdown in new market supply will present structural recovery opportunities for leading brands with robust foundations.

Navigating this new market cycle, the Group will remain steadfast in focusing on its core catering business and adhere to a prudent and pragmatic development strategy, continuously optimizing its multi-brand matrix. With the overriding principle of enhancing single-store profitability and return on capital, we will, on the one hand, consolidate the leading advantages and solid foundation of our core brands in their respective segments; on the other hand, we will meticulously refine the business models of our innovative formats to cautiously capture new growth dividends with agility. In 2026, the Group's overall strategy for its food delivery business will be centred on two core objectives: increasing average order value and enhancing user repurchase rates. The strategy focuses on two key drivers — product quality enhancement and comprehensive optimisation of the consumer experience across all dimensions. By leveraging superior product strength and a seamless end-to-end experience as the core growth engines, the Group aims to drive sustained and steady growth in both average order value and repurchase rates.

Going forward, the Group will further shift its strategic focus towards “internal foundation building”. By deepening the layout of our digitalized supply chain and end-to-end integration, we will reinforce our cost-efficiency moat. Through flattening organizational structures and upgrading partnership incentive mechanisms, we aim to fully stimulate the entrepreneurial vitality of our team. Concurrently, leveraging a robust membership ecosystem and omnichannel marketing strategies, the Group is committed to building a more resilient positive cash flow, laying a solid foundation for navigating economic cycles and achieving high-quality, medium-to-long-term development.

Restaurants opening strategy

In 2026, the Xiabuxiabu brand will continue to deepen its market penetration in core regions such as Beijing, Hebei, Shanghai, Guangzhou, and Shenzhen. By offering high-quality products and classic set-meal combinations, the brand will further reinforce its market positioning as a “high value-for-money individual hotspot”. The Group plans to open no fewer than 100 new restaurants in 2026, with an operational target of achieving a seat turnover rate of over 3.0 times, thereby continuously elevating brand influence and consolidating existing market share. In terms of site selection, the brand will proactively tap into high-traffic commercial venues, including large-scale entertainment theme parks, airports, and major transportation hubs, to launch new restaurants with robust profitability potential. Concurrently, the Group will continue to explore diversified restaurant models. We will pilot “Xiabu Pasture (呷哺牧场)” and buffet-style restaurants in cities with high purchasing power, such as Shanghai, to cater to diverse consumer demands. In cities like Guangzhou and Shenzhen, we will strategically deploy delivery satellite restaurants to capture multi-period consumption scenarios, including regular dining and late-night meals. Furthermore, we will explore the highly cost-effective “Xiabu Mini” restaurant model in lower-tier markets to enhance market coverage and operational efficiency.

For the Coucou brand, we will adhere to a prudent expansion strategy. By focusing on core cities and premium business districts, the brand will promote an asset-light restaurant model with high space efficiency. We will exercise strict control over site selection and capital expenditures, steadily advancing our network layout. With single-store profitability as the overriding principle, we will refrain from blind expansion, progressively optimizing our regional footprint and solidifying our operational foundation.

Branding strategy

In 2026, the Xiabuxiabu brand will further deepen its brand strategy by introducing seasonal new menu items to sustain customer engagement and keep the brand experience fresh. The brand will continue to promote gift card programmes to strengthen customer loyalty while enhancing the advantages of prepaid membership consumption. At the same time, Xiabuxiabu will collaborate with selected IP partners to rejuvenate its brand image and attract Generation Z consumers. The brand will also deepen its presence in the university students segment through campus-focused marketing initiatives and cross-industry collaborations, expanding its reach among younger consumers. In addition, Xiabuxiabu will continue to strengthen its presence across major online platforms and enhance its digital marketing capabilities in order to improve customer acquisition efficiency and increase brand visibility.

The Coucou brand will continue to reinforce its differentiated positioning of “hotpot plus tea lounge”, focusing on its core customer segments, including young white-collar professionals aged 22 to 35, university students and female consumers. The brand will further enhance its membership programme and community engagement initiatives to increase member activity and repeat visits. Meanwhile, Coucou will expand into additional dining occasions such as university student gatherings and corporate team-building events, further strengthening its youthful, refined and socially oriented brand identity while steadily enhancing brand influence and market recognition.

Product strategy

The Group will continue to strengthen its supply chain system, leveraging centralized procurement and processing capabilities to enhance cost efficiency and ensure stable product quality. Building on these advantages, the Group will further refine its multi-tier product structure to address diverse consumer segments and dining scenarios through differentiated brand positioning. Coucou will focus on delivering an immersive premium dining experience, while the Xiabuxiabu brand will continue to strengthen its youthful and quality-oriented image in the mid-market segment. At the same time, the Group will expand its offerings through light meal options and diversified product combinations to better capture broader consumer demand.

While preserving its signature flavours, the Xiabuxiabu brand will continue to advance product innovation and enrich its menu offerings. In 2026, the brand plans to introduce a new signature spicy braised hotpot base together with upgraded set menus, including the “Premium Beef Single Set”, “Fresh Cut Lamb Single Set” and “Selected Beef and Lamb Double Set”. The brand will also introduce high-quality ingredients such as freshly sliced Simmental beef from the western Alps region of Switzerland, premium lamb cuts and fresh lamb liver, alongside specialty vegetables such as fresh pea shoots. In addition, innovative side dishes and beverages, including hawthorn strawberry Dahongpao tea and shrimp paste stuffed fried dough sticks, will further diversify the menu and enhance the overall dining experience.

In 2026, the Coucou brand will focus on healthier and more diversified menu upgrades. The brand will continue to optimise its hotpot base and introduce healthier options such as low-fat and light-flavoured soup bases, while expanding ingredient selections and menu variety. Coucou will maintain its monthly product launch mechanism to continuously introduce new signature dishes. At the same time, the brand will further enhance ingredient quality and the ordering experience, while strengthening its specialty tea beverages and complementary offerings to meet evolving consumer tastes and dining preferences.

Supply Chain Strategy

The Group continued to deepen its supply chain “middle-office” strategy, upgrading the headquarters’ role into a strategic command center. Through the comprehensive iteration of the SCM system, we digitalized and streamlined restaurant replenishment, procurement orders, and comprehensive inventory management. By combining a flexible Vendor Managed Inventory (VMI) model with precise data-driven demand forecasting, we significantly enhanced delivery agility, accelerated inventory turnover, and achieved remarkable cost-efficiency across the entire value chain.

