

Guangzhou Xiao Noodles Catering Management Co., Ltd.

Underlying Financial Statements
for the years ended 31 December 2022, 2023 and 2024
and six months ended 30 June 2025



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Independent auditor's report to the directors of Guangzhou Xiao Noodles Catering Management Co., Ltd.

(incorporated in the People's Republic of China (the "PRC") with limited liability)

Opinion

We have audited the consolidated financial statements of Guangzhou Xiao Noodles Catering Management Co., Ltd. ("the Company") and its subsidiaries ("the Group") set out on pages 4 to 75, which comprise the consolidated statements of financial position of the Group and the statements of financial position of the Company as at 31 December 2022, 2023 and 2024 and 30 June 2025, and the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows for each of the years ended 31 December 2022, 2023 and 2024 and the six months ended 30 June 2025 and notes, including material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the Company's and the Group's financial position as at 31 December 2022, 2023 and 2024 and 30 June 2025 and of the Group's consolidated financial performance and the Group's consolidated cash flows for each of the years ended 31 December 2022, 2023 and 2024 and the six months ended 30 June 2025 in accordance with the basis of preparation and presentation set out in note 1 to the consolidated financial statements.

Basis for opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code") together with any ethical requirements that are relevant to our audit of the consolidated financial statements in the PRC, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Emphasis of Matter – Basis of Preparation and Presentation

We draw attention to note 1 to the consolidated financial statements, which describes the basis of preparation and presentation. The consolidated financial statements are prepared for the purpose of the preparation of a prospectus by the directors of the Company in connection with the initial public offering of shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited. As a result, the consolidated financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Other matter

We draw attention to the fact that the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the six months ended 30 June 2024 and any of the related notes have not been audited.

Responsibilities of the directors for the consolidated financial statements

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with the basis of preparation and presentation set out in note 1 to the consolidated financial statements and for such internal control as the directors of the Company determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. The report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.



As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors of the Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG Huazhen LLP Guangzhou Branch

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27 November 2025

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(Expressed in Renminbi)

	Note	Years ended 31 December			Six months ended 30 June	
		2022	2023	2024	2024	2025
		RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Revenue	4	418,096	800,514	1,154,434	525,657	703,185
Raw materials and consumables used		(160,138)	(290,270)	(395,701)	(187,250)	(220,932)
Staff costs	6(b)	(109,264)	(175,194)	(265,062)	(121,771)	(158,797)
Depreciation of right-of-use assets	6(e)	(94,620)	(125,429)	(188,845)	(86,309)	(109,726)
Depreciation and amortisation of property, plant and equipment and intangible assets	6(e)	(21,828)	(24,213)	(37,649)	(17,332)	(26,028)
Utility expenses		(14,119)	(27,487)	(44,543)	(19,715)	(28,102)
Other rentals and related expenses		(4,523)	(18,365)	(21,632)	(10,645)	(16,505)
Listing expenses	6(d)	–	–	(1,112)	–	(11,164)
Advertising and promotion expenses		(6,150)	(5,044)	(13,339)	(4,660)	(9,525)
Travelling and related expenses		(1,929)	(3,742)	(5,672)	(2,508)	(2,577)
Other expenses	6(d)	(34,595)	(59,790)	(88,721)	(40,402)	(53,698)
Other income	5	7,504	14,143	8,967	4,879	4,500
Other net (losses)/gains	6(c)	(177)	286	3,116	53	(1,867)
Finance costs	6(a)	(16,962)	(19,333)	(27,771)	(12,697)	(14,512)
Impairment losses of property, plant and equipment	11(a)	(9,440)	(8,938)	(1,589)	(846)	(1,956)
(Loss)/profit before taxation . .	6	(48,145)	57,138	74,881	26,454	52,296
Income tax	7	12,172	(11,224)	(14,181)	(5,085)	(10,462)
(Loss)/profit for the year/period		(35,973)	45,914	60,700	21,369	41,834
(Loss)/earnings per share	10					
Basic (expressed in RMB cents per share)		(6.02)	7.67	10.11	3.56	6.95
Diluted (expressed in RMB cents per share)		(6.22)	7.60	9.96	3.52	6.90
Other comprehensive income for the year/period						
Exchange differences on translation of financial statements of subsidiaries		–	–	113	21	(418)
Total comprehensive income for the year/period attributable to equity shareholders of the Company		(35,973)	45,914	60,813	21,390	41,416

The accompanying notes form part of the consolidated financial statements.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Renminbi)

	Note	As at 31 December			As at 30 June
		2022	2023	2024	2025
		RMB'000	RMB'000	RMB'000	RMB'000
Non-current assets					
Property, plant and equipment	11	60,619	85,020	148,045	173,776
Right-of-use assets	11	380,155	527,124	683,200	706,811
Intangible assets	12	3,328	3,417	4,152	3,937
Financial assets measured at fair value through other comprehensive income ("FVOCI")	28(e)	–	50	50	50
Deferred tax assets	25(b)	24,648	23,250	27,168	27,871
Rental deposits		28,471	39,824	47,728	49,441
Lease payment receivables	14	7,786	3,781	1,206	764
Other non-current assets	16	5,872	3,512	1,948	1,379
		<u>510,879</u>	<u>685,978</u>	<u>913,497</u>	<u>964,029</u>
Current assets					
Inventories	17	16,639	27,098	22,666	22,205
Trade and other receivables	18	30,137	54,879	80,468	102,519
Income tax recoverable	25(a)	114	1,576	727	668
Financial assets measured at fair value through profit or loss ("FVPL")	15	7,009	25,063	70,261	25,018
Restricted bank deposits	19(a)	12,107	21,139	31,324	44,435
Cash and cash equivalents	19(a)	36,519	26,764	42,190	50,032
		<u>102,525</u>	<u>156,519</u>	<u>247,636</u>	<u>244,877</u>
Current liabilities					
Trade and other payables	20(a)	50,904	93,205	110,351	120,331
Redemption liabilities	20(b)	45,000	45,000	45,000	45,000
Contract liabilities	21	36,650	60,142	82,628	110,938
Lease liabilities	22	108,548	141,318	194,423	214,308
Short-term borrowings	24	9,982	–	50,000	–
Current taxation	25(a)	6	3,610	7,459	9,260
		<u>251,090</u>	<u>343,275</u>	<u>489,861</u>	<u>499,837</u>
Net current liabilities		<u>(148,565)</u>	<u>(186,756)</u>	<u>(242,225)</u>	<u>(254,960)</u>
Non-current liabilities					
Contract liabilities	21	1,875	3,564	4,564	4,553
Lease liabilities	22	330,157	435,234	540,196	547,916
Provisions	23	4,310	6,631	8,735	9,510
		<u>336,342</u>	<u>445,429</u>	<u>553,495</u>	<u>561,979</u>
NET ASSETS		<u>25,972</u>	<u>53,793</u>	<u>117,777</u>	<u>147,090</u>
CAPITAL AND RESERVES					
Paid-in capital/share capital	27(c)	12,266	12,266	12,266	12,266
Reserves	27(d)	13,706	41,527	105,511	134,824
TOTAL EQUITY		<u>25,972</u>	<u>53,793</u>	<u>117,777</u>	<u>147,090</u>

Approved and authorised for issue by the Board of Directors on 27 November 2025.

Song Qi
Executive Director

Su Xuxiang
Executive Director

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY
(Expressed in Renminbi)

	Note	As at 31 December			As at 30 June
		2022	2023	2024	2025
		RMB'000	RMB'000	RMB'000	RMB'000
Non-current assets					
Property, plant and equipment	11	18,951	16,519	15,208	14,652
Right-of-use assets	11	119,922	133,252	98,365	90,879
Intangible assets	12	112	61	12	–
Investments in subsidiaries	13	3,000	13,000	17,590	40,283
Deferred tax assets	25(b)	8,188	8,127	8,231	6,884
Rental deposits		10,430	12,841	12,326	8,197
		<u>160,603</u>	<u>183,800</u>	<u>151,732</u>	<u>160,895</u>
Current assets					
Inventories	17	782	1,158	1,177	1,134
Trade and other receivables	18	157,045	122,021	187,636	151,549
Income tax recoverable	25(a)	21	628	–	–
Financial assets measured at FVPL	15	7,009	25,063	15,009	25,018
Restricted bank deposits	19(a)	12,107	20,012	30,197	44,435
Cash and cash equivalents	19(a)	16,302	12,616	28,880	7,974
		<u>193,266</u>	<u>181,498</u>	<u>262,899</u>	<u>230,110</u>
Current liabilities					
Trade and other payables	20(a)	50,275	37,198	58,656	18,988
Redemption liabilities	20(b)	45,000	45,000	45,000	45,000
Contract liabilities	21	34,445	55,947	78,823	106,159
Lease liabilities	22	38,699	40,280	39,956	33,823
Short-term borrowings	24	9,859	–	–	–
Current taxation	25(a)	–	–	825	702
		<u>178,278</u>	<u>178,425</u>	<u>223,260</u>	<u>204,672</u>
Net current assets		<u>14,988</u>	<u>3,073</u>	<u>39,639</u>	<u>25,438</u>
Non-current liabilities					
Lease liabilities	22	100,741	107,093	67,373	62,402
Provisions	23	1,363	1,549	1,680	1,688
		<u>102,104</u>	<u>108,642</u>	<u>69,053</u>	<u>64,090</u>
NET ASSETS		<u>73,487</u>	<u>78,231</u>	<u>122,318</u>	<u>122,243</u>
CAPITAL AND RESERVES					
Paid-in capital/share capital	27(c)	12,266	12,266	12,266	12,266
Reserves	27(d)	61,221	65,965	110,052	109,977
TOTAL EQUITY		<u>73,487</u>	<u>78,231</u>	<u>122,318</u>	<u>122,243</u>

Approved and authorised for issue by the Board of Directors on 27 November 2025.

