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Guangzhou Xiao Noodles Catering Management Co., Ltd.
廣州遇見小麵餐飲股份有限公司

(Incorporated in the People's Republic of China with limited liability)
 (Stock Code: 2408)

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

The board (the “**Board**”) of directors (the “**Directors**”) of Guangzhou Xiao Noodles Catering Management Co., Ltd (廣州遇見小麵餐飲股份有限公司) (the “**Company**”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (together, the “**Group**”) for the year ended December 31, 2025, together with comparative figures for the year ended December 31, 2024.

KEY FINANCIAL HIGHLIGHTS

	For the year ended December 31,		
	2025	2024	Change (%)/ percentage points change
	RMB'000	RMB'000	
Revenue	1,622,358	1,154,434	40.5%
Profit for the year attributable to equity shareholders of the Company	106,124	60,700	74.8%
Total comprehensive income for the year attributable to equity Shareholders of the Company	103,717	60,813	70.6%
Non-IFRS Measures			
Adjusted net profit ⁽¹⁾	135,353	63,888	111.9%
Adjusted net profit margin ⁽²⁾	8.3%	5.5%	+2.8

Notes:

- (1) We define the adjusted net profit (a non-IFRS measure) as profit for the year by eliminating (i) our equity-settled share-based payment expenses, (ii) listing expenses, (iii) net foreign exchange loss, and (iv) tax effect of the above non-IFRS adjustments.
- (2) We define the adjusted net profit margin (a non-IFRS measure) as the adjusted net profit (a non-IFRS measure) for the year as percentages of the revenue for that year.

KEY OPERATIONAL HIGHLIGHTS

	As of/for the year ended			
	December 31,			
	2025	2024	2024	2023
Number of restaurants	503	360		
– Self-operated restaurants	411	279		
– Franchised restaurants	92	81		
Growth rate	39.7%	–		
GMV (RMB'000)⁽¹⁾				
Self-operated restaurants	1,444,481	1,028,378		
Franchised restaurants	367,302	320,044		
Total	<u>1,811,783</u>	<u>1,348,422</u>		
	Year ended December 31,			
	2025	2024	2024	2023
Same store sales growth⁽²⁾	1.0%		(4.2)%	
Same store average daily orders per restaurant⁽³⁾	432	393	418	412

Notes:

- (1) Representing the total sales value of food and beverage sold under the restaurant operations and delivery business of restaurants under our self-operated and franchise models over the period, after deducting any fees or costs such as discounts or returns.
- (2) Same store sales refer to the total GMV generated from our same stores, including those generated from dine-in and delivery orders. We define our same store base to be those restaurants that opened for at least 300 days and had the same number of seats in both 2023 and 2024 and in both 2024 and 2025.
- (3) Same store average daily orders per restaurant is calculated by dividing (i) the total number of orders, including orders placed by both dine-in customers and customers of our delivery services of these same store restaurants, by (ii) the sum of restaurant operation days of each same store restaurant for the period.

BUSINESS REVIEW AND OUTLOOK

Overview

We are a leading and rapidly growing Chinese noodle restaurants operator in China, operating the *Xiao Noodles* brand domestically and overseas.

As of December 31, 2025, the Group had 395 self-operated restaurants and 92 franchised restaurants in 24 cities in the Chinese Mainland, 15 restaurants in Hong Kong SAR and one restaurant in Singapore.

The Group recorded revenue of RMB1,622.4 million for the year ended December 31, 2025, representing an increase of 40.5% compared with revenue of RMB1,154.4 million for the year ended December 31, 2024.

Leveraging robust revenue growth, the Company has also enhanced operational efficiency, thereby improving profitability. The Group (i) recorded a net profit of RMB106.1 million for the year ended December 31, 2025, representing an increase of approximately 74.8% compared to the net profit of RMB60.7 million for the year ended December 31, 2024; and (ii) recorded an adjusted net profit (a non-IFRS measure) of RMB135.4 million for the year ended December 31, 2025, representing an increase of approximately 111.9% compared to the adjusted net profit (a non-IFRS measure) of RMB63.9 million for the year ended December 31, 2024. The improvement in profitability is primarily attributable to: (i) the expansion of our self-operated and franchised restaurant network, with the total number of restaurants increasing from 360 as of December 31, 2024 to 503 as of December 31, 2025; (ii) the gradual expansion of restaurants from their current locations in city centers to surrounding areas, which reduced rental costs and achieved higher profit margins; (iii) the growing contribution from restaurants in Hong Kong SAR which had higher operating profit margins; and (iv) the further dilution of our headquarters costs.

Shareholder Returns

The Board is committed to enhancing returns for Shareholders. We fully recognize that steady earnings growth and reasonable Shareholder returns are the cornerstones of sustainable corporate development. Looking ahead, we will continue to optimize our capital structure, striking a balance between reinvestment needs and Shareholder interests.

Dividends: On October 27, 2025, the Company passed a Board resolution and Shareholders resolution, declaring a dividend of RMB34,365,000 based on the Company's retained profits as of June 30, 2025 to our existing Shareholders whose names appeared in the register of members of the Company on October 27, 2025. The Board of Directors has recommended a final dividend on ordinary shares for 2025 of RMB0.03 per H Share, subject to approval by the Shareholders' meeting of the Company. Any unexercised or unvested shares held under our share-based incentive schemes do not entitle the holders to dividends.

Share Repurchase: To enhance shareholder returns, the Company intends to, subject to suitable market conditions, exercise the H Share repurchase mandate granted at the 2026 first extraordinary general meeting of the Company held on January 26, 2026 by the Shareholders and repurchase the Company's issued H Shares in the open market for an aggregate purchase price of up to HK\$100 million. For details, please refer to the Company's announcement dated January 30, 2026. As of February 28, 2026, the Company had utilized HKD17.3 million in its own funds to repurchase its H Shares on the market.

2025 Business and Financial Performance Review

Restaurant network

The table below sets forth movement in the number of our restaurants for the periods indicated:

	For the year ended December 31,	
	2025	2024
At the beginning of the year	360	252
Newly opened during the year	156	120
Closed during the year	(13)	(12)
At the end of the year	503	360

In 2025, the Group opened 156 new restaurants, which comprises 134 self-operated restaurants and 22 franchised restaurants. Among restaurants of the Group, 13 restaurants were closed in 2025 primarily due to (i) the actual customer traffic of the restaurants not meeting our expectations as a result of the decline in the popularity and consumer traffic of the commercial areas surrounding the restaurants; (ii) the increase in rent of the leased properties; or (iii) change of the business plan on the part of the landlords such as closure of shopping malls where we opened our restaurants leading to the termination of the leases.

The table below sets forth a breakdown of restaurants of the Group by business model as of the dates indicated:

	As of December 31,	
	2025	2024
Number of restaurants		
Self-operated restaurants	411	279
– <i>First-tier and new first-tier cities</i>	356	253
– <i>Second-tier cities and below</i>	39	23
– <i>Hong Kong SAR</i>	15	3
– <i>Singapore</i>	1	–
Franchised restaurants	92	81
– <i>First-tier and new first-tier cities</i>	40	35
– <i>Second-tier cities and below</i>	52	46
Total	503	360

Restaurant performance

The table below sets forth the key performance indicators of self-operated restaurants of the Group by brand for the years indicated:

	For the year ended	
	December 31,	
	2025	2024
Number of restaurants	503	360
– Self-operated restaurants	411	279
– Franchised restaurants	92	81
Growth	39.7%	–
GMV (RMB '000)⁽¹⁾		
Self-operated restaurants	1,444,481	1,028,378
Franchised restaurants	367,302	320,044
Total	1,811,783	1,348,422
Average spending per order (RMB)⁽²⁾		
Self-operated restaurants	29.9	32.1
Franchised restaurants	28.8	31.8
Average daily orders per restaurant⁽³⁾		
Self-operated restaurants	406	386
Franchised restaurants	412	390

Notes:

- (1) Representing the total sales value of food and beverage sold under the restaurant operations and delivery business of restaurants under our self-operated and franchise models over the period, after deducting any fees or costs such as discounts or returns.
- (2) Calculated by dividing (i) the total GMV generated from restaurant operations and delivery business of restaurants under our self-operated and franchise models by (ii) the total number of orders, including orders placed by both dine-in customers and customers of our delivery services, for the period.
- (3) Calculated by dividing (i) the total number of orders, including orders placed by both dine-in customers and customers of our delivery services, by (ii) the total operation days of such restaurants for the period. The number of the total operation days is the sum of the operation days of all Xiao Noodles restaurants.