Leveraging the scale advantages of our wholly-owned meat processing subsidiary (Yishun), the Group deepened its highly efficient integrated model of “source control – centralised processing – multi-brand direct supply.” This model not only ensures stable, premium-quality ingredients for all our brands but also provides centralized, cost-effective support for newly launched innovative formats such as “Xiabu Pasture” and “Xia Niu Pai”, further solidifying the Group’s long-term competitive moat in supply chain capability.

Talent development strategy

Adhering to the core value of “sharing achievements with strivers,” the Group fully rolled out its internal partnership program. By establishing a tripartite shareholding model featuring risk- and benefit-sharing, along with granting restaurants greater operational flexibility, we profoundly stimulated the entrepreneurial drive of our core employees. By the end of 2025, partnered restaurants recorded substantial structural growth in both revenue and profit margins.

The Group broke away from the traditional centralized management model, dividing its national business into four major regions to decentralize management authority. This effectively enhanced refined restaurant operations and market responsiveness. Concurrently, we optimized the incentive schemes for both operational and functional departments, closely linking bonuses to performance improvements and profitability, thereby fostering a results-oriented culture and laying a solid talent foundation for the Group’s high-quality transformation.

Marketing strategy

The Group is committed to building an ROI-driven (integration of branding and sales performance) communication matrix, integrating online social media content seeding, offline landmark exposure, and premium crossover collaborations. In 2026, we will deepen our co-branding strategy with top-tier international anime IPs (such as Doraemon) by launching visually appealing themed set meals and merchandises. This immersive experience is designed to effectively re-engage dormant members and amplify brand presence.

Accurately targeting diverse consumer demands, the Group developed a differentiated product matrix centered around changing seasons, holidays, and specific consumption scenarios (e.g., solo dining, family gatherings, business meals). Meanwhile, through refined operations within our private domain (proprietary membership channels), we continuously upgraded exclusive member privileges, successfully increasing the consumption frequency and average spending of our core members, thereby securing a highly sticky customer base.

In 2025, the Group continued to deeply cultivate its membership ecosystem, recruiting nearly 3.46 million new members during the year and bringing the total number of accumulated members to approximately 45.0 million. During the period, the number of active consuming members reached nearly 5.60 million, with a member consumption frequency of over 3.2 times, remaining relatively flat year-on-year. Concurrently, the gift card program launched during the year achieved remarkable results, generating total card sales of over RMB670 million for the year. The remained balance exceeded RMB200 million as of the end of the year. Furthermore, the annual average spending of gift card members reached RMB383, which is twofold the average spending of the overall membership base. This initiative has substantially enhanced customer stickiness and provided strong support for the Group’s subsequent business growth.

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

	Year ended 31 December				Year-on-year change
	2025		2024		
	RMB'000	%	RMB'000	%	
Revenue	3,788,705	100.0	4,754,843	100.0	(20.3)
Other income	48,409	1.3	57,402	1.2	(15.7)
Raw materials and consumables used	(1,326,386)	(35.0)	(1,672,795)	(35.2)	(20.7)
Staff costs	(1,318,290)	(34.8)	(1,612,569)	(33.9)	(18.2)
Property rentals and related expenses	(239,579)	(6.3)	(298,094)	(6.3)	(19.6)
Utilities expenses	(161,945)	(4.3)	(197,188)	(4.1)	(17.9)
Depreciation and amortisation	(618,911)	(16.3)	(777,245)	(16.3)	(20.4)
Other expenses	(355,929)	(9.4)	(368,744)	(7.8)	(3.5)
Other gains and losses	(48,953)	(1.3)	(203,662)	(4.3)	(76.0)
Finance costs	(51,283)	(1.4)	(71,084)	(1.5)	(27.9)
Loss before tax	(284,162)	(7.5)	(389,136)	(8.2)	(27.0)
Income tax expense	(12,266)	(0.3)	(9,341)	(0.2)	31.3
Loss for the year	(296,428)	(7.8)	(398,477)	(8.4)	(25.6)
Total comprehensive expense for the year	(296,428)	(7.8)	(398,477)	(8.4)	(25.6)

Revenue

The Group closed 56 Xiabuxiabu restaurants and 53 Coucou restaurants in 2025 as a result of the continuous fierce competition in the industry and rational consumer demand, resulting in the overall revenue of the catering business showing a year-on-year decline. The Group's revenue decreased by 20.3% from RMB4,754.8 million in 2024 to RMB3,788.7 million in 2025. Revenue from Xiabuxiabu decreased by 13.3% from RMB2,629.2 million in 2024 to RMB2,279.2 million in 2025; and revenue from Coucou decreased by 30.8% from RMB1,948.3 million in 2024 to RMB1,348.6 million in 2025. On the other hand, revenue from the Condiment Products decreased by 14.5% from RMB129.0 million in 2024 to RMB110.3 million in 2025, mainly attributable to the decrease in sales through the online e-commerce channel in 2025.

Other income

The Group's other income decreased by 15.7% from RMB57.4 million in 2024 to RMB48.4 million in 2025, mainly due to the decrease in government grants received in 2025 compared to the previous year.

Raw materials and consumables used

The Group's raw materials and consumables cost decreased by 20.7% from RMB1,672.8 million in 2024 to RMB1,326.4 million in 2025, which was attributable to a net decrease of 52 restaurants compared to the same period last year. Benefiting from (i) the Group's continuous optimization of its supply chain and supplier negotiation strategies, which effectively reduced the average procurement unit price of food ingredients, and (ii) the optimization of procedures and inventory management, accurate demand forecasting, standardisation of restaurant product standards, improvement of ingredients utilisation and strict control of ingredient waste, the Group's cost of raw materials and consumables in 2025 as a percentage of the Group's revenue decreased from 35.2% in 2024 to 35.0% in 2025.

Staff costs

The Group's staff costs decreased by 18.2% from RMB1,612.6 million in 2024 to RMB1,318.3 million in 2025, which was mainly due to the Company's closure of certain unprofitable restaurants, and the number of the Group's employees decreased from 22,504 as at 31 December 2024 to 16,781 as at 31 December 2025.

Property rentals and related expenses

The Group's property rental and related expenses decreased by 19.6% from RMB298.1 million in 2024 to RMB239.6 million in 2025, which was mainly due to the closure of loss-making restaurants in 2025 leading to a decrease in total rental cost. Such saving in rental cost was partially offset by (i) decrease in property fee concessions and rent reductions in shopping malls in 2025 as compared to 2024; and (ii) property rentals in 2025 were significantly higher than in the previous year, resulting in an overall increase in property rentals. As a result of the aforementioned factors, and in light of the lower revenue recorded in 2025 as compared to 2024, the Group's property rental and related expenses as a percentage of the Group's revenue remained flat at 6.3% for both years.