Song Qi
Executive Director

Su Xuxiang
Executive Director

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Expressed in Renminbi)

Attributable to equity shareholders of the Company								
Note	Paid-in Capital	Capital reserve	Other reserve	Share-based payments reserve	Statutory reserve	Shares held for the share-based incentive scheme	Accumulated losses	Total equity
	RMB'000 note 27(c)	RMB'000 note 27(d)(i)	RMB'000 note 27(d)(iv)	RMB'000 note 27(d)(ii)	RMB'000 note 27(d)(iii)	RMB'000 note 26	RMB'000	RMB'000
Balance at 1 January 2022	12,266	129,898	(45,000)	1,924	983	(327)	(39,170)	60,574
Changes in equity for 2022:								
Loss and other comprehensive income for the year	-	-	-	-	-	-	(35,973)	(35,973)
Equity-settled share-based transactions	-	-	-	1,337	-	-	-	1,337
Shares vested under the share-based incentive scheme	-	1,171	-	(1,171)	-	34	-	34
Appropriation to statutory reserve	-	-	-	-	50	-	(50)	-
Balance at 31 December 2022	12,266	131,069	(45,000)	2,090	1,033	(293)	(75,193)	25,972

Attributable to equity shareholders of the Company

	Note	Paid-in Capital	Share capital	Share premium	Capital reserve	Other reserve	Share-based payments reserve	Statutory reserve	Shares held for the share-based incentive scheme	Accumulated losses	Total equity
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		note 27(c)	note 27(c)	note 27(d)(i)	note 27(d)(i)	note 27(d)(iv)	note 27(d)(iii)	note 27(d)(iii)	note 26		
Balance at 31 December 2022		12,266	-	-	131,069	(45,000)	2,090	1,033	(293)	(75,193)	25,972
and 1 January 2023		-	-	-	-	-	-	-	-	-	-
Changes in equity for 2023:											
Profit and other comprehensive income for the year		-	-	-	-	-	-	-	-	45,914	45,914
Conversion into a joint stock limited liability company	27(c)	(12,266)	12,266	108,706	(131,069)	-	(2,369)	(145)	-	24,877	-
Equity-settled share-based transactions	26	-	-	-	-	-	1,419	-	-	-	1,419
Shares vested under the share-based incentive scheme	26&27(d)	-	-	726	-	-	(726)	-	34	-	34
Dividend declared	27(b)	-	-	-	-	-	-	-	-	(19,546)	(19,546)
Appropriation to statutory reserve	27(d)(iii)	-	-	-	-	-	-	2,189	-	(2,189)	-
Balance at 31 December 2023		-	12,266	109,432	-	(45,000)	414	3,077	(259)	(26,137)	53,793

Attributable to equity shareholders of the Company

Note	Share capital	Share premium	Other reserve	Share-based payments reserve	Statutory reserve	Exchange reserve	Shares held for the share-based incentive scheme	(Accumulated losses)/ retained profits	Total equity
	RMB'000 note 27(c)	RMB'000 note 27(d)(i)	RMB'000 note 27(d)(iv)	RMB'000 note 27(d)(ii)	RMB'000 note 27(d)(iii)	RMB'000 note 27(d)(v)	RMB'000 note 26	RMB'000	RMB'000
Balance at 31 December 2023									
and 1 January 2024	12,266	109,432	(45,000)	414	3,077	-	(259)	(26,137)	53,793
Changes in equity for 2024:									
Profit for the year	-	-	-	-	-	-	-	60,700	60,700
Other comprehensive income	-	-	-	-	-	113	-	-	113
Total comprehensive income	-	-	-	-	-	113	-	60,700	60,813
Equity-settled share-based transactions	-	-	-	3,139	-	-	-	-	3,139
Shares vested under the share-based incentive scheme	-	1,418	-	(1,418)	-	-	32	-	32
Appropriation to statutory reserve	-	-	-	-	7,620	-	-	(7,620)	-
Balance at 31 December 2024	12,266	110,850	(45,000)	2,135	10,697	113	(227)	26,943	117,777

Attributable to equity shareholders of the Company

Note	Attributable to equity shareholders of the Company								
	Share capital	Share premium	Other reserve	Share-based payments reserve	Statutory reserve	Exchange reserve	Shares held for the share-based incentive scheme	Retained profits	Total equity
	RMB'000 note 27(c)	RMB'000 note 27(d)(i)	RMB'000 note 27(d)(iv)	RMB'000 note 27(d)(ii)	RMB'000 note 27(d)(iii)	RMB'000 note 27(d)(v)	RMB'000 note 26	RMB'000	RMB'000
Balance at 31 December 2024 and 1 January 2025	12,266	110,850	(45,000)	2,135	10,697	113	(227)	26,943	117,777
Changes in equity for six months ended 30 June 2025:									
Profit for the period	-	-	-	-	-	-	-	41,834	41,834
Other comprehensive income	-	-	-	-	-	(418)	-	-	(418)
Total comprehensive income	-	-	-	-	-	(418)	-	41,834	41,416
Equity-settled share-based transactions	-	-	-	2,624	-	-	-	-	2,624
Shares vested under the share-based incentive scheme	-	16	-	(17)	-	-	1	-	-
Dividend declared	-	-	-	-	-	-	-	(14,727)	(14,727)
Balance at 30 June 2025	12,266	110,866	(45,000)	4,742	10,697	(305)	(226)	54,050	147,090

(unaudited)

Attributable to equity shareholders of the Company									
Note	Share capital	Share premium	Other reserve	Share-based payments reserve	Statutory reserve	Exchange reserve	Shares held for the share-based incentive scheme	(Accumulated losses)/ retained profits	Total equity
	RMB'000 note 27(c)	RMB'000 note 27(d)(i)	RMB'000 note 27(d)(iv)	RMB'000 note 27(d)(ii)	RMB'000 note 27(d)(iii)	RMB'000 note 27(d)(v)	RMB'000 note 26	RMB'000	RMB'000
Balance at 31 December 2023 and 1 January 2024	12,266	109,432	(45,000)	414	3,077	-	(259)	(26,137)	53,793
Changes in equity for six months ended 30 June 2024:									
Profit for the period	-	-	-	-	-	-	-	21,369	21,369
Other comprehensive income	-	-	-	-	-	21	-	-	21
Total comprehensive income	-	-	-	-	-	21	-	21,369	21,390
Equity-settled share-based transactions	-	-	-	1,551	-	-	-	-	1,551
Balance at 30 June 2024	12,266	109,432	(45,000)	1,965	3,077	21	(259)	(4,768)	76,734

The accompanying notes form part of the consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Renminbi)

	Note	Years ended 31 December			Six months ended 30 June	
		2022	2023	2024	2024	2025
		RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Operating activities						
Cash generated from operations	19(b)	104,940	252,810	326,947	152,426	211,356
Income tax paid	25(a)	(167)	(7,684)	(13,401)	(6,727)	(9,305)
Net cash generated from operating activities		<u>104,773</u>	<u>245,126</u>	<u>313,546</u>	<u>145,699</u>	<u>202,051</u>
Investing activities						
Payment for purchases of property, plant and equipment, and right-of-use assets		(30,795)	(60,746)	(97,324)	(43,656)	(52,658)
Payment for purchases of intangible assets		(1,722)	(1,256)	(2,607)	(1,084)	(1,004)
Payment for purchases of financial assets measured at FVPL		(142,000)	(345,000)	(436,000)	(105,000)	(135,000)
Proceeds from maturity of financial assets measured at FVPL		135,000	327,009	391,063	130,193	180,261
Proceeds from disposal of property, plant and equipment, and right-of-use assets		2,292	18	811	359	303
Investment income and interest received		1,353	2,018	1,318	440	945
Payment for purchases of financial assets measured at FVOCI		–	(50)	–	–	–
Payment for restoration costs	23	(129)	–	(354)	(100)	(448)
Net cash used in investing activities		<u>(36,001)</u>	<u>(78,007)</u>	<u>(143,093)</u>	<u>(18,848)</u>	<u>(7,601)</u>
Financing activities						
Proceeds from exercise of share options		–	–	–	–	294
Proceeds from bank loans	19(c)	35,394	25,115	50,000	–	–
Repayment of bank loans	19(c)	(25,412)	(35,097)	–	–	(50,000)
Payment of capital element of lease liabilities	19(c)	(68,945)	(128,611)	(177,078)	(85,145)	(104,166)
Payment of interest element of lease liabilities	19(c)	(16,600)	(19,074)	(27,083)	(12,555)	(14,329)
Interest of bank loans paid	19(c)	(198)	(55)	(381)	–	(7)
Payment for listing expenses		–	–	(123)	–	(3,614)
Dividends paid to equity shareholders of the Company	19(c)	–	(19,152)	(394)	(394)	(14,727)
Net cash used in financing activities		<u>(75,761)</u>	<u>(176,874)</u>	<u>(155,059)</u>	<u>(98,094)</u>	<u>(186,549)</u>
Net (decrease)/increase in cash and cash equivalents		<u>(6,989)</u>	<u>(9,755)</u>	<u>15,394</u>	<u>28,757</u>	<u>7,901</u>
Cash and cash equivalents at 1 January	19(a)	43,508	36,519	26,764	26,764	42,190
Effect of foreign exchange rate changes		<u>–</u>	<u>–</u>	<u>32</u>	<u>–</u>	<u>(59)</u>
Cash and cash equivalents at 31 December/30 June	19(a)	<u>36,519</u>	<u>26,764</u>	<u>42,190</u>	<u>55,521</u>	<u>50,032</u>

The accompanying notes form part of the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Renminbi unless otherwise indicated)

1 BASIS OF PREPARATION AND PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

Guangzhou Xiao Noodles Catering Management Co., Ltd. (formerly known as Guangzhou Meet Xiaomian Catering Management Co., Ltd.) (the “Company”) was incorporated in the People’s Republic of China (the “PRC”) on 14 February 2014 as a limited liability company under the Companies laws of the PRC. The Company was converted into a joint stock limited liability company on 7 September 2023.

The Company and its subsidiaries (together, the “Group”) are principally engaged in self-operated restaurant operations and franchise management in the PRC. Details of the Group’s principal subsidiaries are set out in note 13.

As at 30 June 2025, the Group had net current liabilities amounting to RMB254,960,000. Based on the projection of the Group’s profit and cash inflows from operations and the unused banking loan facilities of RMB250,000,000 as at 30 June 2025, the directors are of the opinion that the Group has sufficient financial resources to continue as a going concern for the next twelve months from the date of issue of the consolidated financial statements and there are no material uncertainties related to events or conditions which, individually or collectively, may cast significant doubt on the Group’s ability to continue as a going concern.

The consolidated financial statements have been prepared in accordance with all applicable IFRS Accounting Standards as issued by the International Accounting Standards Board (“IASB”). As the Group’s first consolidated financial statements prepared in accordance with IFRS Accounting Standards, IFRS 1 “First-time Adoption of International Financial Reporting Standards” has been applied save for certain presentation and disclosure provisions therein. The date of transition to IFRS Accounting Standards was 1 January 2022. Further details of the material accounting policy information are set out in note 2.