The average spending per order at our self-operated and franchised restaurants decreased from RMB32.1 and RMB31.8 in 2024 to RMB29.9 and RMB28.8 in 2025, respectively, primarily because we took the initiative to reduce the prices of our menu items and provide customers with a more affordable dining experience in order to attract customers and increase our overall sales.

The average daily orders per restaurant at our self-operated and franchised restaurants increased from 386 and 390 in 2024 to 406 and 412 in 2025.

Same store sales

The table below sets forth details of the Group's same store sales for the years indicated:

	For the year ended December 31,			
	2025	2024	2024	2023
Number of same store⁽¹⁾				
Self-operated restaurants	164		106	
Franchised restaurants	45		39	
Same store sales⁽²⁾ (RMB'000)				
Self-operated restaurants	745,612	738,567	517,386	541,049
Franchised restaurants	212,109	209,705	191,651	199,330
Same store sales growth (%)				
Self-operated restaurants	1.0		(4.4)	
Franchised restaurants	1.1		(3.9)	
Same store average daily orders per restaurant⁽³⁾				
Self-operated restaurants	427	391	415	411
Franchised restaurants	447	400	427	413
Same store average spending per order⁽⁴⁾ (RMB)				
Self-operated restaurants	29.4	32.0	32.6	34.2
Franchised restaurants	29.1	32.2	31.8	34.0

Notes:

- (1) The Group defines its same store base to be those restaurants that opened for at least 300 days and had the same number of seats in both 2023 and 2024 and in both 2024 and 2025.
- (2) Same store sales for the year refer to the total GMV generated from our same stores, including those generated from dine-in and delivery orders.
- (3) Same store average daily orders per restaurant is calculated by dividing (i) the total number of orders, including orders placed by both dine-in customers and customers of our delivery services of these same store restaurants, by (ii) the sum of restaurant operation days of each same store restaurant for the year.
- (4) Same store average spending per order is calculated by dividing (i) the total GMV generated from restaurant operations and delivery business of same store restaurants by (ii) the total number of orders from our same stores, including orders placed by both dine-in customers and customers of our delivery services for the year.

OUTLOOK

We expect to open 150 to 180 restaurants in 2026. As of February 28, 2026, we had opened 20 new restaurants since December 31, 2025, with an additional 76 restaurants in pre-opening preparation. We remain on track to meet our annual opening targets for the year ending December 31, 2026.

MANAGEMENT DISCUSSION AND ANALYSIS

Revenue

Revenue increased by 40.5% from RMB1,154.4 million in 2024 to RMB1,622.4 million in 2025.

Revenue by business line

The Group primarily generated revenue from self-operated restaurant operations and franchised management. The following table sets forth a breakdown of the Group's revenue by segment for the years indicated:

	For the year ended December 31,			
	2025		2024	
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
Self-operated restaurant operations				
– Dine-in service	1,073,000	66.1	820,301	71.1
– Delivery business	377,209	23.3	180,709	15.6
Sub-total	1,450,209	89.4	1,001,010	86.7
Franchise management				
– Royalty and franchising income and provision of service	32,265	1.9	27,042	2.3
– Sales of food ingredients and restaurant supplies	139,057	8.6	125,488	10.9
Sub-total	171,322	10.5	152,530	13.2
Others⁽¹⁾	827	0.1	894	0.1
Total	1,622,358	100.0	1,154,434	100.0

Note:

(1) Revenue from others mainly included sales of retail products on e-commerce platforms.

Revenue from self-operated restaurant operations increased by 44.9% from RMB1,001.0 million in 2024 to RMB1,450.2 million in 2025, primarily due to the increase in the number of self-operated restaurants. Revenue from self-operated restaurant operations as a percentage of total revenue increased from 86.7% in 2024 to 89.4% in 2025. In addition, revenue from our delivery business grew rapidly from 15.6% to 23.3% of our total revenue in the years ended December 31, 2024 and 2025, respectively.

Revenue from franchise management increased by 12.3% from RMB152.5 million in 2024 to RMB171.3 million in 2025, primarily due to the increase in the number of franchised restaurants. Revenue from franchise management as a percentage of total revenue decreased from 13.2% in 2024 to 10.5% in 2025.

Revenue from others remained relatively stable, decreasing slightly from RMB0.9 million in 2024 to RMB0.8 million in 2025. Revenue from others as a percentage of total revenue remained stable at 0.1% in both 2024 and 2025.

Raw Materials and Consumables Used

Raw materials and consumables used increased by 32.8% from RMB395.7 million in 2024 to RMB525.7 million in 2025, primarily due to the growth in consumption of food ingredients and packaging materials, in line with the expansion of our restaurant network. Raw materials and consumables used as a percentage of revenue decreased from 34.3% in 2024 to 32.4% in 2025, primarily due to our continuous effort in managing our procurement costs as we had benefited from economies of scale following the expansion of our restaurant network.

Staff Costs

Staff costs increased by 34.3% from RMB265.1 million in 2024 to RMB356.0 million in 2025, primarily due to (i) an increase in salaries, wages, and other benefits as well as outsourced staff costs resulting from the increase in restaurant staff driven by the expansion of our self-operated restaurant network; and (ii) an increase in headquarters headcount in line with the expansion of our restaurant network. Staff costs as a percentage of revenue decreased from 23.0% in 2024 to 21.9% in 2025, primarily due to the decrease in headquarters staff costs as a percentage of revenue as we expanded our restaurant network.

Rental Expenses

Our rental expenses include depreciation of right-of-use assets and other rentals and related expenses. The Group's depreciation of right-of-use assets represents the depreciation of capitalized lease incurred by long-term leased properties in accordance with IFRS 16.

For the year ended December 31, 2025, our rental expenses amounted to RMB275.1 million, representing an increase of RMB64.6 million or 30.7% as compared with RMB210.5 million for the year ended December 31, 2024. The increase was primarily due to the expansion of our restaurant network from a total of 279 self-operated restaurants as of December 31, 2024 to a total of 411 self-operated restaurants as of December 31, 2025. Our rental expenses as a percentage of revenue decreased from 18.2% in 2024 to 17.0% in 2025, primarily due to the expansion of our restaurants from locations in the city center into surrounding areas, where rental costs are lower.

Depreciation and Amortization of Property, Plant and Equipment and Intangible Assets

Depreciation and amortization of property, plant and equipment and intangible assets increased by 51.3% from RMB37.6 million in 2024 to RMB56.9 million in 2025, primarily due to the expansion of our restaurant network from a total of 279 self-operated restaurants as of December 31, 2024 to a total of 411 self-operated restaurants as of December 31, 2025. Depreciation and amortization of property, plant and equipment and intangible assets as a percentage of revenue remained relatively stable at 3.3% in 2024 and 3.5% in 2025.

Utility Expenses

Utility expenses increased by 47.9% from RMB44.5 million in 2024 to RMB65.9 million in 2025 primarily due to the expansion of our restaurant network from a total of 279 self-operated restaurants as of December 31, 2024 to a total of 411 self-operated restaurants as of December 31, 2025. Utility expenses as a percentage of revenue slightly increased from 3.9% in 2024 to 4.1% in 2025.