Utilities expenses

The Group's utilities expenses decreased by 17.9% from RMB197.2 million in 2024 to RMB161.9 million in 2025 mainly due to a net decrease in the number of restaurants by 52 in 2025. Utility expenses as a percentage of the Group's revenue increased slightly from 4.1% in 2024 to 4.3% in 2025.

Depreciation and amortisation

The Group's depreciation and amortisation decreased by 20.4% from RMB777.2 million in 2024 to RMB618.9 million in 2025, mainly attributable to (i) the closure of 56 Xiabuxiabu restaurants and 53 Coucou restaurants in 2025; and (ii) the decrease in amortisation as a result of the expansion of the Group's small-sized restaurant model. Depreciation and amortisation as a percentage of revenue remained flat at 16.3% for both years.

Other expenses

The Group's cost control measures implemented in 2025 include (i) leveraging the centralised supply chain management platform to coordinate logistics resources nation wide, increasing the full-load rate and enhancing distribution efficiency, thereby reducing logistics costs; (ii) integrating system operation and maintenance functions and optimizing service models to effectively reduce service expenses; and (iii) adjusting office staff structure to effectively reduce office and administrative expenses. The Group's other expenses decreased by 3.5% from RMB368.7 million in 2024 to RMB355.9 million in 2025. Despite the decrease in other expenses as mentioned above, such expenses as a percentage of the Group's revenue increased from 7.8% in 2024 to 9.4% in 2025.

Other gains and losses

The Group recorded other net losses of RMB49.0 million in 2025, mainly because of the loss on closure of restaurants and impairment losses totaling approximately RMB107.5 million due to factors such as the closure or ongoing losses of some restaurants, as compared to the impairment losses of RMB262.0 million made in the previous year (see Note 5 to the consolidated financial statements).

Finance costs

The Group recorded finance costs of RMB51.3 million in 2025, mainly derived from interest on lease liabilities of RMB42.1 million.

Income tax expense

The Group's income tax expenses in 2025 amounted to RMB12.3 million, representing an increase as compared to an income tax expense of RMB9.3 million in 2024. This was due to (i) certain subsidiaries of the Group recording profits during the year; and (ii) a net decrease in deferred tax assets of certain subsidiaries of the Group during the year.

Liquidity and capital resources

In 2025, the Group financed its operations primarily through cash from the Group's operations.

Cash and cash equivalents

As at 31 December 2025, the Group had cash and cash equivalents of RMB249.1 million, which primarily consisted of cash on hand and demand deposits and which were mainly denominated in Renminbi (as to 39.0%), U.S. dollars (as to 53.0%), Hong Kong dollars (as to 3.5%), Singapore dollars (as to 2.8%) and New Taiwan dollars (as to 1.7%). The balance of cash and cash equivalents as at 31 December 2025 decreased by approximately RMB113.6 million as compared with that of RMB362.7 million as at 31 December 2024, which was mainly due to the placement of partially funds in term deposits and transfer to restricted cash at the end of the year.

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 FVTPL

As at 31 December 2025, the Group had financial assets at FVTPL which amounted to RMB425.2 million in aggregate, which mainly represented financial products (the “**Financial Products**”) issued by Fubon Bank (China) Co., Ltd., Industrial Bank Co., Ltd., China Merchants Bank Co., Ltd., China International Capital Corporation Limited, China Galaxy Securities Co., Ltd., Huatai Securities Co., Ltd., and COFCO Trust. Such products are investments with no predetermined or guaranteed return and are not principal protected, with an expected return rate ranging from 1.6% to 4.8% per annum. In particular, two of the financial products of RMB130.1 million were classified as non-current assets due to their maturity date in 2028. The realized gain from the Financial Products of approximately RMB17.5 million was recorded in 2025 as changes in fair value of financial assets designated as financial assets at FVTPL.

The Group generally subscribed for the 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 purposes 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 had in the past selected 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 remained 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 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, as well as a relatively short term of maturity 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 the Shareholders as a whole.

There was no single financial product in the Group's investment portfolio that has a carrying amount that accounted for more than 5% of the Group's total assets as at 31 December 2025.

None of the subscription of the financial products during the year ended 31 December 2025, individually or collectively when aggregation is required, constitute a discloseable transaction under Chapter 14 of the Listing Rules.

Indebtedness

As at 31 December 2025, the Group had short-term bank borrowings of RMB425.6 million that were made in Renminbi at a fixed interest rate from 0.67% to 3.00% per annum and are expected to mature within 1 year.

Gearing ratio

As at 31 December 2025, the Group's gearing ratio was 92.0%. Gearing ratio was calculated by dividing bank and other borrowings by total equity as at the same date and multiply by 100%.

Capital expenditures

In 2025, the Group opened a total of 57 new restaurants, the Group made payment for the capital expenditures of RMB169.0 million for new restaurant openings, refurbishment of existing restaurants and purchase of new equipment. In 2024, the Group's capital expenditures were RMB237.8 million. The Group's capital expenditure in 2025 was funded primarily by cash generated from its operations.

Pledge of assets

As at 31 December 2025, the Group had pledged certain land, plant and machinery with a carrying amount of RMB11.1 million to obtain bank borrowings of RMB50.0 million. In addition, the Group had pledged bank deposits of RMB117.9 million as securities for bank borrowings.

Contingent liabilities and guarantees

As at 31 December 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 year ended 31 December 2025, save as disclosed below, the Group did not conduct any material investments, acquisitions or disposals. As at 31 December 2025, 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. As part of the business expansion plan, 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**”). Before the completion of the Acquisition, Xiabuxiabu (China) Food Holdings Co., Limited is held as to 60% by the Company and 40% by Mr. Ho Kuang-Chi. It has 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.

The Acquisition was approved in the extraordinary general meeting of the Company held on 12 September 2025. As at 31 December 2025, Xiabuxiabu (China) Food Holdings Co., Limited is a wholly owned subsidiary of the Company.

Employee and remuneration policies

As at 31 December 2025, the Group had a total of 16,781 employees (2024: 22,504). In particular, 66 employees worked at the Group's food processing facilities, 2,081 were responsible for restaurant management, 13,810 were restaurant staff and 824 were administrative staff.

The Group offers competitive wages and other benefits to the Group's restaurant employees to manage employee attrition. The Group also offers profit sharing in the form of discretionary performance bonus as further incentive to the Group's restaurant staff if specific restaurant target is 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 year ended 31 December 2025, the total staff costs of the Group (including salaries, bonuses, social insurances, provident funds and share incentive schemes) amounted to RMB1,318.3 million, representing approximately 34.8% of the total revenue of the Group.