The IASB has issued a number of new and revised IFRS Accounting Standards. For the purpose of preparing the consolidated financial statements, the Group has adopted all applicable new and revised IFRS Accounting Standards for each of the years ended 31 December 2022, 2023 and 2024 and the six months ended 30 June 2025 (the “Relevant Periods”), except for any new standards or interpretations that are not yet effective for the accounting period beginning on 1 January 2025. The revised and new accounting standards and interpretations issued but not yet effective for the accounting year beginning on 1 January 2025 are set out in note 32.

The consolidated 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.

The accounting policies set out below have been applied consistently to all periods presented in the consolidated financial statements.

The stub period corresponding financial information of the Group comprises the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the six months ended 30 June 2024 and other explanatory information (the “Stub Period Corresponding Financial Information”). The Stub Period Corresponding Financial Information has been prepared in accordance with the same basis of preparation and presentation adopted in respect of the consolidated financial statements.

The consolidated financial statements and the Stub Period Corresponding Financial Information are presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand (RMB’000) except when otherwise indicated.

2 MATERIAL ACCOUNTING POLICY INFORMATION

(a) Basis of measurement

The measurement basis used in the preparation of the consolidated 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 as explained note 2(e).

(b) Use of estimates and judgements

The preparation of consolidated 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.

Judgements made by management in the application of IFRS Accounting Standards that have significant effect on the consolidated financial statements and major sources of estimation uncertainty are discussed in note 3.

(c) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions are eliminated. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

When the Group loses control of a subsidiary, it derecognises the assets and liabilities of the subsidiary. Any resulting gain or loss is recognised in profit or loss. Any interest retained in that former subsidiary is measured at fair value when control is lost.

In the Company's statements of financial position, an investment in a subsidiary is stated at cost less impairment losses (see note 2(i)(ii)), unless it is classified as held for sale (or included in a disposal group classified as held for sale).

(d) Associate

An associate is an entity in which the Group or Company has significant influence, but not control or joint control, over the financial and operating policies.

An investment in an associate is accounted for using the equity method, unless it is classified as held for sale (or included in a disposal group classified as held for sale). They are initially recognised at cost, which includes transaction costs. Subsequently, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income ("OCI") of those investees, until the date on which significant influence ceases.

When the Group's share of losses exceeds its interest in the associate, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interest is the carrying amount of the investment under the equity method, together with any other long-term interests that in substance form part of the Group's net investment in the associate, after applying the ECL model to such other long-term interests where applicable (see note 2(i)(i)).

Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent there is no evidence of impairment.

(e) Other investments in securities

The Group's policies for investments in securities, other than investments in subsidiaries, are set out below.

Investments in securities are recognised/derecognised on the date the Group commits to purchase/sell the investment. The investments are initially stated at fair value plus directly attributable transaction costs, except for those investments measured at FVPL for which transaction costs are recognised directly in profit or loss. For an explanation of how the Group determines fair value of financial instruments, see note 28(e). These investments are subsequently accounted for as follows, depending on their classification.

(i) Non-equity investments

Non-equity investments are classified into one of the following measurement categories:

- amortised cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Expected credit losses, interest income calculated using the effective interest method (see note 2(t)(iii)), foreign exchange gains and losses are recognised in profit and loss. Any gain or loss on derecognition is recognised in profit or loss.
- FVPL if the investment does not meet the criteria for being measured at amortised cost or FVOCI (recycling). Changes in the fair value of the investment (including interest) are recognised in profit or loss.

(ii) Equity investments

An investment in equity securities is classified as FVPL, unless the investment is not held for trading purposes and on initial recognition the Group makes an irrevocable election to designate the investment at FVOCI (non-recycling) such that subsequent changes in fair value are recognised in OCI. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer's perspective. If such election is made for a particular investment, at the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to retained earnings and not recycled through profit or loss. Dividends from an investment in equity securities, irrespective of whether classified as at FVPL or FVOCI, are recognised in profit or loss as other income (see note 2(t)(ii)).

(f) Property, plant and equipment and right-of-use assets

Property, plant and equipment and right-of-use assets are stated at cost, less accumulated depreciation and any accumulated impairment losses (see note 2(i)(ii)).

The cost of self-constructed items of property, plant and equipment includes the cost of materials, direct labor, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overheads.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual values, if any, using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss. No depreciation is provided for in respect of construction in progress until it is completed and ready for its intended use.

The estimated useful lives are as follows:

Right-of-use assets	Over the lease term
Leasehold improvement	Over the lease term
Kitchen equipment	2-5 years
Electronic equipment	2-5 years
Other equipments	4-5 years

Depreciation methods, useful lives and residual values are reviewed annually and adjusted if appropriate.

(g) Intangible assets

Research and development costs comprise all costs that are directly attributable to research and development activities or that can be allocated on a reasonable basis to such activities. Because of the nature of the Group's research and development activities, the criteria for the recognition of such costs as an asset are generally not met until late in the development stage of the project when the remaining development costs are immaterial. Hence both research costs and development costs are generally recognised as expenses in the period in which they are incurred.

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses (see note 2(i)(ii)).

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their useful lives, if any, and is generally recognised in profit or loss.

The estimated useful lives are as follows:

Software	5 years
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Amortisation methods, useful lives and residual values are reviewed annually and adjusted if appropriate.

(h) Leased assets

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. This is the case if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

(i) As a lessee

Where the contract contains lease component(s) and non-lease component(s), the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for leases that have a short lease term of 12 months or less and leases of low-value items. When the Group enters into a lease in respect of a low-value item, the Group decides whether to capitalise the lease on a lease-by-lease basis. If not capitalised, the associated lease payments are recognised in profit or loss on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is recognised using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability, and are charged to profit or loss as incurred.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see notes 2(f) and 2(i)(ii)).

Refundable rental deposits are accounted for separately from the right-of-use assets in accordance with the accounting policy applicable to investments in non-equity securities carried at amortised cost (see notes 2(e)(i) and 2(i)(i)). Any excess of the nominal value over the initial fair value of the deposits is accounted for as additional lease payments made and is included in the cost of right-of-use assets.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The lease liability is also remeasured when there is a lease modification, which means a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract, if such modification is not accounted for as a separate lease. In this case, the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification.

In the consolidated statements of financial position, the current portion of long-term lease liabilities is determined as the present value of contractual payments that are due to be settled within twelve months after the reporting period.

(ii) As a lessor

The Group determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying assets to the lessee. Otherwise, the lease is classified as an operating lease.

When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. The rental income from operating leases is recognised in accordance with note 2(t).

When the Group is an intermediate lessor, the sub-leases are classified as a finance lease or as an operating lease with reference to the right-of-use asset arising from the head lease. If the head lease is a short-term lease to which the Group applies the exemption described in note 2(h)(i), then the Group classifies the sub-lease as an operating lease.

(i) Credit losses and impairment of assets

(i) Credit losses from financial instruments and lease receivables

The Group recognises a loss allowance for expected credit losses ("ECL"s) on:

- financial assets measured at amortised cost (including cash and cash equivalents, restricted bank deposits, trade and other receivables, rental deposits); and
- lease receivables.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Generally, credit losses are measured as the present value of all expected cash shortfalls between the contractual and expected amounts.

The expected cash shortfalls are discounted using the following rates if the effect is material:

- fixed-rate financial assets and trade and other receivables: effective interest rate determined at initial recognition or an approximation thereof;
- lease receivables: discount rate used in the measurement of the lease receivable.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are measured on either of the following bases:

- 12-month ECLs: these are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months); and
- lifetime ECLs: these are the ECLs that result from all possible default events over the expected lives of the items to which the ECL model applies.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-months ECLs:

- financial instruments that are determined to have low credit risk at each reporting date; and
- other financial instruments for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

Significant increases in credit risk

When determining whether the credit risk of a financial instrument has increased significantly since initial recognition and when measuring ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment, that includes forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is 90 days past due.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Credit-impaired financial assets

At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable events:

- significant financial difficulties of the debtor;
- a breach of contract, such as a default or past due event;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties of the issuer.

Write-off policy

The gross carrying amount of a financial asset or lease receivable is written off to the extent that there is no realistic prospect of recovery. This is generally the case when the Group otherwise determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

(ii) Impairment of other non-current assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units ("CGU"s).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are reduced the carrying amounts of the assets in the CGU on a pro rata basis.

An impairment loss is reversed only to the extent that the resulting carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(j) Inventories

Inventories are measured at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(k) Contract liabilities

A contract liability is recognised when the customer pays non-refundable consideration before the Group recognises the related revenue (see note 2(t)). A contract liability is also recognised if the Group has an unconditional right to receive non-refundable consideration before the Group recognises the related revenue. In such latter cases, a corresponding receivable would also be recognised (see note 2(l)).

When the contract includes a significant financing component, the contract balance includes interest accrued under the effective interest method (see note 2(t)).

(l) Trade and other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration and only the passage of time is required before payment of that consideration is due.

Trade receivables that do not contain a significant financing component are initially measured at their transaction price. Trade receivables that contain a significant financing component and other receivables are initially measured at fair value plus transaction costs. All receivables are subsequently stated at amortised cost (see note 2(i)(i)).

(m) Software-as-a-service (SaaS) arrangement costs

A SaaS arrangement is a service arrangement where the Group has a right to access to the supplier's application software running on the supplier's cloud infrastructure during the term of the arrangement, but not control over the underlying software asset.

Costs to implement a SaaS arrangement, including those incurred in configuring or customising the access to the supplier's application software, are evaluated to determine if they give rise to a separate asset that the Group controls. Any resulting asset is recognised and accounted for in accordance with the policy for intangible assets as set out in note 2(g). Implementation costs that do not give rise to an asset are recognised in profit or loss as incurred, which may be over the period the configuration or customisation services are received to the extent that such services are distinct from the SaaS, or over the term of the SaaS arrangement to the extent the configuration or customisation services are not distinct from the SaaS.

Payment made in advance of receiving the related services is recognised as prepayment.

(n) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions and other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Cash and cash equivalents are assessed for ECL (see note 2(i)(i)).

(o) Trade and other payables

Trade and other payables are initially recognised at fair value. Subsequent to initial recognition, trade and other payables are stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at invoice amounts.

(p) Interest-bearing borrowings

Interest-bearing borrowings are measured initially at fair value less transaction costs. Subsequently, these borrowings are stated at amortised cost using the effective interest method. Interest expense is recognised in accordance with note 2(u).