Listing Expenses

We incurred listing expenses of RMB28.0 million in 2025 and RMB1.1 million in 2024, accounting for 1.7% and 0.1% of our total revenue for the respective periods.

Advertising and Promotion Expenses

Advertising and promotion expenses increased by 43.8% from RMB13.3 million in 2024 to RMB19.2 million in 2025, primarily due to the expansion of our restaurant network from a total of 360 restaurants as of December 31, 2024 to a total of 503 restaurants as of December 31, 2025. Advertising and promotion expenses as a percentage of revenue remained the same as 1.2% in both 2024 and 2025.

Travelling and Related Expenses

Travelling and related expenses decreased by 5.7% from RMB5.7 million in 2024 to RMB5.3 million in 2025, primarily due to improvements in restaurant standardization and digitalization, which reduced travel demand for employees. Travelling and related expenses as a percentage of revenue decreased from 0.5% in 2024 to 0.3% in 2025.

Other Expenses

Other expenses increased by 53.4% from RMB88.7 million in 2024 to RMB136.1 million in 2025, primarily due to the increase in delivery platform fees driven by the growth of our delivery business.

Other Income

Other income increased by 66.4% from RMB9.0 million in 2024 to RMB14.9 million in 2025, primarily due to an increase of RMB5.0 million in government grants received in 2025.

Other net (losses)/gains

Other net (losses)/gains decreased by 307.5% from a gain of RMB3.1 million in 2024 to a loss of RMB6.5 million in 2025, primarily due to (i) an increase of RMB3.8 million in foreign exchange losses; (ii) an increase of RMB2.5 million in losses on restaurant closures; (iii) a decrease in gains arising from early lease terminations of RMB2.1 million; and (iv) an increase in charitable donation expenses of RMB0.8 million.

Finance Costs

Finance costs increased by 11.0% from RMB27.8 million in 2024 to RMB30.8 million in 2025 primarily due to higher interest expenses on lease liabilities, driven by the growth in the number of leases as a result of the expansion of our self-operated restaurant network.

Impairment Losses of Property, Plant and Equipment

Impairment losses of property, plant and equipment increased by 73.0% from RMB1.6 million in 2024 to RMB2.7 million in 2025, primarily due to impairment of assets associated with underperforming restaurants, mainly comprising leasehold improvements and restaurant equipment.

Income Tax

Income tax increased by 61.7% from RMB14.2 million in 2024 to RMB22.9 million in 2025, primarily due to the increase in our taxable income.

Profit for the Year

As a result of the foregoing, profit for the year increased by 74.8% from RMB60.7 million in 2024 to RMB106.1 million in 2025.

Non-IFRS Measures

To supplement our consolidated financial statements which are presented in accordance with IFRS, we also use the adjusted net profit (a non-IFRS measure) and adjusted net profit margin (a non-IFRS measure) as additional financial measures, which are not required by, or presented in accordance with, IFRS. We believe that such non-IFRS measure facilitates comparisons of operating performance from period to period by eliminating potential impacts of certain items. We believe that such measure provides useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as it helps our management. However, our presentation of the adjusted net profit (a non-IFRS measure) and adjusted net profit margin (a non-IFRS measure) may not be comparable to similarly titled measures presented by other companies. The use of such non-IFRS measure has limitations as an analytical tool, and you should not consider it in isolation form, or as substitute for analysis of, our results of operations or financial condition as reported under IFRS.

We define the adjusted net profit (a non-IFRS measure) as profit for the year by eliminating (i) our equity-settled share-based payment expenses, (ii) listing expenses, (iii) net foreign exchange loss, and (iv) tax effect of the above non-IFRS adjustments. Our management considers that (1) equity-settled share-based payment expenses are non-cash in nature and do not result in cash outflow; (2) listing expenses are expenses relating to the global offering and (3) net foreign exchange loss represents exchange differences arising on monetary items denominated in foreign currencies due to changes in the spot exchange rate at the reporting date compared to the spot exchange rate at the date of initial recognition or the prior reporting date. We define the adjusted net profit margin (a non-IFRS measure) as the adjusted net profit (a non-IFRS measure) for the year/period as percentages of the revenue for that year/period.

The following table reconciles our adjusted net profit (a non-IFRS measure) presented in accordance with IFRS, namely profit for the year:

	For the year ended	
	December 31,	
	2025	2024
	RMB'000	RMB'000
Profit for the year	106,124	60,700
Equity-settled share-based payment expenses	7,137	3,139
Listing expenses	27,996	1,112
Net foreign exchange losses	3,839	–
Tax effect of non-IFRS adjustments	(9,743)	(1,063)
	<u>135,353</u>	<u>63,888</u>
Adjusted net profit (a non-IFRS measure)	135,353	63,888
	<u>8.3</u>	<u>5.5</u>
Adjusted net profit margin (%) (a non-IFRS measure)	8.3	5.5

Inventories

Inventories of the Group mainly represented its food ingredients and other materials used in its restaurant operations. The following table set forth a breakdown of inventories as of the dates indicated:

	As of December 31,	
	2025	2024
	RMB'000	RMB'000
Food ingredients	33,176	22,037
Other materials	930	629
Total	34,106	22,666

Inventories increased by 50.5% from RMB22.7 million as of December 31, 2024 to RMB34.1 million as of December 31, 2025 primarily due to the increase in the number of our restaurants.

The Group's inventory turnover days in 2024 and 2025, being the average of the beginning and ending inventories for that year divided by raw materials and consumables used for the same year and multiplied by 365 days, was 23 and 20 days in 2024 and 2025, respectively. The decrease in inventory turnover days was primarily due to improved efficiency in our inventory management.

Trade and other receivables

Our trade and other receivables primarily consist of (i) input value-added tax recoverable, (ii) deposits, mainly comprising rental deposits and other deposits in relation to our ordinary business operations, (iii) trade debtors, mainly including amounts due from third-party payment service providers and delivery platforms, which are generally settled within one month, and amounts due from franchisees representing franchise and royalty fees receivable from franchisees as well as receivables derived from sales of food ingredients and restaurant supplies to them, (iv) prepayments to vendors, mainly representing prepaid rent and service fees, (v) lease payment receivables relating to subleasing, (vi) other receivables, mainly comprising petty cash of our restaurants, and (vii) the current portion of long-term receivables which represents the amount due from several franchisees at longer payment terms for their upfront expenses for opening franchised restaurants to us as part of our strategy to nurture franchisees with potential, with repayment periods ranging from one to five years. Such extended repayment terms were typically granted to franchisees in recognition of their exceptional performance in our unified performance evaluation system.

Our trade and other receivables increased by 43.2% from RMB80.5 million as of December 31, 2024 to RMB115.2 million as of December 31, 2025, primarily due to an increase in input value-added tax, deposits and trade receivables of RMB17.0 million, RMB8.5 million and RMB5.6 million, respectively, in line with the growth in our revenue. In 2024 and 2025, the Group's trade debtor turnover days, being the average of the opening and closing balances of trade debtors for that year divided by revenue for the same year and multiplied by 365 days, remained relatively stable at six days and five days, respectively, primarily due to stable settlement arrangements with third-party payment service providers and food delivery platforms.

Financial assets measured at FVPL

Our financial assets measured at FVPL consisted of investments in wealth management products, all of which were liquid structured deposits issued by reputable commercial banks in China with guaranteed principal and variable returns tied to the performance of certain underlying financial assets. There are no fixed or determinable returns of these structured deposits. Our financial assets measured at FVPL decreased from RMB70.3 million as of December 31, 2024 to nil as of December 31, 2025, primarily due to the redemption of all wealth management products upon their maturity.