Final Dividend

The Directors have resolved not to recommend the payment of a final dividend to the Shareholders for the year ended 31 December 2025.

FINANCIAL INFORMATION

The audited consolidated annual results of the Group for the year ended 31 December 2025 are as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	For the year ended 31 December	
		2025 RMB'000	2024 RMB'000
Revenue	3	3,788,705	4,754,843
Other income		48,409	57,402
Raw materials and consumables used		(1,326,386)	(1,672,795)
Staff costs		(1,318,290)	(1,612,569)
Property rentals and related expenses		(239,579)	(298,094)
Utilities expenses		(161,945)	(197,188)
Depreciation and amortisation		(618,911)	(777,245)
Other expenses		(355,929)	(368,744)
Other gains and losses	5	(48,953)	(203,662)
Finance costs	6	(51,283)	(71,084)
Loss before tax	7	(284,162)	(389,136)
Income tax expense	8	(12,266)	(9,341)
Loss for the year		<u>(296,428)</u>	<u>(398,477)</u>
Total comprehensive expense for the year		<u>(296,428)</u>	<u>(398,477)</u>
(Loss) profit for the year attributable to:			
Owners of the Company		(300,546)	(400,681)
Non-controlling interest		4,118	2,204
		<u>(296,428)</u>	<u>(398,477)</u>
Total comprehensive (expense) income attributable to:			
Owners of the Company		(300,546)	(400,681)
Non-controlling interest		4,118	2,204
		<u>(296,428)</u>	<u>(398,477)</u>
Loss per share			
– basic (RMB cents per share)	9	<u>(28.56)</u>	<u>(38.50)</u>
– diluted (RMB cents per share)	9	<u>(28.56)</u>	<u>(38.50)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

		As at 31 December	
		2025	2024
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
Non-current assets			
Property, plant and equipment		377,603	556,283
Right-of-use assets	11	607,613	879,313
Intangible assets		7,626	7,116
Deferred tax assets		1,674	3,050
Rental deposits		132,282	148,203
Financial assets at fair value through profit or loss (“FVTPL”)	13	130,080	132,766
Interest in a joint venture		99,077	100,061
Trade and other receivables and prepayments	12	57,192	—
		1,413,147	1,826,792
Current assets			
Inventories		269,522	289,220
Trade and other receivables and prepayments	12	313,283	314,518
Income tax recoverable		877	4,065
Financial assets at FVTPL	13	295,146	454,194
Restricted bank balances		206,965	87,871
Term deposits		30,000	7,188
Cash and cash equivalents		249,063	362,695
		1,364,856	1,519,751
Current liabilities			
Trade payables	14	195,040	235,850
Accrual and other payables		410,547	486,152
Amount due to the Controlling Shareholder	15	89,000	—
Lease liabilities	16	220,071	292,355
Contract liabilities		470,588	428,019
Deferred income		910	910
Bank borrowings		425,579	380,406
		1,811,735	1,823,692
Net current liabilities		(446,879)	(303,941)
Total assets less current liabilities		966,268	1,522,851

		As at 31 December	
		2025	2024
	<i>Notes</i>	RMB'000	<i>RMB'000</i>
Non-current liabilities			
Deferred income		4,095	5,005
Lease liabilities	16	446,866	618,717
Provisions		52,940	54,239
		<u>503,901</u>	<u>677,961</u>
Net assets		<u>462,367</u>	<u>844,890</u>
Capital and reserves			
Share capital	17	176	176
Share premium and reserves		463,309	773,911
		<u>463,485</u>	<u>774,087</u>
Equity attributable to owners of the Company		463,485	774,087
Non-controlling interest		(1,118)	70,803
		<u>462,367</u>	<u>844,890</u>
Total equity		<u>462,367</u>	<u>844,890</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

1. GENERAL INFORMATION

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. Its shares have been listed on the main board of The Stock Exchange of Hong Kong Limited (“**HKEX**”) on 17 December 2014. The address of the registered office of the Company is Cricket Square, Hutchins Drive P.O. Box 2681 Grand Cayman KY1-1111, Cayman Islands. 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 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 consolidated financial statements are presented in Renminbi (“**RMB**”), which is the same as the functional currency of the Company.

2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”)

Amendments to IFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to IFRSs issued by the International Accounting Standards Board (“**IASB**”) for the first time, which are mandatorily effective for the annual periods beginning on or after 1 January 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 IFRSs 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.

2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”) – continued

New and amendments to IFRSs in issue but not yet effective

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

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments 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
Amendments to IAS 21	Translation to a Hyperinflationary Presentation Currency ³
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 1 January 2026.

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

Except for the new and amendments to IFRSs mentioned below, the directors of the Company anticipate that the application of all other new and amendments to IFRSs will have no material impact on the 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. 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 1 January 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. The Group is in the process of assessing the detailed impact of IFRS 18 on the Group’s consolidated financial statements.

3. REVENUE

The Group generates revenues from restaurant operation and sales of condiment products and other goods.

For restaurant operation, the control of services and food is transferred at a point in time, revenue is recognised when the related services have been rendered to customers.

The Group operates several kinds of customer loyalty program for its restaurant operation, including:

- **Prepaid cards.** Prepaid card is purchased by customers with a discount to its face value, which can be utilised in the future consumption in restaurants at customers' discretion. The amount received from selling prepaid cards is recorded in contract liabilities and deferred until they are redeemed by customers when the Group fulfils its obligations to provide services or goods or when they expire.
- **The customer loyalty points.** Customers are granted with loyalty points via consumption in restaurants, which entitle them to future purchases and consumptions in restaurants by offsetting the award credits. The loyalty point is treated as a separate performance obligation and will be expired at the end of the coming year. The Group allocates the transaction price to each performance obligation on a relative standalone selling price basis. The amount allocated to the loyalty point is recorded in contract liabilities and deferred until the loyalty points are redeemed when the Group fulfils its obligations to provide services or goods or when the points expire. In determining the relative standalone selling price of the loyalty point, the Group 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.
- **The privilege membership program.** Customers purchase the privilege membership with consideration, which offer customers with privilege members rights to multiple benefits with a twelve months' valid period after the purchase. Consideration received is recorded in contract liabilities and deferred until it is redeemed by customers when the Group fulfils its obligations to provide services or goods or when it expires. The Group allocates consideration received to benefits based on their relative standalone selling price. In determining the relative standalone selling price of the benefits, the Group 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.

Revenue from the sales of condiment products and other goods for which the control of goods is transferred at a point in time, is recognised when the goods are delivered and titles have been passed.