(q) Employee benefits

(i) Short term employee benefits and contributions to defined contribution retirement plans

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Pursuant to the relevant laws and regulations of the PRC, the Group participates in a defined contribution basic pension insurance in the social insurance system established and managed by government organisations. The Group makes contributions to basic pension insurance plans based on the applicable benchmarks and rates stipulated by the government. The local government authorities are responsible for the pension obligations payable to the retired employees covered under the defined contribution basic pension insurance. There are no forfeited contributions for the defined contribution basic pension insurance in the PRC social insurance system as the contributions are fully vested to the employees upon payment to the scheme.

Obligations for contributions to defined contribution retirement plans are recognised as part of the cost of assets or expensed as the related service is provided.

(ii) Share-based payments

The grant-date fair value of equity-settled share-based payments granted to employees is measured using the binomial lattice model, taking into account any transfer restriction imposed on the vested equity instruments, and based on the most likely outcome of the performance condition where there are mutually exclusive vesting alternatives.

The amount is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards determined based on the most likely vesting alternative where there are mutually exclusive vesting alternatives. The amount recognised as an expense is adjusted to reflect the number of awards for which the related vesting conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related vesting conditions at the vesting date. The equity amount is recognised in the share-based payments reserve until the awards are vested (when it is transferred to capital reserve/share premium).

For a share-based payment transaction in which the terms of the arrangement provide the Group with the choice of whether to settle in cash or in equity instruments, the Group determines whether it has a present obligation to settle in cash and account for the share-based payment transaction accordingly. The Group has a present obligation to settle in cash if the choice of settlement in equity instruments has no commercial substance, or the entity has a past practice or a stated policy of settling in cash, or generally settles in cash whenever the counterparty asks for cash settlement. The exercise price received from the grantees, which is refundable when the awards are forfeited, is recognised as a deposit liability until the share-based payments vests.

(iii) Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring.

(r) Income tax

Income tax expense comprises current tax and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination.

Current tax comprises the estimated tax payable or receivable on the taxable income or loss for the year and any adjustments to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects any uncertainty related to income taxes. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences;
- temporary differences related to investment in subsidiaries, associates and joint venture to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- those related to the income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development.

The Group recognised deferred tax assets and deferred tax liabilities separately in relation to its lease liabilities, provisions and right-of-use assets.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

(s) Provisions and contingent liabilities

Generally provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, a separate asset is recognised for any expected reimbursement that would be virtually certain. The amount recognised for the reimbursement is limited to the carrying amount of the provision.

(t) Revenue and other income

Income is classified by the Group as revenue when it arises from the sale of goods and the provision of services.

Further details of the Group's revenue and other income recognition are as follows:

(i) Revenue from contracts with customers

The Group is the principal for its revenue transactions and recognises revenue on a gross basis. In determining whether the Group acts as a principal or as an agent, it considers whether it obtains control of the products before they are transferred to the customers. Control refers to the Group's ability to direct the use of and obtain substantially all of the remaining benefits from the products or services.

Revenue is recognised when control over a product or service is transferred to the customer at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties such as value added tax or other sales taxes.

Where the contract contains a financing component which provides a significant financing benefit to the customer for more than 12 months, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction with the customer, and interest income is accrued separately under the effective interest method. Where the contract contains a financing component which provides a significant financing benefit to the Group, revenue recognised under that contract includes the interest expense accreted on the contract liability under the effective interest method. The Group takes advantage of the practical expedient in paragraph 63 of IFRS 15 and does not adjust the consideration for any effects of a significant financing component if the period of financing is 12 months or less.

(a) Revenue from self-operated restaurant operations

The self-operated restaurant operations included dine-in service and delivery business. Revenue is recognised at a point in time when the related services have been rendered to customers.

The Group operates customer loyalty scheme for customers which enable customers to earn loyalty points on their consumptions in the restaurants. Points are redeemable against any future consumptions in the restaurants. The Group allocates a portion of the consideration to loyalty points based on the relative stand-alone selling prices. The amount allocated to the loyalty points is deferred and recognised as revenue when loyalty points are redeemed or expire.

(b) Revenue from franchise management

The revenue of franchise management mainly generated from royalty and franchising income and provision of services as well as sales of food ingredients and restaurant supplies.

The Group enters into a series of agreements with each franchisee, which mainly include a license agreement and a sales agreement (collectively "Franchise Agreements"), whereby the franchisees are licensed to operate the franchised restaurants.

The franchisees employ and manage their own staffs to operate the restaurants and serve their customers (i.e. end consumers), and undertake the costs associated with the operations. The franchisees sell the dishes based on the menu and recipe provided by the Group.

The franchisees are responsible for the placement, physical custody and condition of the equipment and goods after the deliveries are accepted in restaurants. In general, the Group does not have any obligation or historical practices to accept any return of unsold products, except for rare cases such as a latent defect subject to product recall.

At inception of the Franchise Agreements, franchisees are required to place a deposit to the Group throughout the franchise period. The deposits are refundable upon the termination of the Franchise Agreements, provided that the franchisees settled all outstanding balances with the Group.

Royalty and franchising income

Under the Franchise Agreements, franchisees pay a non-refundable upfront initial fee including the pre-opening training services fee upon entering into Franchise Agreements and monthly royalty fee. The non-refundable upfront initial fee is charged for pre-opening support services provided to the franchisees, including market and location analysis, certain advisory services like license application and pre-opening marketing, etc. As these services are highly interrelated with the franchise right, they are not individually distinct from the ongoing franchising arrangement with the franchisees. As a result, initial franchise fees, which are considered as consideration for the Group to provide right to access the Group's intellectual property, are recognised on a straight-line basis over the expected franchise period, typically of 5 years. Unrecognised non-refundable upfront initial fee is recognised as contract liabilities in the consolidated statements of financial position.

Franchisees are also required to pay a monthly royalty fee, which is determined based on a fixed percentage of the gross merchandise value generated by the franchised restaurant. Fixed amount royalty fees are recognised monthly. For fixed percentage royalty fees, the Group applies "sales-based royalty" under IFRS 15 "Revenue from Contracts with Customers" to recognise the royalty fees when the sales to end customers occurred or the performance obligation to which some or all of the sales-based royalty has been allocated has been satisfied (or partially satisfied), whichever is the later.

Provision of services

The Group provides other services including system maintenance and support services to franchisees. Revenue are recognised when these services are performed in the accounting period in which the services are rendered.

Sales of food ingredients and restaurant supplies

Revenue from sales of food ingredients and restaurant supplies to franchisees is recognised at the point in time when the franchisees accept the products and the control over those products is transferred to the franchisees.

(ii) Dividends

Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established.

(iii) Interest income

Interest income is recognised using the effective interest method. The "effective interest rate" is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired). However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

(iv) Government grants

Government grants are recognised in the statements of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them.

Grants that compensate the Group for expenses incurred are recognised as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred.

(u) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

(v) Related parties

- (a) A person, or a close member of that person's family, is related to the Group if that person:
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or the Group's parent.
- (b) An entity is related to the Group if any of the following conditions applies:
 - (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a).
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

(w) Redemption liabilities

A contract that contains an obligation for the Company to purchase its own equity instruments for cash or another financial asset gives rise to a financial liability even if the Company's obligation to purchase is conditional on the counterparty exercising its right to redeem. The redemption liability is measured at the present value of the redemption amount and the changes in the carrying amount arising from the remeasurement of the present value of the redemption amount, is recognised in profit or loss.

(x) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

3 ACCOUNTING JUDGEMENTS AND ESTIMATES

Notes 2(q)(ii), 26 and 28 contain information about the assumptions and their risk factors relating to fair value of share option granted and financial instruments. Other significant sources of estimation uncertainty are as follows:

(a) Impairment of property, plant and equipment and right-of-use assets

Internal and external sources of information are reviewed at the end of each reporting period to assess whether there is any indication that property, plant and equipment and right-of-use assets may be impaired. If any such indication exists, the recoverable amount of the property, plant and equipment and right-of-use assets is estimated. Changes in facts and circumstances may result in revisions to the conclusion of whether an indication of impairment exists and revised estimates of recoverable amounts, which would affect profit or loss in future periods.

(b) Depreciation of property, plant and equipment and right-of-use assets

Property, plant and equipment, and right-of-use assets, are depreciated on a straight-line basis over the estimated useful lives of the assets. The Group reviews the estimated useful lives of the assets regularly in order to determine the amount of depreciation expense to be recorded during any reporting period. The useful lives are based on the Group's historical experience with similar assets. The depreciation expense for future periods is adjusted if there are material changes from previous estimates.

(c) Provision for restoration costs

As explained in note 23, the Group makes provision for restoration costs based on the best estimate of the expected costs to be incurred upon expiry of the respective rental agreements, which are subject to uncertainty and might differ from the actual costs incurred. Any increase or decrease in the provision would affect profit or loss in future periods.

(d) Determining the lease term

As explained in policy note 2(h), the lease liability is initially recognised at the present value of the lease payments payable over the lease term. In determining the lease term at the commencement date for leases that include renewal options exercisable by the Group, the Group evaluates the likelihood of exercising the renewal options taking into account all relevant facts and circumstances that create an economic incentive for the Group to exercise the option, including favourable terms, leasehold improvements undertaken and the importance of that underlying asset to the Group's operation. The lease term is reassessed when there is a significant event or significant change in circumstance that is within the Group's control. Any increase or decrease in the lease term would affect the amount of lease liabilities and right-of-use assets recognised in future years.

4 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:

	Years ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(unaudited)	
Revenue from contracts with customers within the scope of IFRS 15:					
Self-operated restaurant operations					
– Dine-in service	270,998	547,353	820,301	370,612	497,176
– Delivery business	65,738	124,587	180,709	82,128	128,898

	Years ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Franchise management					
– Royalty and franchising income and provision of service	12,547	22,729	27,042	12,736	13,875
– Sales of food ingredients and restaurant supplies	67,964	104,965	125,488	59,736	62,787
Others	849	880	894	445	449
	<u>418,096</u>	<u>800,514</u>	<u>1,154,434</u>	<u>525,657</u>	<u>703,185</u>
Disaggregated by timing of revenue recognition					
– Point in time	405,549	777,785	1,127,392	512,921	689,310
– Over time	12,547	22,729	27,042	12,736	13,875
	<u>418,096</u>	<u>800,514</u>	<u>1,154,434</u>	<u>525,657</u>	<u>703,185</u>

Others includes sales of retail products on e-commerce platforms.

No revenue from individual customer contributing over 10% of total revenue of the Group for the years ended 31 December 2022, 2023 and 2024 and the six months ended 30 June 2024 (unaudited) and 2025.