Restricted bank deposits

Our restricted bank deposits mainly consist of restricted bank deposits reserved for balances in our stored value membership accounts in accordance with relevant regulations issued by Ministry of Commerce of PRC. Our restricted bank deposits increased from RMB31.3 million as of December 31, 2024 to RMB56.2 million as of December 31, 2025, primarily due to the increase in the balances in stored value membership accounts, which was generally in line with the increase in the number of our stored value members alongside the expansion of our restaurant network.

Cash and cash equivalents

Our cash and cash equivalents comprise cash at bank and on hand. Our cash and cash equivalents increased from RMB42.2 million as of December 31, 2024 to RMB676.5 million as of December 31, 2025, primarily due to proceeds from the Global Offering.

Trade and Other Payables

Our trade and other payables consist of (i) trade payables, mainly arising from procurement of raw materials and consumables for our restaurant operations from suppliers, (ii) staff cost payable, (iii) other payables including amounts received from third-party platforms such as Meituan to be settled with franchisees, (iv) payables for purchase of property, plant and equipment, (v) deposits received from franchisees and suppliers and (vi) other taxes payables.

Our trade and other payables increased by 45.7% from RMB110.4 million as of December 31, 2024 to RMB160.8 million as of December 31, 2025, primarily due to increased procurement of raw materials resulting from the expansion of our restaurant network. The Group's trade payable turnover days, being the average of the opening and closing balances of trade payables for that year divided by raw materials and consumables used for the same year and multiplied by 365 days, remained stable at 45 days in both 2024 and 2025.

Capital Structure

The Group's total assets increased from RMB1,161.1 million as of December 31, 2024 to RMB2,083.1 million as of December 31, 2025. The Group's total liabilities increased from RMB1,043.4 million as of December 31, 2024 to RMB1,261.3 million as of December 31, 2025. Liabilities-to-assets ratio decreased from 89.9% as of December 31, 2024 to 60.5% as of December 31, 2025.

The current ratio, being current assets divided by current liabilities as of the respective date, increased from 0.51 as of December 31, 2024 to 1.56 as of December 31, 2025.

Liquidity, Capital Resources and Gearing

The Group adopts a prudent funding and treasury policy with a view to optimize its financial position. The Group regularly monitors its funding requirements to support its business operations and perform ongoing liquidity review. For the year ended December 31, 2025, the Group financed its operations primarily through cash generated from operations, proceeds from the global offering (the "**Global Offering**") of the Company's shares (the "**Shares**") in connection with the listing (the "**Listing**") of the Shares on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on December 5, 2025. The Group mainly used Renminbi and Hong Kong dollars to make borrowings and loans and to hold cash and cash equivalents. The Group mainly utilized its cash on procurement of food ingredients, consumables and equipment, staff costs, restaurant renovations and other business activities. Cash and cash equivalents of the Group increased by 1,503.6% from RMB42.2 million as of December 31, 2024 to RMB676.5 million as of December 31, 2025, primarily attributable to proceeds from the Global Offering.

The Group's gearing ratio, being short-term borrowings/interest-bearing bank loans divided by total equity as of the respective dates and multiplied by 100%, decreased from 42.5% as of December 31, 2024 to nil as of December 31, 2025, primarily due to the repayment of all bank loans.

Capital Expenditures

The Group's capital expenditures, which referred to (i) payment for purchases of items of property, plant and equipment, and right-of-use assets, primarily used to open new restaurants, procure equipment for new restaurants and renovate existing restaurants, and (ii) payment for purchases of intangible assets, which mainly comprise computer software licenses to support our day-to-day operation and management. The total capital expenditures of the Group increased by 26.1% from RMB99.9 million for the year ended December 31, 2024 to RMB126.0 million for the year ended December 31, 2025.

Indebtedness

Bank Loans

The analysis of the repayment schedule of bank loans is as follows:

	As of December 31,	
	2025	2024
	RMB'000	RMB'000
Within one year or on demand		
– guaranteed	–	50,000
	<hr/>	<hr/>
Total	–	50,000
	<hr/> <hr/>	<hr/> <hr/>

As of December 31, 2025, bank loans of nil were with floating-interest rates (as of December 31, 2024: nil), and bank loans of nil were with fixed-interest rate (as of December 31, 2024: RMB50.0 million).

Lease Liabilities

The Group's lease liabilities increased by 28.2% from RMB734.6 million as of December 31, 2024 to RMB942.1 million as of December 31, 2025, primarily due to the expansion of our restaurant network from a total of 279 self-operated restaurants as of December 31, 2024 to a total of 411 self-operated restaurants as of December 31, 2025.

Contingent Liabilities

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

Charge of Assets

As of December 31, 2025, the Group did not have any charge on its assets.

Significant Events After the Reporting Period

There are no material events subsequent to December 31, 2025 which could have a material impact on the Group's operating and financial performance as of the date of this announcement.

Foreign Exchange Risk and Hedging

The Group mainly operates in the PRC with most of the transactions denominated and settled in Renminbi. However, the Group has cash and deposits denominated in other currencies which are exposed to foreign currency exchange risks. As of December 31, 2025, the Group has not hedged its foreign currency exchange risks, but will closely monitor the exposure and take additional measures when necessary to make sure the foreign exchange risks are manageable.

Significant Investments and Future Plans for Material Investments or Capital Assets

As of December 31, 2025, we did not hold any significant investment. In addition, save for the expansion plans as disclosed in the sections headed "Business" and "Future Plans and Use of Proceeds" in the Prospectus dated November 27, 2025, the Group has no specific plan for any material investments or acquisitions of capital assets. However, the Group will continue to identify new opportunities for business development.

Material Acquisitions and Disposals

During the year ended December 31, 2025, the Group did not conduct any material acquisitions or disposals of subsidiaries, associates and joint ventures.

Final Dividend

The Board recommends the payment of a final dividend of RMB0.03 per ordinary share for the year ended December 31, 2025 (the "**Proposed Final Dividend**") (for the year ended December 31, 2024: a final dividend of RMB0.02 per ordinary share). The Proposed Final Dividend shall be declared in RMB and paid in Hong Kong dollars. The final dividend payable in Hong Kong dollars will be converted from RMB at the average middle rate of RMB to Hong Kong dollars as announced by the People's Bank of China on the date of approval of declaration of dividends by the AGM. Subject to the approval of Shareholders at the annual general meeting to be held on Thursday, June 25, 2026 (the "**AGM**"), the Proposed Final Dividend will be paid to the Shareholders whose names appear on the register of members of the Company on Friday, July 3, 2026. The Proposed Final Dividend is expected to be distributed to the Shareholders before Wednesday, July 29, 2026.

Dividend Tax

According to the Law on Enterprise Income Tax of the People's Republic of China 《(中華人民共和國企業所得稅法)》 which came into effect on January 1, 2008 and amended on February 24, 2017 and December 29, 2018, respectively, and its implementing rules, the Notice on the Issues Concerning Withholding and Paying Enterprise Income Tax on the Dividends Paid by PRC Resident Enterprises to H Shareholders which are Overseas Non-resident Enterprises (Guo Shui Han [2008] No. 897) 《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》(國稅函[2008]897號)), which was promulgated by the State Administration of Taxation and came into effect on November 6, 2008, etc., where a PRC domestic enterprise distributes dividends for 2008 and subsequent years for financial periods beginning from January 1, 2008 to non-resident enterprise shareholders, it is required to withhold and pay 10% enterprise income tax for such non-resident enterprise shareholders. Therefore, as a PRC domestic enterprise, the Company will, after withholding 10% of the annual dividend as enterprise income tax, distribute the annual dividend to non-resident enterprise Shareholders whose names appear on the Register of Members of H Shares, i.e. any Shareholders who hold H Shares in the name of nonindividual Shareholders, including but not limited to HKSCC Nominees Limited, other nominees, trustees, or holders of H Shares registered in the name of other organizations and groups. After receiving dividends, the non-resident enterprises Shareholders may apply to the competent tax authorities for enjoying treatment of tax treaties (arrangement) in person or by proxy or by the Company, and provide information to prove that it is an actual beneficiary under the requirements of such tax treaties (arrangement). After having verified that there is no error, the competent tax authorities shall refund the tax difference between the amount of tax levied and the amount of tax payable calculated at the tax rate under the requirements of the relevant tax treaties (arrangement).