3. REVENUE – continued

(i) Disaggregation of revenue from contracts with customers

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

	For the year ended 31 December 2025			
	Xiabuxiabu RMB'000	Coucou RMB'000	Others RMB'000	Total RMB'000
Type of goods or service				
Restaurant operations	2,272,623	1,348,574	–	3,621,197
Sales of condiment products	–	–	110,327	110,327
Sales of other goods and services	6,611	45	50,525	57,181
Total	<u>2,279,234</u>	<u>1,348,619</u>	<u>160,852</u>	<u>3,788,705</u>
Geographical markets				
Mainland China	2,254,672	1,023,251	160,852	3,438,775
Other markets	24,562	325,368	–	349,930
Total	<u>2,279,234</u>	<u>1,348,619</u>	<u>160,852</u>	<u>3,788,705</u>
	For the year ended 31 December 2024			
	Xiabuxiabu RMB'000	Coucou RMB'000	Others RMB'000	Total RMB'000
Type of goods or service				
Restaurant operations	2,627,069	1,948,225	–	4,575,294
Sales of condiment products	–	–	128,990	128,990
Sales of other goods and services	2,152	29	48,378	50,559
Total	<u>2,629,221</u>	<u>1,948,254</u>	<u>177,368</u>	<u>4,754,843</u>
Geographical markets				
Mainland China	2,612,403	1,604,257	177,368	4,394,028
Other markets	16,818	343,997	–	360,815
Total	<u>2,629,221</u>	<u>1,948,254</u>	<u>177,368</u>	<u>4,754,843</u>

No revenue from individual external customer contributing over 10% of total revenue of the Group.

3. REVENUE – continued

(ii) Transaction price allocated to the remaining performance obligation for contracts with customers

The transaction price allocated to the remaining performance obligation (unsatisfied or partially unsatisfied) and the expected timing of recognising revenue are as follows:

As at 31 December 2025

	Privilege membership programs <i>RMB'000</i>	Customer loyalty scheme <i>RMB'000</i>	Prepaid cards <i>RMB'000</i>	Advance from customer <i>RMB'000</i>
Within one year	<u>1,892</u>	<u>19,256</u>	<u>443,374</u>	<u>6,066</u>
Total	<u><u>1,892</u></u>	<u><u>19,256</u></u>	<u><u>443,374</u></u>	<u><u>6,066</u></u>

As at 31 December 2024

	Privilege membership programs <i>RMB'000</i>	Customer loyalty scheme <i>RMB'000</i>	Prepaid cards <i>RMB'000</i>	Advance from customer <i>RMB'000</i>
Within one year	<u>126,114</u>	<u>27,432</u>	<u>270,285</u>	<u>4,188</u>
Total	<u><u>126,114</u></u>	<u><u>27,432</u></u>	<u><u>270,285</u></u>	<u><u>4,188</u></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 through by Xiabuxiabu restaurants or Coucou restaurants. None of these segments met the quantitative thresholds for the reportable segments in both current and prior year. Accordingly, these were grouped in “Others”. In addition, included in “Others” is a procurement function which centrally purchases raw materials and consumables and sells to Xiabuxiabu and Coucou restaurants.

4. OPERATING SEGMENTS – continued

Segment revenues and results

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

For the year ended 31 December 2025

	Xiabuxiabu RMB'000	Coucou RMB'000	Total reportable segments RMB'000	Others RMB'000	Adjustments and eliminations RMB'000	Consolidated RMB'000
SEGMENT REVENUE						
External sales	2,279,234	1,348,619	3,627,853	160,852	–	3,788,705
Inter-segment sales	–	–	–	2,162,662	(2,162,662)	–
	<u>2,279,234</u>	<u>1,348,619</u>	<u>3,627,853</u>	<u>2,323,514</u>	<u>(2,162,662)</u>	<u>3,788,705</u>
Segment results (<i>Note</i>)	<u>62,323</u>	<u>(200,347)</u>	<u>(138,024)</u>	<u>9,374</u>	<u>–</u>	<u>(128,650)</u>
Impairment losses on property, plant and equipment	(24,202)	(28,976)	(53,178)	–	–	(53,178)
Impairment losses on right-of-use assets	(30,949)	(26,010)	(56,959)	–	–	(56,959)
Reversal of impairment losses on other receivables	–	–	–	14,871	–	14,871
Impairment (loss) reversal on rental deposits	(169)	4,246	4,077	–	–	4,077
Loss on closure of restaurants	(606)	(803)	(1,409)	–	–	(1,409)
Gain from changes in fair value of financial assets at FVTPL	11,801	–	11,801	5,667	–	17,468
(Loss) gain on disposal of property, plant and equipment, net	(712)	247	(465)	(598)	–	(1,063)
Interest on bank borrowings	(838)	(138)	(976)	(6,301)	–	(7,277)
Segment profit (loss)	<u>16,648</u>	<u>(251,781)</u>	<u>(235,133)</u>	<u>23,013</u>	<u>–</u>	<u>(212,120)</u>
Unallocated central administration costs						(67,241)
Unallocated directors' emoluments						(4,801)
Loss before tax						<u>(284,162)</u>

Other segment information

Amounts included in the measure of segment results:

	Xiabuxiabu RMB'000	Coucou RMB'000	Total reportable segments RMB'000	Others RMB'000	Unallocated costs RMB'000	Consolidated RMB'000
Depreciation and amortisation	(396,686)	(209,364)	(606,050)	(11,783)	(1,078)	(618,911)
Gain on termination of lease	7,922	6,652	14,574	–	–	14,574
Gain on reassessment of lease liabilities	6,398	9,592	15,990	–	–	15,990
Finance costs (excluding interest on bank borrowings)	<u>(31,898)</u>	<u>(12,108)</u>	<u>(44,006)</u>	<u>–</u>	<u>–</u>	<u>(44,006)</u>