(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 2022, 2023 and 2024 and 30 June 2025, the aggregated amount of the transaction price allocated to the remaining performance obligations under the Group's existing contracts is RMB1,875,000, RMB3,564,000, RMB4,564,000 and RMB4,553,000. 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.

5 OTHER INCOME

	Years ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Interest income on:					
– bank deposits	470	1,070	573	182	482
– rental deposits	986	1,308	1,889	865	1,155
– lease payment receivables	572	411	239	140	64
	<u>2,028</u>	<u>2,789</u>	<u>2,701</u>	<u>1,187</u>	<u>1,701</u>
Income from value-added tax super deduction and exemption (note (i))	2,990	8,954	–	–	–
Government grants (note (ii))	2,175	1,863	5,760	3,574	2,400
Investment income from financial assets measured at FVPL	311	537	506	118	399
	<u>7,504</u>	<u>14,143</u>	<u>8,967</u>	<u>4,879</u>	<u>4,500</u>

Note:

- (i) Income from value-added tax super deduction and exemption represented the super deduction and exemption on value-added tax granted by the government authorities in the PRC. Such policy was expired on 31 December 2023.
- (ii) Government grants mainly represented unconditional cash awards granted by the government authorities in the PRC.

6 (LOSS)/PROFIT BEFORE TAXATION

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

(a) Finance costs

	Years ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Interest on bank loans (note 19(c)) . . .	208	45	381	–	7
Interest on lease liabilities (note 19(c))	16,600	19,074	27,083	12,555	14,329
Unwind of discount on provisions (note 23)	154	214	307	142	176
	<u>16,962</u>	<u>19,333</u>	<u>27,771</u>	<u>12,697</u>	<u>14,512</u>

(b) Staff costs (including directors' emoluments)

	Years ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Salaries, wages and other benefits . . .	103,667	158,135	145,456	69,388	79,416
Contributions to defined contribution retirement plans	4,260	6,829	10,238	4,812	6,256
Equity-settled share-based payment expenses (note 26)	1,337	1,419	3,139	1,551	2,624
	<u>109,264</u>	<u>166,383</u>	<u>158,833</u>	<u>75,751</u>	<u>88,296</u>
Outsourced staff costs	–	8,811	106,229	46,020	70,501
	<u>109,264</u>	<u>175,194</u>	<u>265,062</u>	<u>121,771</u>	<u>158,797</u>

(c) Other net (losses)/gains

	Years ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Losses on restaurant closures	(855)	(1,461)	(515)	(167)	(1,703)
Gains on early termination of leases . .	130	1,482	4,142	39	453
Donation	–	(88)	(600)	–	(350)
Net fair value changes of financial assets measured at FVPL	9	63	261	130	18
Others	539	290	(172)	51	(285)
	<u>(177)</u>	<u>286</u>	<u>3,116</u>	<u>53</u>	<u>(1,867)</u>

(d) Other expenses and listing expense

	Years ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Service fee paid to third-party online food delivery platforms	14,930	28,800	42,275	19,176	30,516
Materials for restaurant operation	5,895	10,621	14,926	8,067	5,856
Transportation expenses	3,087	5,120	7,733	3,345	5,285
Maintenance expenses	1,895	2,917	4,750	1,759	2,460
Software service fee	1,974	2,452	4,086	1,299	1,606
Bank and other charges	917	1,667	3,607	1,651	2,816
Professional service fees	2,006	2,949	2,481	1,222	1,340
Business tax and surcharges	519	1,328	2,146	683	781
Office expenses	1,429	1,477	2,113	1,159	1,178
Others	1,943	2,459	4,604	2,041	1,860
	<u>34,595</u>	<u>59,790</u>	<u>88,721</u>	<u>40,402</u>	<u>53,698</u>
Listing expenses	<u>–</u>	<u>–</u>	<u>1,112</u>	<u>–</u>	<u>11,164</u>

(e) Depreciation and amortisation

	Years ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Amortisation of intangible assets (note 12)	853	1,167	1,872	780	1,219
Depreciation (note 11)					
– property, plant and equipment	20,975	23,046	35,777	16,552	24,809
– right-of-use assets	94,620	125,429	188,845	86,309	109,726
	<u>115,595</u>	<u>148,475</u>	<u>224,622</u>	<u>102,861</u>	<u>134,535</u>

7 INCOME TAX IN THE CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(a) Taxation in the consolidated statements of profit or loss and other comprehensive income represents:

	Years ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Current tax					
Provision for the year/period					
– PRC income tax	9	9,826	17,936	7,720	10,039
– Hong Kong Profits Tax	–	–	163	25	1,126
	<u>9</u>	<u>9,826</u>	<u>18,099</u>	<u>7,745</u>	<u>11,165</u>
Deferred tax					
Origination and reversal of temporary differences (note 25(b))	(12,181)	1,398	(3,918)	(2,660)	(703)
	<u>(12,172)</u>	<u>11,224</u>	<u>14,181</u>	<u>5,085</u>	<u>10,462</u>

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

	Years ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
(Loss)/profit before taxation	(48,145)	57,138	74,881	26,454	52,296
Notional tax on profit before taxation	(12,037)	14,285	18,720	6,612	12,473
Effect of preferential income tax rates of certain subsidiaries (i)	675	(1,258)	(2,893)	(577)	(1,435)
Effect of non-deductible expenses	44	46	253	46	65
Tax concessions	(854)	(1,849)	(1,899)	(996)	(641)
Actual tax (credit)/expense	(12,172)	11,224	14,181	5,085	10,462

Notes:

- (i) Taxable income for the Group's subsidiaries in the Chinese Mainland are subject to PRC income tax rate of 25% for the years ended 31 December 2022, 2023 and 2024 and the six months ended 30 June 2024 and 2025, unless otherwise specified below.

Certain subsidiaries met the criteria required for preferential income tax rate granted to small and low profit-making enterprise in the Chinese Mainland, and were entitled to a preferential income tax rate of 5% on taxable income for the years ended 31 December 2022, 2023 and 2024 and the six months ended 30 June 2024 and 2025.

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 years ended 31 December 2022, 2023 and 2024 and the six months ended 30 June 2024 and 2025.

- (ii) The Group's Hong Kong subsidiaries were established since 2023 and did not have any other assessable profits for the year ended 31 December 2023. The provision for Hong Kong Profits Tax for the year ended 31 December 2024 and the six months ended 30 June 2024 and 2025 is calculated at 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 the year ended 31 December 2024 and the six months ended 30 June 2024 and 2025. For this subsidiary, the first HK\$2 million of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%.

The provision for Hong Kong Profits Tax for the year ended 31 December 2024 and the six months ended 30 June 2024 and 2025 takes into account a reduction granted by the Hong Kong SAR Government of 100% of the tax payable for the year of assessment 2023/24 and 2024/25 subject to a maximum reduction of HK\$3,000 and HK\$1,500 for each business.

- (iii) The Group's Singapore subsidiary was established in 2025 and did not have any assessable profits for the six months ended 30 June 2025.

8 DIRECTORS' EMOLUMENTS

Directors' emoluments as recorded in the consolidated financial statements are set out below:

	Year ended 31 December 2022					
	Salaries, allowances and other benefits	Discretionary bonuses	Retirement scheme contributions	Sub-Total	Share-based payments (note (a))	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Executive directors						
Mr. Song Qi ("Mr. Song") . . .	774	—	8	782	—	782
Mr. Su Xuxiang ("Mr. Su") . .	602	—	8	610	—	610
Non-executive director						
Mr. Wang Xiaolong	—	—	—	—	—	—
Supervisor						
Ms. Zhang Qi	137	—	8	145	—	145
Total	<u>1,513</u>	<u>—</u>	<u>24</u>	<u>1,537</u>	<u>—</u>	<u>1,537</u>

	Year ended 31 December 2023					
	Salaries, allowances and other benefits	Discretionary bonuses	Retirement scheme contributions	Sub-Total	Share-based payments (note (a))	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Executive directors						
Mr. Song	960	80	8	1,048	—	1,048
Mr. Su	730	60	8	798	—	798
Mr. Xu Zhi (appointed on 7 September 2023)	238	20	3	261	101	362
Mr. Pan Rujun (appointed on 7 September 2023)	82	20	3	105	—	105
Non-executive director						
Mr. Wang Xiaolong	—	—	—	—	—	—
Supervisors						
Ms. Zhang Qi	166	13	8	187	21	208
Ms. Qin Yan (appointed on 7 September 2023)	92	23	3	118	—	118
Mr. Peng Yue (appointed on 7 September 2023)	190	47	3	240	—	240
Total	2,458	263	36	2,757	122	2,879

	Year ended 31 December 2024					
	Salaries, allowances and other benefits	Discretionary bonuses	Retirement scheme contributions	Sub-Total	Share-based payments (note (a))	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Executive directors						
Mr. Song	1,018	84	10	1,112	—	1,112
Mr. Su	804	67	10	881	—	881
Mr. Xu Zhi	804	67	10	881	218	1,099
Mr. Pan Rujun	254	21	10	285	—	285
Non-executive director						
Mr. Wang Xiaolong	—	—	—	—	—	—
Supervisors						
Ms. Zhang Qi	185	15	10	210	24	234
Ms. Qin Yan	289	24	10	323	24	347
Mr. Peng Yue	643	53	10	706	—	706
Total	3,997	331	70	4,398	266	4,664

Six months ended 30 June 2024 (unaudited)

	Salaries, allowances and other benefits	Discretionary bonuses	Retirement scheme contributions	Sub-Total	Share-based payments (note (a))	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Executive directors						
Mr. Song	497	42	5	544	—	544
Mr. Su	381	33	5	419	—	419
Mr. Xu Zhi	381	33	5	419	114	533
Mr. Pan Rujun	128	11	5	144	—	144
Non-executive director						
Mr. Wang Xiaolong	—	—	—	—	—	—
Supervisors						
Ms. Zhang Qi	93	8	5	106	12	118
Ms. Qin Yan	144	12	5	161	8	169
Mr. Peng Yue	294	27	5	326	—	326
Total	1,918	166	35	2,119	134	2,253

Six months ended 30 June 2025

	Directors' fees	Salaries, allowances and other benefits	Discretionary bonuses	Retirement scheme contributions	Sub-Total	Share-based payments (note (a))	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Executive directors							
Mr. Song	—	561	48	5	614	16	630
Mr. Su	—	429	37	5	471	—	471
Mr. Xu Zhi (resigned on 1 April 2025)	—	199	18	3	220	143	363
Mr. Pan Rujun (resigned on 1 April 2025)	—	61	5	3	69	—	69
Ms. Luo Yanling (appointed on 1 April 2025)	—	219	18	3	240	—	240
Non-executive director							
Mr. Wang Xiaolong	—	—	—	—	—	—	—
Independent non-executive directors							
Mr. Xu Lei (appointed on 1 April 2025)	69	—	—	—	69	—	69
Mr. Chen Guobin (appointed on 1 April 2025)	69	—	—	—	69	—	69
Mr. Zhong Jiesheng (appointed on 1 April 2025)	69	—	—	—	69	—	69
Supervisors							
Ms. Zhang Qi	—	102	9	5	116	48	164
Ms. Qin Yan	—	153	13	5	171	16	187
Mr. Peng Yue	—	330	28	5	363	—	363
Total	207	2,054	176	34	2,471	223	2,694

Notes:

- (a) These represent the estimated value of share options granted to the directors and supervisors under the Company's share-based incentive scheme. The value of these share options is measured according to the Group's accounting policies for share-based payment transactions as set out in note 2(q)(ii) and, in accordance with that policy, includes adjustments to reverse amounts accrued in previous years where grants of equity instruments are forfeited prior to vesting.