Pursuant to the Notice on the Issues Regarding Levy of Individual Income Tax after the Abolishment of Guo Shui Fa [1993] No. 045 Document (Guo Shui Han [2011] No. 348) 《關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》(國稅函[2011]348號)), the Company shall withhold and pay individual income tax for individual holders of H Shares. If the individual holders of H Shares are Hong Kong or Macau residents or residents of other countries or regions that have a tax rate of 10% under the tax treaties with the PRC, the Company will withhold and pay individual income tax at the rate of 10% on behalf of such Shareholders. If the individual holders of H Shares are residents of countries or regions that have a tax rate lower than 10% under the tax treaties with the PRC, the Company will withhold and pay individual income tax at the rate of 10% on behalf of such Shareholders.

If such Shareholders wish to claim refund of the amount in excess of the individual income tax payable under the relevant tax treaties, the Company may apply, on behalf of such Shareholders and according to the relevant tax treaties, for the relevant agreed preferential tax treatment, provided that the relevant Shareholders submit the relevant documents and information in a timely manner required by the Administrative Measures on Enjoying Treatment under Tax Treaties by Nonresident Taxpayers (State Administration of Taxation Announcement 2015, No. 60) 《非居民納稅人享受稅收協議待遇管理辦法》(國家稅務總局公告2015年第60號)) and the provisions of the relevant tax treaties. The Company will assist with the tax refund subject to the approval of the competent tax authorities.

If the individual holders of H Shares are residents of countries or regions that have a tax rate higher than 10% but lower than 20% under the tax treaties with the PRC, the Company will withhold and pay individual income tax at the applicable tax rates stated in such tax treaties on behalf of such Shareholders.

If the individual holders of H Shares are residents of countries or regions that have a tax rate of 20% under the tax treaties with the PRC, or that have not entered into any tax treaties with the PRC, or otherwise, the Company will withhold and pay individual income tax at the rate of 20% on behalf of such Shareholders. Shareholders are recommended to consult their tax advisors regarding the ownership and disposal of H Shares in the PRC and in Hong Kong and other tax effects.

Annual General Meeting

The AGM will be held on Thursday, June 25, 2026. A notice convening the AGM will be published and despatched to the Shareholders in the manner required by the Listing Rules in due course.

Closure of Register of Members

(a) Entitlement to Attend and Vote at the AGM

In order to determine the entitlement of the Shareholders to attend and vote at the AGM, the Company's register of members will be closed from Monday, June 22, 2026 to Thursday, June 25, 2026, both dates inclusive, during which period no transfer of share will be registered. The Shareholders whose names appear on the register of members of the Company on June 25, 2026 will be entitled to attend and vote at the AGM. In order to be eligible to attend and vote at the AGM, unregistered holders of shares of the Company shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company's H Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Thursday, June 18, 2026.

(b) Entitlement to the Proposed Final Dividend

In order to determine the entitlement of the Shareholders to receive the Proposed Final Dividend, the Company's register of members will be closed from Wednesday, July 1, 2026 to Friday, July 3, 2026, both dates inclusive, during which period no transfer of share will be registered. In order to be eligible to receive the Proposed Final Dividend, unregistered holders of shares of the Company shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company's H Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Tuesday, June 30, 2026.

Company Information

The Company was incorporated in the People's Republic of China on February 14, 2014 as an limited liability company, converted into a joint stock limited liability company on September 7, 2023, and the H Shares were listed on the Main Board of the Stock Exchange on December 5, 2025.

Employees

As of December 31, 2025, the Group had a total of 2,063 employees and 4,370 outsourced staff. For the year ended December 31, 2025, staff costs (including Directors' emoluments) of the Group amounted to RMB356.0 million (for the year ended December 31, 2024: RMB265.1 million).

Our success depends on our ability to attract, motivate and retain a sufficient number of qualified staff, in particular, restaurant managers. We offer our staff competitive compensation packages. Compensation for our staff includes base salary, bonuses and other benefits, such as employee meals.

We conduct comprehensive online and offline training programs for all employees. Upon onboarding, we provide comprehensive pre-employment training for new employees, emphasizing our values and professional standards. During daily operations we have set up a primarily online training system based upon our digital infrastructure. Through the integration of personnel development platform, knowledge base, E-learning platform, and the restaurant performance evaluation mechanism, we are able to provide a standardized training program that efficiently cultivates talents across our restaurants. By promoting standardization across our operations, we ensure a seamless and enjoyable experience for our customers.

Use of Proceeds

Use of Proceeds from the Global Offering

The Company was listed on the Stock Exchange on December 5, 2025. The net proceeds from the Global Offering amounted to approximately HKD617.0 million⁽¹⁾.

		Intended use of proceeds from the Global Offering (In HK\$ millions)	Actual usage for the year ended December 31, 2025 (In HK\$ millions)	Total utilized net proceeds as at December 31, 2025 (In HK\$ millions)	Total unutilized net proceeds as at December 31, 2025 (In HK\$ millions)	Expected timeline for utilizing the remaining net proceeds
Intended use of proceeds	Percentage of intended use of proceeds (%)					
Expanding our restaurant network, broadening our geographical coverage and deepening our market penetration	60.0	370.2	–	–	370.2	By the end of 2028
Advancing our information technology capabilities through upgrading the technology and digital systems across our restaurant network	10.0	61.7	–	–	61.7	By the end of 2028
– further adopting AI technologies, IoT systems and big data analytics in the iteration of our existing technology infrastructure to support our growing operation scale	6.0	37.0	–	–	37.0	By the end of 2028

Intended use of proceeds	Percentage of intended use of proceeds (%)	Intended use of proceeds from the Global Offering (In HK\$ millions)	Actual usage for the year ended December 31, 2025 (In HK\$ millions)	Total utilized net proceeds as at December 31, 2025 (In HK\$ millions)	Total unutilized net proceeds as at December 31, 2025 (In HK\$ millions)	Expected timeline for utilizing the remaining net proceeds
– upgrading our technology infrastructure to further digitalize and automate our operations and reduce our costs of labour	2.0	12.3	–	–	12.3	By the end of 2028
– optimizing and consolidating our existing technology infrastructure into a one-stop system	2.0	12.3	–	–	12.3	By the end of 2028
Brand building and further strengthening customer loyalty	10.0	61.7	–	–	61.7	By the end of 2028
– enhancing our brand through comprehensive upgrade of our restaurant image	4.0	24.7	–	–	24.7	By the end of 2028
– collaborating with local lifestyle platforms and food influencers	1.5	9.3	–	–	9.3	By the end of 2028
– forming cross-industry partnerships with well-known brands in various sectors	1.5	9.3	–	–	9.3	By the end of 2028
– further enriching our brand through crafting compelling brand stories and developing merchandise	1.5	9.3	–	–	9.3	By the end of 2028
– further expanding our membership base	1.5	9.3	–	–	9.3	By the end of 2028
Strategic investment in potential companies in the upstream food processing industry	10.0	61.7	–	–	61.7	By the end of 2028
General corporate purposes and working capital	10.0	61.7	–	–	61.7	By the end of 2028
Total	100.0	617.0	–	–	617.0	–

Note:

- (1) The figures in the table have been subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.