4. OPERATING SEGMENTS – continued

Segment revenues and results – continued

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

For the year ended 31 December 2024

	Xiabuxiabu RMB'000	Coucou RMB'000	Total reportable segments RMB'000	Others RMB'000	Adjustments and eliminations RMB'000	Consolidated RMB'000
SEGMENT REVENUE						
External sales	2,629,221	1,948,254	4,577,475	177,368	–	4,754,843
Inter-segment sales	–	–	–	2,673,646	(2,673,646)	–
	<u>2,629,221</u>	<u>1,948,254</u>	<u>4,577,475</u>	<u>2,851,014</u>	<u>(2,673,646)</u>	<u>4,754,843</u>
Segment results (<i>Note</i>)	<u>90,053</u>	<u>(181,242)</u>	<u>(91,189)</u>	<u>22,955</u>	<u>–</u>	<u>(68,234)</u>
Impairment losses on property, plant and equipment	(46,973)	(93,614)	(140,587)	–	–	(140,587)
Impairment losses on right-of-use assets	(27,537)	(36,472)	(64,009)	–	–	(64,009)
Reversal of impairment losses on other receivables	–	–	–	1,775	–	1,775
Impairment loss on rental deposit	(7,177)	(22,798)	(29,975)	–	–	(29,975)
Loss on closure of restaurants	(8,541)	(16,538)	(25,079)	(2,384)	–	(27,463)
Gain from changes in fair value of financial assets at FVTPL	21,344	–	21,344	5,968	–	27,312
Loss on disposal of property, plant and equipment, net	(1,654)	(148)	(1,802)	(2,581)	–	(4,383)
Interest on bank borrowings	(1,226)	(2,377)	(3,603)	(5,968)	–	(9,571)
Segment profit (loss)	<u>18,289</u>	<u>(353,189)</u>	<u>(334,900)</u>	<u>19,765</u>	<u>–</u>	<u>(315,135)</u>
Unallocated central administration costs						(69,198)
Unallocated directors' emoluments						(4,803)
Loss before tax						<u>(389,136)</u>

4. OPERATING SEGMENTS – continued

Segment revenues and results – continued

Other segment information

Amounts included in the measure of segment results:

	Xiabuxiabu	Coucou	Total reportable segments	Others	Unallocated costs	Consolidated
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Depreciation and amortisation	(431,444)	(328,353)	(759,797)	(16,370)	(1,078)	(777,245)
Gain on termination of lease	14,916	13,875	28,791	–	–	28,791
Gain on reassessment of lease liabilities	2,426	4,851	7,277	–	–	7,277
Finance costs (excluding interest on bank borrowings)	(43,526)	(17,987)	(61,513)	–	–	(61,513)

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 accounting policies of the operating segments are the same as the Group's accounting policies. Segment profit/(loss) represents the profit earned by/loss from each segment without allocation of certain gain/(loss) from central administration costs and directors' emoluments. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

Inter-segment sales are charged at prevailing market rates.

4. OPERATING SEGMENTS – continued

Segment assets and liabilities

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

	31/12/2025 <i>RMB'000</i>	31/12/2024 <i>RMB'000</i>
Continuing operations		
Xiabuxiabu	1,996,883	2,436,544
Coucou	<u>516,429</u>	<u>627,958</u>
Total reportable segment assets	2,513,312	3,064,502
Other operating segments	166,094	178,301
Unallocated headquarters office building and land use right	<u>98,597</u>	<u>103,740</u>
Consolidated assets	<u><u>2,778,003</u></u>	<u><u>3,346,543</u></u>
	31/12/2025 <i>RMB'000</i>	31/12/2024 <i>RMB'000</i>
Continuing operations		
Xiabuxiabu	1,381,072	1,671,540
Coucou	<u>432,307</u>	<u>414,542</u>
Total reportable segment liabilities	1,813,379	2,086,082
Other operating segments	413,257	415,571
Unallocated liability	<u>89,000</u>	<u>–</u>
Consolidated liabilities	<u><u>2,315,636</u></u>	<u><u>2,501,653</u></u>

For the purpose of monitoring segment performance and allocating resources between segments:

- all assets are allocated to operating segments based on the corresponding operating brands other than certain unallocated corporate property, plant and equipment and right-of-use assets; and
- all liabilities are allocated to operating segments based on the corresponding operating brands other than certain unallocated amount due to the Controlling Shareholder.

Revenue from major products and services, geographical information and information about major customers please refer to Note 3.

4. OPERATING SEGMENTS – continued

Segment assets and liabilities – continued

The Group's non-current assets (other than deferred tax assets and financial assets), including property, plant and equipment, right-of-use assets, intangible assets and interest in a joint venture are detailed below:

	For the year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Mainland China	990,732	1,398,947
Other markets	101,187	143,826
	<u>1,091,919</u>	<u>1,542,773</u>

5. OTHER GAINS AND LOSSES

	For the year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Loss on disposal of property, plant and equipment, net	(1,063)	(4,383)
Gain on termination of lease (i)	14,574	28,791
Gain on reassessment of lease liabilities (ii)	15,990	7,277
Foreign exchange loss, net	(2,340)	(2,297)
Reversal of impairment loss on other receivables	14,871	1,775
Impairment reversal (loss) on rental deposits	4,077	(29,975)
Impairment loss recognised in respect of property, plant and equipment	(53,178)	(140,587)
Impairment loss recognised in respect of right-of-use assets	(56,959)	(64,009)
Gain from changes in fair value of financial assets at FVTPL	17,468	27,312
Loss on closure of restaurants	(1,409)	(27,463)
Others	(984)	(103)
	<u>(48,953)</u>	<u>(203,662)</u>

5. OTHER GAINS AND LOSSES – continued

Notes:

- (i) According to the performance of the restaurants and the business development plan, the Group closed down a number of under-performing restaurants to reinitiate the business and maintain the overall profitability level of the Group. The Group exercised the early termination option to terminate the lease contracts before the previously expected date. A net gain on termination of lease amounting to RMB14,574,000 was recognised for the year ended 31 December 2025 (2024: RMB28,791,000).
- (ii) 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 asset. 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 amounting to RMB15,990,000 for the year ended 31 December 2025 (2024: RMB7,277,000).

6. FINANCE COSTS

	For the year ended 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Interest on lease liabilities	42,141	59,209
Interest on bank borrowings	7,277	9,571
Unwinding of discounts of provisions	1,865	2,304
	<u>51,283</u>	<u>71,084</u>

7. LOSS BEFORE TAX

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

	For the year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Depreciation of property, plant and equipment	241,922	300,673
Depreciation of right-of-use assets	375,719	475,148
Amortisation of intangible assets	1,270	1,424
	<u>618,911</u>	<u>777,245</u>
Total depreciation and amortisation		
Rentals in respect of restaurants lease payments		
– short-term lease (i)	44,899	45,426
– variable lease payment (ii)	42,736	78,576
– other rental expenses (iii)	151,944	174,092
	<u>239,579</u>	<u>298,094</u>
Total property rentals and related expenses		
Directors' emoluments	4,801	4,803
Other staff cost		
Salaries and other allowance	1,213,865	1,488,171
Equity-settled share-based payments	2,447	2,723
Retirement benefit contribution	97,177	116,872
	<u>1,318,290</u>	<u>1,612,569</u>
Total staff costs		
Auditor's remuneration	<u>3,000</u>	<u>3,000</u>

Notes:

- (i) The short-term lease refers to leases of restaurants, catering delivery robots and rented premises.
- (ii) The variable lease payment refers to the portion of property rentals based on pre-determined percentages to revenue less minimum rentals of the respective leases.
- (iii) The other rental expenses refer to the property management fee paid to the landlord.