The details of these benefits in kind, including the principal terms and number of option granted, are disclosed in note 26.

- (b) For the years ended 31 December 2022, 2023 and 2024 and the six months ended 30 June 2024 and 2025, there were no amounts paid or payable by the Group to the directors, supervisors or any of the highest paid individuals set out in note 9 below as an inducement to join or upon joining the Group or as a compensation for loss of office. There was no arrangement under which a director or a supervisor waived or agreed to waive any remuneration for the years ended 31 December 2022, 2023 and 2024 and the six months ended 30 June 2024 and 2025.

9 INDIVIDUALS WITH HIGHEST EMOLUMENTS

For the years ended 31 December 2022, 2023 and 2024 and the six months ended 30 June 2024, of the six individuals (joint-fifth highest) with the highest emoluments, 2, 3, 3, and 3 (unaudited) are directors whose emoluments are disclosed in note 8. For the six months ended 30 June 2025, of the five individuals with the highest emoluments, 1 is a director whose emoluments is disclosed in note 8.

The aggregate of the emoluments in respect of the other 4, 3, 3, 3 (unaudited) and 4 individuals are as follows:

	Years ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Salaries and other emoluments	1,961	1,807	2,048	1,004	1,394
Discretionary bonuses	–	145	170	85	63
Share-based payments	926	474	659	330	1,057
Retirement scheme contributions	29	25	29	14	21
	<u>2,916</u>	<u>2,451</u>	<u>2,906</u>	<u>1,433</u>	<u>2,535</u>

The emoluments of the 4, 3, 3, 3 (unaudited) and 4 individuals with the highest emoluments are within the following bands:

	Years ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	Number of individuals	Number of individuals	Number of individuals	Number of individuals (unaudited)	Number of individuals
Nil – HKD1,000,000	3	3	1	3	4
HKD1,000,001 – HKD1,500,000	1	–	2	–	–

10 (LOSS)/EARNINGS PER SHARE

(a) Basic (loss)/earnings per share

The calculation of basic loss/earnings per share for the years ended 31 December 2022, 2023 and 2024 and the six months ended 30 June 2025 is based on the loss/profit attributable to ordinary equity shareholders of the Company and the weighted average number of ordinary shares in issue or deemed to be in issue for the respective year.

As set out in note 27(c), the Company was converted from a limited liability company into a joint stock limited liability company on 7 September 2023. The Company's paid-in capital of RMB12,266,000 was converted into 613,324,800 shares with the par value of RMB0.02 each accordingly. For the purpose of determining basic loss/earnings per share, the weighted average number of ordinary shares were deemed to be in issue before the Company's conversion into a joint stock limited liability company as if the above conversion had occurred on 1 January 2022 at the exchange ratio established on 7 September 2023.

(i) (Loss)/profit attributable to ordinary equity shareholders of the Company

	Years ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
(Loss)/profit for the year/period attributable to all equity shareholders of the Company	(35,973)	45,914	60,700	21,369	41,834
Allocation of loss/(profit) for the year/period attributable to Restricted Shares held for share-based incentive scheme (note 26)	–	–	(1)	–	(4)
Allocation of loss/(profit) for the year/period attributable to redemption liabilities (note 20(b)/27(d)(iv))	<u>1,429</u>	<u>(1,824)</u>	<u>(2,411)</u>	<u>(867)</u>	<u>(1,693)</u>
(Loss)/profit for the year/period attributable to ordinary equity shareholders of the Company	(34,544)	44,090	58,288	20,502	40,137

(ii) Weighted average number of ordinary shares

	Years ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	'000	'000	'000	'000 (unaudited)	'000
Ordinary shares (deemed to be) in issue at 1 January	613,325	613,325	613,325	613,325	613,325
Effect of unvested shares held for share-based incentive scheme (note 26)	(15,582)	(13,873)	(12,333)	(12,585)	(11,215)
Effect of redemption liabilities (note 20(b))	<u>(24,363)</u>	<u>(24,363)</u>	<u>(24,363)</u>	<u>(24,363)</u>	<u>(24,363)</u>
Weighted average number of ordinary shares (deemed to be) at 31 December/30 June	<u>573,380</u>	<u>575,089</u>	<u>576,629</u>	<u>576,377</u>	<u>577,747</u>

(b) Diluted (loss)/earnings per share

Diluted loss/earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. For the years ended 31 December 2022, 2023 and 2024 and the six months ended 30 June 2024 and 2025, the Group's potential ordinary shares are from redemption liabilities (note 20(b)) and share-based incentive scheme (note 26).

(i) (Loss)/profit attributable to ordinary equity shareholders of the Company (diluted):

	Years ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
(Loss)/profit for the year/period attributable to ordinary equity shareholders of the Company	(34,544)	44,090	58,288	20,502	40,137
Effect of allocation of loss for the year/period attributable to redemption liabilities (note 20(b))	1,429	—	—	—	—
(Loss)/profit for the year/period attributable to ordinary equity shareholders of the Company (diluted)	<u>(35,973)</u>	<u>44,090</u>	<u>58,288</u>	<u>20,502</u>	<u>40,137</u>

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

	Years ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	'000	'000	'000	'000 (unaudited)	'000
Weighted average number of ordinary shares (deemed to be) at 31 December	573,380	575,089	576,629	576,377	577,747
Effect of unvested shares held for share-based incentive scheme after vested	—	4,684	8,461	5,781	4,308
Effect of redemption liabilities after conversion to share capital	<u>5,230</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Weighted average number of ordinary shares (deemed to be) (diluted) at 31 December/30 June	<u>578,610</u>	<u>579,773</u>	<u>585,090</u>	<u>582,158</u>	<u>582,055</u>

Ordinary shares with redemption option (note 20(b)) were not included in the calculation of diluted earnings per share for the years ended 31 December 2023 and 2024 and the six months ended 30 June 2024 and 2025 because their effect would have been anti-dilutive.

The effects of unvested ordinary shares held for under the share-based incentive scheme with employees have not been included in the calculation of diluted loss per share for the year ended 31 December 2022 because their effect would be anti-dilutive.

11 PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

(a) Reconciliation of carrying amount

The Group

	Leasehold improvement	Kitchen equipment	Electronic equipment	Other equipments	Construction in progress	Subtotal	Property – Right-of-use assets	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Cost:								
At 1 January 2022	71,010	13,495	2,424	3,020	6,142	96,091	482,188	578,279
Additions	–	4,211	502	1,060	28,332	34,105	120,179	154,284
Transfer from construction in progress	31,249	–	–	–	(31,249)	–	–	–
Disposals	(6,905)	(3,192)	(719)	(1,757)	–	(12,573)	(6,484)	(19,057)
At 31 December 2022 and 1 January 2023	95,354	14,514	2,207	2,323	3,225	117,623	595,883	713,506
Additions	–	9,927	876	2,082	43,771	56,656	280,678	337,334
Transfer from construction in progress	41,984	–	–	–	(41,984)	–	–	–
Disposals	(2,857)	(490)	(208)	(7)	–	(3,562)	(10,343)	(13,905)
At 31 December 2023 and 1 January 2024	134,481	23,951	2,875	4,398	5,012	170,717	866,218	1,036,935
Additions	–	12,937	1,454	6,432	80,527	101,350	380,744	482,094
Transfer from construction in progress	80,769	–	–	–	(80,769)	–	–	–
Disposals	(6,950)	(4,052)	(374)	(128)	–	(11,504)	(84,325)	(95,829)
At 31 December 2024 and 1 January 2025	208,300	32,836	3,955	10,702	4,770	260,563	1,162,637	1,423,200
Additions	–	6,407	435	1,688	44,207	52,737	140,596	193,333
Transfer from construction in progress	45,222	–	–	–	(45,222)	–	–	–
Disposals	(1,905)	(515)	(60)	(61)	–	(2,541)	(11,050)	(13,591)
At 30 June 2025	251,617	38,728	4,330	12,329	3,755	310,759	1,292,183	1,602,942
Accumulated depreciation:								
At 1 January 2022	22,552	3,976	959	1,195	–	28,682	122,814	151,496
Charge for the year	18,258	2,100	325	292	–	20,975	94,620	115,595
Disposals	(4,128)	(1,579)	(403)	(1,164)	–	(7,274)	(1,706)	(8,980)
At 31 December 2022 and 1 January 2023	36,682	4,497	881	323	–	42,383	215,728	258,111
Charge for the year	19,704	2,555	338	449	–	23,046	125,429	148,475
Disposals	(356)	(367)	(162)	(1)	–	(886)	(2,063)	(2,949)
At 31 December 2023 and 1 January 2024	56,030	6,685	1,057	771	–	64,543	339,094	403,637
Charge for the year	30,016	3,679	514	1,568	–	35,777	188,845	224,622
Disposals	(4,687)	(1,458)	(179)	(17)	–	(6,341)	(48,502)	(54,843)
At 31 December 2024 and 1 January 2025	81,359	8,906	1,392	2,322	–	93,979	479,437	573,416
Charge for the period	20,515	2,904	348	1,042	–	24,809	109,726	134,535
Disposals	(99)	(321)	(38)	(11)	–	(469)	(3,791)	(4,260)
At 30 June 2025	101,775	11,489	1,702	3,353	–	118,319	585,372	703,691