ROUNDING

Certain amounts and percentage figures included in this announcement have been subject to rounding adjustments. Any discrepancies in any table between totals and sums of amounts listed therein are due to rounding.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2025

(Expressed in Renminbi)

	<i>Note</i>	2025 RMB'000	2024 <i>RMB'000</i>
Revenue	2	1,622,358	1,154,434
Raw materials and consumables used		(525,684)	(395,701)
Staff costs	4(b)	(355,964)	(265,062)
Depreciation of right-of-use assets	4(e)	(242,809)	(188,845)
Depreciation and amortisation of property, plant and equipment and intangible assets	4(e)	(56,945)	(37,649)
Utility expenses		(65,859)	(44,543)
Other rentals and related expenses		(32,255)	(21,632)
Listing expenses	4(d)	(27,996)	(1,112)
Advertising and promotion expenses		(19,184)	(13,339)
Travelling and related expenses		(5,348)	(5,672)
Other expenses	4(d)	(136,136)	(88,721)
Other income	3	14,919	8,967
Other net (losses)/gains	4(c)	(6,467)	3,116
Finance costs	4(a)	(30,833)	(27,771)
Impairment losses of property, plant and equipment		(2,749)	(1,589)
Profit before taxation	4	<u>129,048</u>	<u>74,881</u>
Income tax	5	<u>(22,924)</u>	<u>(14,181)</u>
Profit for the year attributable to equity shareholders of the Company		<u><u>106,124</u></u>	<u><u>60,700</u></u>
Other comprehensive income for the year			
Exchange differences on translation of financial statements of subsidiaries		<u>(2,407)</u>	<u>113</u>
Total comprehensive income for the year attributable to equity shareholders of the Company		<u><u>103,717</u></u>	<u><u>60,813</u></u>
Earnings per share	6		
Basic (RMB cents)		<u>17.41</u>	<u>10.11</u>
Diluted (RMB cents)		<u>17.22</u>	<u>9.96</u>

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Expressed in Renminbi)

		31 December 2025	31 December 2024
	<i>Note</i>	<i>RMB'000</i>	<i>RMB'000</i>
Non-current assets			
Property, plant and equipment		217,068	148,045
Right-of-use assets		880,392	683,200
Intangible assets		3,763	4,152
Financial assets measured at fair value through other comprehensive income (“FVOCI”)		50	50
Deferred tax assets		31,308	27,168
Rental deposits		65,205	47,728
Lease payment receivables		458	1,206
Other non-current assets		2,043	1,948
		<hr/> 1,200,287	<hr/> 913,497
Current assets			
Inventories	7	34,106	22,666
Trade and other receivables	8	115,236	80,468
Income tax recoverable		699	727
Financial assets measured at fair value through profit or loss (“FVPL”)		–	70,261
Restricted bank deposits		56,210	31,324
Cash and cash equivalents		676,542	42,190
		<hr/> 882,793	<hr/> 247,636

		31 December 2025	31 December 2024
	<i>Note</i>	RMB'000	RMB'000
Current liabilities			
Trade and other payables	9	160,817	110,351
Redemption liabilities		–	45,000
Contract liabilities		131,239	82,628
Lease liabilities		258,471	194,423
Provisions		2,397	–
Short-term borrowings		–	50,000
Current taxation		11,270	7,459
		<u>564,194</u>	<u>489,861</u>
Net current assets/(liabilities)		<u>318,599</u>	<u>(242,225)</u>
Total assets less current liabilities		<u>1,518,886</u>	<u>671,272</u>
Non-current liabilities			
Contract liabilities		4,173	4,564
Lease liabilities		683,634	540,196
Provisions		9,281	8,735
		<u>697,088</u>	<u>553,495</u>
NET ASSETS		<u>821,798</u>	<u>117,777</u>
CAPITAL AND RESERVES			
Share capital	10(b)	14,214	12,266
Reserves		807,584	105,511
TOTAL EQUITY		<u>821,798</u>	<u>117,777</u>

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Renminbi unless otherwise indicated)

1 MATERIAL ACCOUNTING POLICIES

(a) Statement of compliance

These financial statements have been prepared in accordance with IFRS Accounting Standards, which collective term includes all applicable individual International Financial Reporting Standards (“IFRSs”), International Accounting Standards (“IASs”) and Interpretations issued by the International Accounting Standards Board (“IASB”) and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Material accounting policies adopted by the Group are disclosed below.

The IASB has issued certain new or amended IFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Group. Note 1(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current accounting period reflected in these financial statements.

(b) Basis of preparation of the financial statements

The consolidated results set out in this announcement do not constitute the Group’s financial statements for the year ended 31 December 2025 but are extracted from those financial statements.

The consolidated financial statements for the year ended 31 December 2025 comprise the Company and its subsidiaries.

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the financial assets measure at FVOCI and financial assets measure at FVPL are stated at their fair value.

The preparation of financial statements in conformity with IFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(c) Changes in accounting policies

The Group has applied amendments to IAS 21, *The effects of changes in foreign exchange rates – Lack of exchangeability* issued by the IASB to these financial statements for the current accounting period. The amendments do not have a material impact on these financial statements as the Group has not entered into any foreign currency transactions in which the foreign currency is not exchangeable into another currency.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

2 REVENUE AND SEGMENT REPORTING

(a) Revenue

The principal activities of the Group are self-operated restaurant operations and franchise management.

(i) Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major service lines is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Revenue from contracts with customers within the scope of IFRS 15:		
Self-operated restaurant operations		
– Dine-in service	1,073,000	820,301
– Delivery business	377,209	180,709
Franchise management		
– Royalty and franchising income and provision of service	32,265	27,042
– Sales of food ingredients and restaurant supplies	139,057	125,488
Others	827	894
	<u>1,622,358</u>	<u>1,154,434</u>
Disaggregated by timing of revenue recognition		
– Point in time	1,590,093	1,127,392
– Over time	32,265	27,042
	<u>1,622,358</u>	<u>1,154,434</u>

No individual customer contributed over 10% of total revenue of the Group for the years ended 31 December 2025 and 2024.

(ii) Revenue expected to be recognised in the future arising from contracts in existence at the reporting date

Contracts within the scope of IFRS 15

As at 31 December 2025, the aggregated amount of the transaction price allocated to the remaining performance obligations under the Group's existing contracts is RMB4,173,000 (2024: RMB4,564,000). This amount represents revenue expected to be recognised in the future from Franchise Agreements. The Group will recognise the expected revenue in future over the remaining contract period, which is expected to occur over the next 12-60 months.

(b) Segment reporting

The directors of the Company have been identified as the Group's most senior executive management. The Group manages its businesses as a whole by the most senior executive management for the purposes of resource allocation and performance assessment. Therefore, the Group has one operating segment. The Group's most senior executive management reviews the Group's consolidated results of operations in assessing performance of and making decisions about allocations to this segment. Accordingly, no reportable segment information is presented.

Analysis of the Group's revenue from external customers as well as analysis of the Group's carrying amount of non-current assets by geographical market has not been presented as over 90% of the Group's revenue and non-current assets are generated and located in the Chinese Mainland.

3 OTHER INCOME

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Interest income on:		
– bank deposits	1,017	573
– rental deposits	2,386	1,889
– lease payment receivables	104	239
	<hr/>	<hr/>
	3,507	2,701
Government grants (<i>note (i)</i>)	10,763	5,760
Investment income from financial assets measured at FVPL	649	506
	<hr/>	<hr/>
	14,919	8,967
	<hr/> <hr/>	<hr/> <hr/>

Note:

- (i) Government grants mainly represented unconditional cash awards granted by the government authorities in the PRC as a recognition of the Group's contribution towards the local economic development.