8. INCOME TAX EXPENSE

	For the year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Enterprise income tax (“EIT”)		
Current tax	10,890	3,527
Deferred tax	1,376	5,814
	<hr/>	<hr/>
Total income tax recognised in profit or loss	<u>12,266</u>	<u>9,341</u>

The Company is a tax exempted company incorporated in the Cayman Islands.

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the “**Bill**”) which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

The Company’s subsidiary, Coucou (HK) Catering Management Co., Ltd., (“**Coucou Hong Kong**”) incorporated in Hong Kong is qualifying for the two-tiered profits tax rates regime. Accordingly, the Hong Kong profits tax of Coucou Hong Kong is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2 million.

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

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 consolidated financial statements in respect of the temporary differences attributable to the accumulated undistributed profits of the PRC subsidiaries amounting to RMB1,324 million as at 31 December 2025 (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.

9. LOSS PER SHARE

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

	For the year ended 31 December	
	2025	2024
	RMB'000	RMB'000
<i>Loss figures are calculated as follows:</i>		
Loss for the year attributable to owners of the Company	<u><u>(300,546)</u></u>	<u><u>(400,681)</u></u>

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

	For the year ended 31 December	
	2025	2024
	'000	'000
Weighted average number of ordinary shares for the purpose of basic loss per share	1,052,240	1,040,797
Effect of dilutive potential ordinary shares (<i>Note</i>)	<u>N/A</u>	<u>N/A</u>
Weighted average number of ordinary shares for the purpose of diluted loss per share	<u><u>1,052,240</u></u>	<u><u>1,040,797</u></u>

Note: The calculation of diluted loss per share for the year ended 31 December 2025 does not assume the exercise of the Company's share awards and restricted shares since their exercise would result in a decrease in loss per share (2024: decrease in loss per share).

10. DIVIDENDS

	For the year ended 31	
	December	
	2025	2024
	RMB'000	RMB'000
Dividends recognised as distributions during the year	—	30,367

On 27 March 2024, the Company declared a dividend of RMB0.028 per share with total dividends of RMB30,367,000 to the shareholders of the Company for the year ended 31 December 2023. The dividend was paid in June 2024.

No dividend has been proposed to the shareholders of the Company for the year ended 31 December 2025 and 31 December 2024.

11. RIGHT-OF-USE ASSETS

	Leasehold lands	Leased properties	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
As at 31 December 2025			
Carrying amount	<u>52,360</u>	<u>555,253</u>	<u>607,613</u>
As at 31 December 2024			
Carrying amount	<u>53,748</u>	<u>825,565</u>	<u>879,313</u>
For the year ended 31 December 2025			
Depreciation charge	1,388	374,331	375,719
Impairment recognised in profit or loss (i)	—	56,959	56,959
	<u>1,388</u>	<u>431,290</u>	<u>432,678</u>
For the year ended 31 December 2024			
Depreciation charge	1,388	473,760	475,148
Impairment recognised in profit or loss (i)	—	64,009	64,009
	<u>1,388</u>	<u>537,769</u>	<u>539,157</u>

11. RIGHT-OF-USE ASSETS – continued

	For the year ended 31	
	December	
	2025	2024
	RMB'000	RMB'000
Expense relating to short-term leases	44,899	45,426
Variable lease payments not included in the measurement of lease liabilities	42,736	78,576
Total cash outflow for leases (ii)	503,257	672,186
Additions to right-of-use assets (iii)	173,491	251,936

Notes:

- (i) After the assessment, the recoverable amount of the right-of-use asset was RMB607,613,000 (2024: RMB879,313,000) and an impairment of RMB56,959,000 (2024: RMB64,009,000) was recognised during the current year.
- (ii) Amount includes payments of principal and interest portion of lease liabilities, variable lease payments, short-term leases and payments of lease payments on or before lease commencement date. These amounts have been presented in operating, investing or financing cash flows accordingly.
- (iii) Amount includes right-of-use assets resulting from new leases entered and adjustments to fair value of rental deposits at initial recognition, lease modification, reassessment/exercise of extension options and payments for leasehold land.

The Group leases restaurants land and rented premises for its operations. Lease contracts are entered into for fixed terms of 1 month to 20 years, but may have extension and 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.

The Group regularly entered into short-term leases mainly for rented premises and catering delivery robots. As at 31 December 2025, the portfolio of short-term leases is similar to the portfolio of short-term leases to which the short-term lease expense disclosed above (2024: similar).

Leases of restaurants are either with only fixed lease payments or contain variable lease payment that are based on 1% to 15% (2024: 1% to 15%) of sales and minimum annual lease payment that are fixed over the lease term. Some variable payment terms include cap clauses. The payment terms are common in restaurants in Mainland China, Hong Kong, Taiwan and Singapore where the Group operates.

11. RIGHT-OF-USE ASSETS – continued

The amount of fixed and variable lease payments paid to relevant lessors are as follows:

For the year ended 31 December 2025

	Number of restaurants	Fixed payments <i>RMB'000</i>	Variable payments <i>RMB'000</i>	Total <i>RMB'000</i>
Restaurants without variable lease payments	256	111,763	–	111,763
Restaurants with variable lease payments	649	296,038	42,736	338,774
	<u>905</u>	<u>407,801</u>	<u>42,736</u>	<u>450,537</u>

For the year ended 31 December 2024

	Number of restaurants	Fixed payments <i>RMB'000</i>	Variable payments <i>RMB'000</i>	Total <i>RMB'000</i>
Restaurants without variable lease payments	272	147,324	–	147,324
Restaurants with variable lease payments	685	315,599	78,576	394,175
	<u>957</u>	<u>462,923</u>	<u>78,576</u>	<u>541,499</u>

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

Restrictions or covenants on leases

Lease liabilities of RMB666,937,000 are recognised with related right-of-use assets of RMB607,613,000 as at 31 December 2025 (2024: lease liabilities of RMB911,072,000 and related right-of-use assets of RMB879,313,000). The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Leases committed

As at 31 December 2025, the Group entered into new leases for several restaurants that have not yet commenced, with average non-cancellable period ranging from 5 to 8 years (2024: 2 to 5 years), excluding period under extension options. The total future undiscounted cash flows over the non-cancellable period amounted to RMB7,103,000 (2024: RMB9,706,000).

12. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Trade receivables	<u>35,952</u>	<u>29,250</u>
Prepaid operating expenses	27,115	29,324
Prepayments to suppliers	10,846	1,297
Amounts prepaid to the RSU trustee for purchase of ordinary shares	–	756
Input value-added tax recoverable	278,736	237,021
Other receivables	<u>33,323</u>	<u>47,238</u>
	385,972	344,886
Less: Allowance for credit losses	<u>(15,497)</u>	<u>(30,368)</u>
Total trade and other receivables and prepayments	<u>370,475</u>	<u>314,518</u>
Analysis as:		
Non-current		
Input value-added tax recoverable expected to be utilised beyond one year	57,192	–
Current	<u>313,283</u>	<u>314,518</u>
	<u>370,475</u>	<u>314,518</u>

Movements in the loss allowance for impairment of other receivables are as follows:

	2025	2024
	RMB'000	RMB'000
At 1 January	<u>30,368</u>	<u>32,143</u>
Impairment losses recognised	491	–
Impairment losses reversed	<u>(15,362)</u>	<u>(1,775)</u>
At 31 December	<u>15,497</u>	<u>30,368</u>

12. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS – continued

The following is an aged analysis of trade receivables (net of allowance for doubtful debts) presented based on the invoice date:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Within 30 days	31,641	22,943
31 to 90 days	3,677	5,784
91 to 180 days	634	523
	<u>35,952</u>	<u>29,250</u>

At the end of the reporting period, there is no trade receivable that has past due but not impaired.

13. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial asset mandatorily measured at FVTPL:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Financial products (<i>Note</i>)	<u>425,226</u>	<u>586,960</u>
Analysed for reporting purpose as:		
Current assets	295,146	454,194
Non-current asset (<i>Note</i>)	<u>130,080</u>	<u>132,766</u>
	<u>425,226</u>	<u>586,960</u>

Note:

As at 31 December 2025, the Group's financial assets at FVTPL are the financial products issued by banks and investment fund companies which have no predetermined or guaranteed return and are not 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).

14. TRADE PAYABLES

Trade payables are non-interest bearing and are normally granted on 60-days credit term. An aged analysis of the Group's trade payables, as at the end of each year, based on the goods received date, is as follows:

	As at 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Within 60 days	190,075	227,575
61 to 180 days	2,769	2,992
181 days to 1 year	2,196	5,283
	<u>195,040</u>	<u>235,850</u>

15. Amount due to the Controlling Shareholder

	As at 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Amount due to the Controlling Shareholder	<u>89,000</u>	<u>—</u>

On 17 April 2025, the Company entered into an agreement with Mr. Ho Kuang-Chi (the Controlling Shareholder) pursuant to which the Company agreed to acquire, and Mr. Ho Kuang-Chi agreed to sell, a 40% equity interest in Xiabuxiabu (China) Food Holdings Co., Limited, a non-wholly owned subsidiary of the Company, at a fixed cash consideration of RMB89,000,000. As at 31 December 2025, Xiabuxiabu (China) Food Holdings Co., Limited is a wholly owned subsidiary of the Company, the amount due to the controlling Shareholder of RMB89,000,000 is unsecured, interest-free and repayable on demand.

16. LEASE LIABILITIES

	As at 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Lease liabilities payable:		
Within one year	220,071	292,355
Within a period of more than one year but not exceeding two years	249,419	293,476
Within a period of more than two year but not exceeding five years	190,732	312,759
Within a period of more than five years	6,715	12,482
	666,937	911,072
Less: Amount due for settlement with 12 months shown under current liabilities	(220,071)	(292,355)
Amount due for settlement after 12 months shown under non-current liabilities	446,866	618,717

The weighted average incremental borrowing rates applied to lease liabilities range from 3.60% to 6.16% (2024: 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:

	SGD	HKD	TWD
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
As at 31 December 2025	24,353	66,055	5,877
As at 31 December 2024	15,394	87,680	–

17. SHARE CAPITAL

Issued and fully paid-up:

	As at 31 December	
	2025	2024
	USD'000	USD'000
Share capital of US\$0.000025 each	<u>27</u>	<u>27</u>
	<i>RMB'000</i>	<i>RMB'000</i>

Presented as:

Ordinary shares

<u>176</u>	<u>176</u>
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	As at 31 December	
	2025	2024
	'000	'000
Number of shares:		
Fully paid ordinary shares	<u>1,086,174</u>	<u>1,086,174</u>

Ordinary shares

	Authorised shares		Issued capital	
	Number of shares '000	Amount RMB'000	Number of shares '000	Amount RMB'000
Balance at 31 December 2023, 2024 and 2025	<u>2,000,000</u>	<u>336</u>	<u>1,086,174</u>	<u>176</u>

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 14 May 2026 to 18 May 2026 (both days inclusive), during which period no transfer of shares of the Company will be registered. In order to be entitled to attend and vote at the forthcoming annual general meeting to be held on 18 May 2026, all transfer of shares accompanied by the relevant share certificates must be lodged with the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on 13 May 2026.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company is committed to achieving high standards of corporate governance by focusing on principles of integrity, accountability, transparency, independence, responsibility and fairness. The Company has developed and implemented sound governance policies and measures, and the Board is responsible for performing such corporate governance duties. The Board will continue to review and monitor the corporate governance of the Company, as well as various internal policies and procedures, including but not limited to those applicable to employees and Directors, with reference to the Corporate Governance Code contained in Appendix C1 to the Listing Rules (the “**Corporate Governance Code**”) and other applicable legal and regulatory requirements so as to maintain a high standard of corporate governance of the Company.

During the year ended 31 December 2025, the Company applied the principles of good corporate governance and complied with the code provisions as set out in Part 2 of 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 chairman and chief executive should be separate and should not be performed by the same individual, for reasons set out below.

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.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the “Model Code for Securities Transactions by Directors of Listed Issuers” as set out in Appendix C3 to the Listing Rules (“**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 year ended 31 December 2025.

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

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

The Company and its subsidiaries did not purchase, sell or redeem any of the listed securities (including sale of treasury shares) of the Company during the year ended 31 December 2025. The Company has no treasury shares as at 31 December 2025.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

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

AUDIT COMMITTEE

The Company established the audit committee (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. The Audit Committee has reviewed together with the management and external auditor the annual results of the Group for the year ended 31 December 2025.

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 31 December 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 audited consolidated financial statements of the Group for the year as approved by the Board of Directors on 26 March 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.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This annual results announcement is published on the website of the Stock Exchange (www.hkexnews.hk) and that of the Company (www.xiabu.com). The annual report of the Company for the year ended 31 December 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, 26 March 2026

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.