	Leasehold improvement	Kitchen equipment	Electronic equipment	Other equipments	Construction in progress	Subtotal	Property – Right-of-use assets	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Impairment:								
At 1 January 2022	6,658	964	102	28	–	7,752	–	7,752
Addition	7,654	1,419	125	242	–	9,440	–	9,440
Disposals	(2,366)	(160)	(26)	(19)	–	(2,571)	–	(2,571)
At 31 December 2022 and 1 January 2023	11,946	2,223	201	251	–	14,621	–	14,621
Addition	5,706	2,564	204	464	–	8,938	–	8,938
Disposals	(2,351)	(40)	(8)	(6)	–	(2,405)	–	(2,405)
At 31 December 2023 and 1 January 2024	15,301	4,747	397	709	–	21,154	–	21,154
Addition	1,126	309	31	123	–	1,589	–	1,589
Disposals	(1,788)	(2,287)	(129)	–	–	(4,204)	–	(4,204)
At 31 December 2024 and 1 January 2025	14,639	2,769	299	832	–	18,539	–	18,539
Addition	1,525	295	25	111	–	1,956	–	1,956
Disposals	(1,806)	(24)	(1)	–	–	(1,831)	–	(1,831)
At 30 June 2025	14,358	3,040	323	943	–	18,664	–	18,664
Net Book Value:								
At 30 June 2025	135,484	24,199	2,305	8,033	3,755	173,776	706,811	880,587
At 31 December 2024	112,302	21,161	2,264	7,548	4,770	148,045	683,200	831,245
At 31 December 2023	63,150	12,519	1,421	2,918	5,012	85,020	527,124	612,144
At 31 December 2022	46,726	7,794	1,125	1,749	3,225	60,619	380,155	440,774

The Company

	Leasehold improvement	Kitchen equipment	Electronic equipment	Other equipments	Construction in progress	Subtotal	Property – Right-of-use assets	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Cost:								
At 1 January 2022	30,440	6,195	1,488	2,254	883	41,260	178,644	219,904
Additions	–	613	129	132	6,083	6,957	35,388	42,345
Transfer from construction in progress	6,966	–	–	–	(6,966)	–	–	–
Disposals	(4,016)	(2,241)	(542)	(1,308)	–	(8,107)	–	(8,107)
At 31 December 2022 and 1 January 2023	33,390	4,567	1,075	1,078	–	40,110	214,032	254,142
Additions	–	777	166	101	4,542	5,586	52,300	57,886
Transfer from construction in progress	4,114	–	–	–	(4,114)	–	–	–
Disposals	–	(233)	(173)	–	–	(406)	–	(406)
At 31 December 2023 and 1 January 2024	37,504	5,111	1,068	1,179	428	45,290	266,332	311,622
Additions	–	822	185	205	4,179	5,391	32,497	37,888
Transfer from construction in progress	4,226	–	–	–	(4,226)	–	–	–
Disposals	(1,215)	(972)	(73)	(24)	–	(2,284)	(43,726)	(46,010)
At 31 December 2024 and 1 January 2025	40,515	4,961	1,180	1,360	381	48,397	255,103	303,500
Additions	–	279	–	–	2,727	3,006	12,427	15,433
Transfer from construction in progress	2,468	–	–	–	(2,468)	–	–	–
Disposals	(1,346)	(216)	(38)	(55)	–	(1,655)	(129)	(1,784)
At 30 June 2025	41,637	5,024	1,142	1,305	640	49,748	267,401	317,149

	Leasehold improvement	Kitchen equipment	Electronic equipment	Other equipments	Construction in progress	Subtotal	Property – Right-of-use assets	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Accumulated depreciation:								
At 1 January 2022	12,108	2,485	724	992	–	16,309	61,812	78,121
Charge for the year	6,289	732	162	191	–	7,374	32,298	39,672
Disposals	(3,865)	(1,414)	(373)	(971)	–	(6,623)	–	(6,623)
At 31 December 2022 and 1 January 2023	14,532	1,803	513	212	–	17,060	94,110	111,170
Charge for the year	5,228	679	164	184	–	6,255	38,970	45,225
Disposals	–	(191)	(140)	–	–	(331)	–	(331)
At 31 December 2023 and 1 January 2024	19,760	2,291	537	396	–	22,984	133,080	156,064
Charge for the year	5,497	654	170	234	–	6,555	46,585	53,140
Disposals	(1,215)	(581)	(57)	(3)	–	(1,856)	(22,927)	(24,783)
At 31 December 2024 and 1 January 2025	24,042	2,364	650	627	–	27,683	156,738	184,421
Charge for the period	2,908	360	85	123	–	3,476	19,913	23,389
Disposals	(90)	(158)	(30)	(9)	–	(287)	(129)	(416)
At 30 June 2025	26,860	2,566	705	741	–	30,872	176,522	207,394
	Leasehold improvement	Kitchen equipment	Electronic equipment	Other equipments	Construction in progress	Subtotal	Property – Right-of-use assets	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Impairment:								
At 1 January 2022	1,946	222	29	19	–	2,216	–	2,216
Addition	1,751	172	22	4	–	1,949	–	1,949
Disposals	–	(49)	(8)	(9)	–	(66)	–	(66)
At 31 December 2022 and 1 January 2023	3,697	345	43	14	–	4,099	–	4,099
Addition	1,288	337	33	36	–	1,694	–	1,694
Disposals	–	(6)	–	–	–	(6)	–	(6)
At 31 December 2023 and 1 January 2024	4,985	676	76	50	–	5,787	–	5,787
Addition	–	27	–	–	–	27	–	27
Disposals	–	(298)	(10)	–	–	(308)	–	(308)
At 31 December 2024 and 1 January 2025	4,985	405	66	50	–	5,506	–	5,506
Addition	–	–	–	–	–	–	–	–
Disposals	(1,256)	(24)	(2)	–	–	(1,282)	–	(1,282)
At 30 June 2025	3,729	381	64	50	–	4,224	–	4,224
Net Book Value:								
At 30 June 2025	11,048	2,077	373	514	640	14,652	90,879	105,531
At 31 December 2024	11,488	2,192	464	683	381	15,208	98,365	113,573
At 31 December 2023	12,759	2,144	455	733	428	16,519	133,252	149,771
At 31 December 2022	15,161	2,419	519	852	–	18,951	119,922	138,873

Impairment losses

As at 31 December 2022, 2023 and 2024 and 30 June 2025, in view of the unfavorable future prospects of certain restaurants, the Group's management estimated the recoverable amount of each such restaurant (cash-generating unit ("CGU")) with an indication of impairment. The recoverable amount of each CGU is determined based on fair value less cost of disposal or the value-in-use calculations by preparing cash flow projections of the relevant CGUs derived from the most recent financial forecast approved by the management covering the remaining lease term, which is higher.

The cash flows are discounted using a discount rate of 19.67%, 18.25% and 18.17% and 17.86% as at 31 December 2022, 2023 and 2024 and 30 June 2025, respectively. The discount rate used is pre-tax and reflects specific risks relating to the relevant CGU.

In addition, the recoverable amount of certain CGU is determined based on fair value less cost of disposal, using direct comparison approach by assuming each of the stores is assigned in its current condition with vacant possession. Significant unobservable inputs used in the fair value measurement include market rentals, by making reference to lease transactions of comparable properties in close proximity as available in the relevant market, adjusted for any difference in factors such as location and property size. The fair value on which the recoverable amount is based on its categorised as level 3 measurement.

For the years ended 31 December 2022, 2023 and 2024 and the six months ended 30 June 2024 and 2025, an impairment loss of RMB9,440,000, RMB8,938,000, RMB1,589,000, RMB846,000 (unaudited) and RMB1,956,000 was recognised, respectively, as the carrying amount of certain CGUs exceeded their recoverable amount. Impairment losses were allocated to the assets in related restaurant including leasehold improvement and other property, plant and equipment within CGU on a pro rata basis, was recognised in the consolidated statements of profit or loss and other comprehensive income in the respective year.

(b) Right-of-use assets

The analysis of the net book value of right-of-use assets by class of underlying asset is as follows:

The Group

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Property – Right-of-use assets, carried at depreciated cost (note (i))	<u>380,155</u>	<u>527,124</u>	<u>683,200</u>	<u>706,811</u>

The Company

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Property – Right-of-use assets, carried at depreciated cost	<u>119,922</u>	<u>133,252</u>	<u>98,365</u>	<u>90,879</u>

The analysis of expense items in relation to leases recognised in profit or loss is as follows:

	Years ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Depreciation charge of right-of-use assets by class of underlying asset:					
Property – Right-of-use assets	<u>94,620</u>	<u>125,429</u>	<u>188,845</u>	<u>86,309</u>	<u>109,726</u>
Interest on lease liabilities (note 6(a))	16,600	19,074	27,083	12,555	14,329
Expense relating to short-term leases	–	–	–	–	848
Expense relating to leases of low-value assets	1,109	2,175	2,586	1,257	1,084
Variable lease payments not included in the measurement of lease liabilities	3,414	16,190	19,046	9,388	14,573

For the years ended 31 December 2022, 2023 and 2024 and the six months ended 30 June 2025, additions to right-of-use assets were RMB120,179,000, RMB280,678,000, RMB380,744,000 and RMB140,596,000, respectively. These amounts primarily related to the capitalised lease payments payable under new tenancy agreements.

Details of total cash outflow for leases and the maturity analysis of lease liabilities are set out in notes 19(d) and 22, respectively.

Notes:

(i) Property – Right-of-use assets

The Group has obtained the right to use properties as its restaurants through tenancy agreements. The leases run for an initial period of 2 to 14 years.

The Group leased a number of restaurants which contain variable lease payment terms that are based on sales generated from the restaurants and minimum annual lease payment terms that are fixed. These payment terms are common in restaurants in the PRC where the Group principally operates.

The amount of fixed and variable lease payments associated with right-of-use assets for each reporting period is summarised below:

	Years ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Fixed payments	85,545	147,685	204,161	97,700	118,495
Rental expense related to variable payments	<u>3,414</u>	<u>16,190</u>	<u>19,046</u>	<u>9,388</u>	<u>14,573</u>
Total payments	<u>88,959</u>	<u>163,875</u>	<u>223,207</u>	<u>107,088</u>	<u>133,068</u>

12 INTANGIBLE ASSETS

The Group

	Software
	<i>RMB'000</i>
Cost:	
At 1 January 2022	2,956
Additions	1,722
At 31 December 2022 and 1 January 2023	4,678
Additions	1,256
At 31 December 2023 and 1 January 2024	5,934
Additions	2,607
At 31 December 2024 and 1 January 2025	8,541
Additions	1,004
At 30 June 2025	9,545
Accumulated amortisation:	
At 1 January 2022	497
Charge for the year	853
At 31 December 2022 and 1 January 2023	1,350
Charge for the year	1,167
At 31 December 2023 and 1 January 2024	2,517
Charge for the year	1,872
At 31 December 2024 and 1 January 2025	4,389
Charge for the period	1,219
At 30 June 2025	5,608
Net book value:	
At 30 June 2025	3,937
At 31 December 2024	4,152
At 31 December 2023	3,417
At 31 December 2022	3,328

The amortisation charge for the years ended 31 December 2022, 2023 and 2024 and the six months ended 30 June 2025 is included in “depreciation and amortisation of other assets” in the consolidated statements of profit or loss and other comprehensive income.