4 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
(a) Finance costs		
Interest on bank loans	7	381
Interest on lease liabilities	30,441	27,083
Unwind of discount on provisions	385	307
	<u>30,833</u>	<u>27,771</u>
	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
(b) Staff costs (including directors' emoluments)		
Salaries, wages and other benefits	171,412	145,456
Contributions to defined contribution retirement plans	14,728	10,238
Equity-settled share-based payment expenses	7,137	3,139
	<u>193,277</u>	<u>158,833</u>
Outsourced staff costs	<u>162,687</u>	<u>106,229</u>
	<u>355,964</u>	<u>265,062</u>
	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
(c) Other net (losses)/gains		
Losses on restaurant closures	(2,912)	(367)
Gains on early termination of leases	2,023	4,142
Gains/(losses) on disposal of property, plant and equipment	204	(148)
Donation	(1,422)	(600)
Net fair value changes of financial assets measured at FVPL	–	261
Net foreign exchange losses	(3,839)	–
Others	(521)	(172)
	<u>(6,467)</u>	<u>3,116</u>

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
(d) Other expenses and listing expense		
Service fee paid to third-party online food delivery platforms	77,870	42,275
Materials for restaurant operation	13,576	14,926
Transportation expenses	11,957	7,733
Bank and other charges	6,213	3,607
Maintenance expenses	6,161	4,750
Software service fee	5,713	4,086
Professional service fees	5,011	2,481
Office expenses	2,866	2,113
Business tax and surcharges	1,788	2,146
Others	4,981	4,604
	<u>136,136</u>	<u>88,721</u>
Listing expenses	<u>27,996</u>	<u>1,112</u>
Auditors' remuneration		
– audit services	1,981	176
– other services (<i>note</i>)	3,302	566

Note: Other services include RMB3,208,000 (2024: RMB566,000) which is also included in the listing expenses disclosed separately above.

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
(e) Depreciation and amortisation		
Amortisation of intangible assets	2,183	1,872
Depreciation		
– property, plant and equipment	54,762	35,777
– right-of-use assets	242,809	188,845
	<u>297,571</u>	<u>224,622</u>

5 INCOME TAX IN PROFIT OR LOSS

(a) Taxation in profit or loss represents:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Current tax		
Provision for the year		
– PRC Corporate Income Tax	24,035	17,936
– Hong Kong Profits Tax	<u>3,029</u>	<u>163</u>
	<u>27,064</u>	<u>18,099</u>
Deferred tax		
Origination of temporary differences	<u>(4,140)</u>	<u>(3,918)</u>
	<u><u>22,924</u></u>	<u><u>14,181</u></u>

(b) Reconciliation between tax expense and accounting profit at applicable tax rates:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Profit before taxation	<u><u>129,048</u></u>	<u><u>74,881</u></u>
Notional tax on profit before taxation	32,263	18,720
Effect of preferential income tax rates of certain subsidiaries (i)	(6,822)	(2,893)
Effect of non-deductible expenses	71	253
Others	<u>(2,588)</u>	<u>(1,899)</u>
Actual tax expense	<u><u>22,924</u></u>	<u><u>14,181</u></u>

Notes:

- (i) Taxable income for the Group's subsidiaries in Chinese Mainland are subject to PRC income tax rate of 25% for the year ended 31 December 2025 (2024: 25%), unless otherwise specified below.

Certain subsidiaries met the criteria required for preferential income tax rate granted to small and low profit-making enterprise in Chinese Mainland, and were entitled to a preferential income tax rate of 5% on taxable income for the year ended 31 December 2025 (2024: 5%).

Certain subsidiaries fell within the state encouraged industries in the specified western regions and were entitled to a preferential income tax rate of 15% for the year ended 31 December 2025 (2024: 15%).

- (ii) The provision for Hong Kong Profits Tax for 2025 is calculated at 16.5% (2024: 16.5%) of the estimated assessable profits for the period, except for one subsidiary of the Group which is a qualifying corporation under the two-tiered Profits Tax rate regime.

For this subsidiary, the first HKD2 million of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5% at the same basis in 2024.

The provision for Hong Kong Profits Tax for 2025 takes into account a reduction granted by the Hong Kong SAR Government of 100% of the tax payable for the year of assessment 2024/25 subject to a maximum reduction of HKD1,500 for each business (2024: a maximum reduction of HKD3,000 was granted for the year of assessment 2023/24 and was taken into account in calculating the provision for 2024).

- (iii) Subsidiary in Singapore was established in 2025 and did not have any assessable profits for the year ended 31 December 2025.

6 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of RMB102,186,000 (2024: RMB58,288,000) and the weighted average of 586,993,000 ordinary shares (2024: 576,629,000 shares) in issue for the year ended 31 December 2025, calculated as follows:

(i) Profit attributable to ordinary equity shareholders of the Company

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Profit for the year attributable to all equity shareholders of the Company	106,124	60,700
Allocation of profit for the year attributable to Restricted Shares held for share-based incentive scheme	(10)	(1)
Allocation of profit for the year attributable to redemption liabilities	<u>(3,928)</u>	<u>(2,411)</u>
Profit for the year attributable to ordinary equity shareholders of the Company	<u><u>102,186</u></u>	<u><u>58,288</u></u>

(ii) Weighted average number of ordinary shares:

	2025 <i>'000</i>	2024 <i>'000</i>
Ordinary shares in issue at 1 January	613,325	613,325
Effect of unvested shares held for share-based incentive scheme	(10,973)	(12,333)
Effect of redemption liabilities	(22,561)	(24,363)
Effect of ordinary shares issued upon initial public offerings	<u>7,202</u>	<u>—</u>
Weighted average number of ordinary shares at 31 December	<u><u>586,993</u></u>	<u><u>576,629</u></u>

(b) Diluted earnings per share

The calculation of diluted earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of RMB102,186,000 (2024: RMB58,288,000) and the weighted average number of ordinary shares of 593,312,000 shares (2024: 585,090,000 shares), calculated as follows:

(i) Weighted average number of ordinary shares (diluted):

	2025	2024
	'000	'000
Weighted average number of ordinary shares at 31 December	586,993	576,629
Effect of unvested shares held for share-based incentive scheme	6,319	8,461
	<hr/>	<hr/>
Weighted average number of ordinary shares (diluted) at 31 December	593,312	585,090
	<hr/> <hr/>	<hr/> <hr/>

Ordinary shares with redemption rights were not included in the calculation of diluted earnings per share for the years ended 31 December 2024 and 2025 because their effect would have been anti-dilutive.

7 INVENTORIES

(a) Inventories in the consolidated statement of financial position comprise:

	2025	2024
	RMB '000	RMB '000
Food ingredients	33,176	22,037
Other materials	930	629
	<hr/>	<hr/>
	34,106	22,666
	<hr/> <hr/>	<hr/> <hr/>

(b) The analysis of the amount of inventories recognised as an expense and included in profit or loss is as follows:

	2025	2024
	RMB '000	RMB '000
Carrying amount of inventories sold	525,684	395,701
	<hr/> <hr/>	<hr/> <hr/>

8 TRADE AND OTHER RECEIVABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade debtors	24,350	18,790
Deposits	28,420	19,903
Other receivables	2,619	1,338
Current portion of long-term receivables	757	431
Lease payment receivables	897	2,425
	<hr/>	<hr/>
Financial assets measured at amortised cost	57,043	42,887
	<hr/> <hr/>	<hr/> <hr/>
Input value-added tax recoverable	45,570	28,576
Prepayments to vendors	12,623	8,882
Prepayment for listing expense	–	123
	<hr/>	<hr/>
	115,236	80,468
	<hr/> <hr/>	<hr/> <hr/>

All of the trade and other receivables is expected to be recovered or recognised as expense within one year or are recovered on demand.

Ageing analysis:

As at the end of the reporting period, the ageing analysis of trade debtors (which are included in trade and other receivables), based on the revenue recognition date, is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 1 month	22,938	17,643
More than 1 month but within 3 months	1,412	1,147
	<hr/>	<hr/>
	24,350	18,790
	<hr/> <hr/>	<hr/> <hr/>

9 TRADE AND OTHER PAYABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade payables	79,370	49,828
Payables for purchase of property, plant and equipment	19,422	13,170
Other payables	20,753	13,516
	<u>119,545</u>	<u>76,514</u>
Financial liabilities measured at amortised cost		
Staff cost payable	30,728	22,919
Deposits received from franchisees and suppliers	9,162	9,643
Other taxes payables	1,382	1,275
	<u>160,817</u>	<u>110,351</u>

All of the other payables is expected to be settled within one year or are repayable on demand.

As at the end of the reporting period, the ageing analysis of trade payables, based on the invoice date, is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 1 year	<u>79,370</u>	<u>49,828</u>

10 CAPITAL AND DIVIDENDS

(a) Dividends

(i) Dividends payable to equity shareholders of the Company attributable to the year

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Interim dividend declared and paid of RMB0.06 per ordinary share (2024: nil)	34,365	–
Final dividend proposed after the end of the year of RMB0.03 per ordinary share (2024: RMB0.02 per ordinary share)	21,045	14,727
	<u>55,410</u>	<u>14,727</u>

The final dividend proposed after the end of the reporting period has not been recognised as a liability at the end of the reporting period.

(ii) *Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the year*

	2025 RMB'000	2024 RMB'000
Final dividend in respect of the previous financial year of RMB0.02 per ordinary share (2024: nil)	<u>14,727</u>	<u>–</u>

(b) **Share capital**

	2025		2024	
	No. of shares	Nominal value of fully paid shares RMB'000	No. of shares	Nominal value of fully paid shares RMB'000
Ordinary shares of RMB0.02 each, issued and fully paid:				
At 1 January	613,324,800	12,266	613,324,800	12,266
Shares issued by initial public offering (note (i))	<u>97,364,500</u>	<u>1,948</u>	–	–
At 31 December	<u>710,689,300</u>	<u>14,214</u>	<u>613,324,800</u>	<u>12,266</u>

Note:

- (i) 97,364,500 ordinary shares of par value of RMB0.02 each were issued at a price of HKD7.04 per ordinary share upon the listing of the shares of the Company on The Stock Exchange of Hong Kong Limited. The gross proceeds raised from the offering was HKD685,446,000 (equivalent to approximately RMB623,112,000). Net proceeds from the offering were RMB597,218,000 (after offsetting costs directly attributable to the issuance of shares of approximately RMB25,894,000), of which RMB1,948,000 was credited to the Company's share capital account and the remaining RMB595,270,000 was credited to the Company's share premium account.

OTHER INFORMATION

Purchase, Sale or Redemption of the Company's Listed Securities

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the listed securities of the Company for the year ended December 31, 2025.

Compliance with the Corporate Governance Code

The Company is committed to maintaining and promoting stringent corporate governance. The principle of the Company's corporate governance is to promote effective internal control measures, uphold a high standard of ethics, transparency, responsibility and integrity in all aspects of business, to ensure that its affairs are conducted in accordance with applicable laws and regulations and to enhance the transparency and accountability of the Board to all Shareholders. The Company has applied the principles as set out in the Corporate Governance Code (the "CG Code") contained in Part 2 of Appendix C1 to the Listing Rules.

The Board is of the view that the Company has complied with all the code provisions as set out in the CG Code during the year ended December 31, 2025, except for the deviation from code provision C.2.1 as explained below.

Mr. Song Qi is the chairman of our Board and also assumes the role of chief executive officer of our Company. In view of Mr. Song's experience, personal profile and substantial contribution to our Group since his appointment to his roles, we consider it to be beneficial to the management and business development of our Group to have Mr. Song act as the chairman of the Board and continue his role as the chief executive officer of our Company after Listing. Our Board believes this arrangement with Mr. Song will continue the strong and consistent leadership he has provided to our Group since our founding.

While this would constitute a deviation from code provision C.2.1 of the CG Code, our Board believes that this structure will not impair the balance of power and authority between our Board and the management of our Company, given that: (i) there are sufficient checks and balances on our Board, as decisions to be made by our Board requires the approval of at least a majority of our Directors, and our Board comprises three independent non-executive Directors as required under the Listing Rules; (ii) Mr. Song and our other Directors are aware of and undertake to fulfil their fiduciary duties as Directors, which require, among others, that they act for the benefit and in the best interests of our Company and will make decisions for our Group accordingly; and (iii) the balance of power and authority is ensured by the operations of our Board which comprises experienced and high caliber individuals who meet regularly to discuss issues affecting the operations of our Company. Furthermore, the key business, financial, and operational policies of our Group as well as the overall strategic development goals of our Group are made collectively by our Board and senior management after thorough discussions.

Our Board will continue to evaluate and consider if dividing the roles of the chairman of our Board and the chief executive of our Company at an appropriate time is necessary, taking into account the circumstances of our Group as a whole.

Compliance with the Model Code for Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules as the Group's code of conduct regarding the Directors' securities transactions. Having made specific enquiry of all the Directors, all Directors confirmed that they have strictly complied with the Model Code during the year ended December 31, 2025.

The Board has also established written guidelines on terms no less exacting than the Model Code (the "**Guidelines**") for securities transactions by relevant employees who are likely to be in possession of unpublished inside information of the Company in respect of securities in the Company as referred to in code provision C.1.3 of the CG Code. No incident of non-compliance with the Guidelines by the Company's relevant employees has been noted during the year ended December 31, 2025 after making reasonable enquiry.

Audit Committee and Review of Financial Statements

The Company established an audit committee (the “**Audit Committee**”) with written terms of reference in compliance with the CG Code. As of the date of this announcement, the Audit Committee consists of three independent non-executive Directors, namely Mr. Chan Kwok Bun (Chairman), Mr. Xu Lei and Mr. Zhong Jiesheng (with Mr. Chan Kwok Bun possessing the appropriate professional qualifications and accounting and related financial management expertise). The main duties of the Audit Committee are to review and supervise the financial reporting process and internal control system of the Group, oversee the audit process, review and oversee the existing and potential risks of the Group and perform other duties and responsibilities as assigned by the Board.

The Audit Committee has reviewed the audited consolidated financial statements of the Group for the year ended December 31, 2025. The Audit Committee has also discussed matters with respect to the accounting policies and practices adopted by the Company and internal control with senior management members and the Company’s auditor, KPMG, Certified Public Accountants (the “**Auditor**”). Based on this review and discussions with the management and the Auditor, the Audit Committee was satisfied that the Group’s audited consolidated financial statements were prepared in accordance with applicable accounting standards and fairly present the Group’s financial position and results for the year ended December 31, 2025.

Scope of Work of KPMG

The financial figures in respect of the Group’s consolidated statement of financial position as at December 31, 2025, 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 compared by the Auditor, to the amounts set out in the Group’s audited consolidated financial statements for the year and the amounts were found to be in agreement. The work performed by KPMG in this respect did not constitute an audit, review or other assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by the Auditor.

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 the website of the Company (www.xiaonoodles.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 and made available on the same websites in due course.

APPRECIATION

The Board would like to express its sincere gratitude to the Shareholders, suppliers and customers of the Company for their continued support and trust. The Board would also like to thank all the employees and management team for executing the Group's strategies with professionalism, integrity and dedication.

By order of the Board
Guangzhou Xiao Noodles Catering Management Co., Ltd.
Song Qi
*Chairman of the Board, Executive Director and
Chief Executive Officer*

Guangzhou, March 27, 2026

As at the date of this announcement, the Board of Directors of the Company comprises: (i) Mr. Song Qi, Mr. Su Xuxiang and Ms. Luo Yanling as executive Directors; (ii) Mr. Wang Xiaolong as a non-executive Director; and (iii) Mr. Xu Lei, Mr. Chan Kwok Bun and Mr. Zhong Jiasheng as independent non-executive Directors.