The Company

	Software
	RMB'000
Cost:	
At 1 January 2022 and 31 December 2022 and 1 January 2023 and	
31 December 2023 and 1 January 2024 and 31 December 2024 and 1 January	
2025 and 30 June 2025	281
Accumulated amortisation:	
At 1 January 2022	127
Charge for the year	42
At 31 December 2022 and 1 January 2023	169
Charge for the year	51
At 31 December 2023 and 1 January 2024	220
Charge for the year	49
At 31 December 2024 and 1 January 2025	269
Charge for the period	12
At 30 June 2025	281
Net book value:	
At 30 June 2025	—
At 31 December 2024	12
At 31 December 2023	61
At 31 December 2022	112

13 INVESTMENT IN SUBSIDIARIES

The Company

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Investments in subsidiaries	3,000	13,000	17,590	40,283

The financial statements of the Company for the years ended 31 December 2022, 2023 and 2024 were prepared in accordance with the Accounting Standards for Business Enterprises applicable to the enterprises in the PRC ("PRC GAAP") and audited by Guangzhou Huazhongpu Accounting Service Partnership Enterprise (General Partnership) (廣州華眾普會計師事務所(普通合夥)), Guangdong Wanjia Certified Public Accountants (General Partnership) (廣東萬嘉會計事務所(普通合夥)) and Zhiye (Guangzhou) Certified Public Accountants (General Partnership) (致業(廣州)會計師事務所(普通合夥)), respectively.

The following list contains only the particulars of subsidiaries which principally and significantly affected the results, assets or liabilities of the Group for the years ended 31 December 2022, 2023 and 2024 and the six months ended 30 June 2025 and as at the date of issue of the consolidated financial statements. The class of shares held is ordinary unless otherwise stated.

Company name	Place of incorporation and operation	Particulars of issued capital	Particulars of paid-up capital	Proportion of ownership interest	Principal business activities
北京遇見小麵餐飲管理有限公司 (Beijing Yujian Xiaomian Catering Management Co., Ltd.) (i) (ii)	Chinese Mainland	RMB5,000,000	RMB1,000,000	100%	Catering management
廣州遇見好物供應鏈管理有限公司 (Guangzhou Yujian Haowu Supply Chain Management Co., Ltd.) (i) (ii)	Chinese Mainland	RMB1,000,000	RMB1,000,000	100%	Supply chain management
深圳遇見小麵餐飲管理有限公司 (Shenzhen Yujian Xiaomian Catering Management Co., Ltd.) (i) (ii)	Chinese Mainland	RMB10,000,000	RMB10,000,000	100%	Catering management
淮安遇見好物供應鏈管理有限公司 (Huai'an Xujian Haowu Supply Chain Management Co., Ltd.) (i) (iv)	Chinese Mainland	RMB10,000,000	RMB10,000,000	100%	Supply chain management
武漢遇見小麵餐飲管理有限公司 (Wuhan Yujian Xiaomian Catering Management Co., Ltd.) (i) (v)	Chinese Mainland	RMB1,000,000	RMB1,000,000	100%	Catering management
四川遇見好玩信息科技有限公司 (Sichuan Yujian Haowan Information Technology Co., Ltd.) (i) (v)	Chinese Mainland	RMB1,000,000	RMB1,000,000	100%	Provision of information technology services
廣州遇見好玩信息科技服務有限公司 (Guangzhou Yujian Haowan Information Technology Service Co., Ltd.) (i) (vi)	Chinese Mainland	RMB5,000,000	RMB5,000,000	100%	Provision of information technology services
廣州遇見小麵餐飲服務有限公司 (Guangzhou Yujian Xiaomian Catering Service Co., Ltd.) (i) (iii)	Chinese Mainland	RMB10,000,000	RMB10,000,000	100%	Catering management
宿遷遇見好品供應鏈管理有限公司 (Suqian Yujian Haopin Supply Chain Management Co., Ltd.) (i) (vii)	Chinese Mainland	RMB10,000,000	RMB10,000,000	100%	Supply chain management

Notes:

- (i) These entities are PRC limited liability companies. The official names of these entities are in Chinese. The English translation of the names is for reference only.
- (ii) The financial statements of these entities for the years ended 31 December 2022, 2023 and 2024 were prepared in accordance with the PRC GAAP and audited by Guangzhou Huazhongpu Accounting Service Partnership Enterprise (General Partnership) (廣州華眾普會計師事務所(普通合夥)), Guangdong Wanjia Certified Public Accountants (General Partnership) (廣東萬嘉會計事務所(普通合夥)) and Xiamen Zhonglianxing Certified Public Accountants Co., Ltd (廈門中聯興會計師事務所有限公司), respectively.
- (iii) The financial statements of the entity for the years ended 31 December 2022, 2023 and 2024 were prepared in accordance with the PRC GAAP and audited by Guangdong Wanjia Certified Public Accountants (General Partnership) (廣東萬嘉會計事務所(普通合夥)), Guangdong Wanjia Certified Public Accountants (General Partnership) (廣東萬嘉會計事務所(普通合夥)) and Xiamen Zhonglianxing Certified Public Accountants Co., Ltd (廈門中聯興會計師事務所有限公司), respectively.
- (iv) No financial statements have been prepared for the entity in 2022 as it was newly incorporated in 2023. The financial statements of the entity for the year ended 31 December 2023 and 2024 were prepared in accordance with the PRC GAAP and audited by Guangdong Wanjia Certified Public Accountants (General Partnership) (廣東萬嘉會計事務所(普通合夥)) and Xiamen Zhonglianxing Certified Public Accountants Co., Ltd (廈門中聯興會計師事務所有限公司), respectively.
- (v) No financial statements have been prepared for these entities for the years ended 31 December 2022, 2023 and 2024 in accordance with the PRC GAAP.
- (vi) The financial statements of the entity for the years ended 31 December 2022 and 2023 were prepared in accordance with the PRC GAAP and audited by Guangzhou Huazhongpu Accounting Service Partnership Enterprise (General Partnership) (廣州華眾普會計師事務所(普通合夥)) and Guangdong Wanjia Certified Public Accountants (General Partnership) (廣東萬嘉會計事務所(普通合夥)), respectively.

No financial statements have been prepared for the entity for the year ended 31 December 2024 in accordance with the PRC GAAP.
- (vii) No financial statements have been prepared for the entity in 2022 and 2023 as it was newly incorporated in 2024. No financial statements have been prepared for the entity for the year ended 31 December 2024 in accordance with the PRC GAAP.

All subsidiaries have adopted December 31 as their financial year end date.

14 LEASE PAYMENT RECEIVABLES

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Within 1 year	4,462	4,245	2,529	1,642
After 1 year but within 2 years	4,245	2,529	640	437
After 2 years but within 5 years	3,851	1,410	621	359
After 5 years	89	—	—	—
	<u>12,647</u>	<u>8,184</u>	<u>3,790</u>	<u>2,438</u>
Less: total future interest income . . .	<u>809</u>	<u>398</u>	<u>159</u>	<u>96</u>
Present value of lease payment receivables	<u>11,838</u>	<u>7,786</u>	<u>3,631</u>	<u>2,342</u>
Lease payment receivables included in the consolidated statements of financial position				
– Within 1 year	4,052	4,005	2,425	1,578
– After 1 year but within 2 years	4,006	2,426	599	410
– After 2 years but within 5 years	3,691	1,355	607	354
– After 5 years	89	—	—	—
	<u>7,786</u>	<u>3,781</u>	<u>1,206</u>	<u>764</u>
	<u>11,838</u>	<u>7,786</u>	<u>3,631</u>	<u>2,342</u>

The Group, as the intermediate lessor, entered into restaurants sublease agreements with certain franchisees, which were classified as finance leases. The cost of lease assets is capitalised at the present value of the lease payments and presented as a receivable at an amount equal to the net investment in the lease.

15 FINANCIAL ASSETS MEASURED AT FVPL

The Group

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Financial assets measured at FVPL				
– Unlisted structured deposits	<u>7,009</u>	<u>25,063</u>	<u>70,261</u>	<u>25,018</u>

The Company

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Financial assets measured at FVPL				
– Unlisted structured deposits	<u>7,009</u>	<u>25,063</u>	<u>15,009</u>	<u>25,018</u>

The amount represents investments in structured deposits issued by financial institutions in the PRC. There are no fixed or determinable returns of these structured deposits.

16 OTHER NON-CURRENT ASSETS

The Group

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Prepayment for leasehold improvement	51	439	180	160
Long-term receivables	5,821	3,073	1,768	1,219
	<u>5,872</u>	<u>3,512</u>	<u>1,948</u>	<u>1,379</u>

17 INVENTORIES

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

The Group

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Food ingredients	16,299	26,652	22,037	21,636
Other materials	340	446	629	569
	<u>16,639</u>	<u>27,098</u>	<u>22,666</u>	<u>22,205</u>

The Company

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Food ingredients	616	990	985	1,057
Other materials	166	168	192	77
	<u>782</u>	<u>1,158</u>	<u>1,177</u>	<u>1,134</u>

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

	Years ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Carrying amount of inventories sold	<u>160,138</u>	<u>290,270</u>	<u>395,701</u>	<u>187,250</u>	<u>220,932</u>

18 TRADE AND OTHER RECEIVABLES

The Group

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Trade debtors, net of loss allowance	7,486	16,045	18,790	23,813
Input value-added tax recoverable	6,631	13,263	28,576	34,514
Deposits	4,099	13,665	19,903	26,468
Other receivables	1,844	1,113	1,338	2,134
Current portion of long-term receivables	1,226	683	431	319
Prepayments to vendors	4,799	6,105	8,882	9,929
Prepayment for listing expense	—	—	123	3,764
Lease payment receivables	4,052	4,005	2,425	1,578
	<u>30,137</u>	<u>54,879</u>	<u>80,468</u>	<u>102,519</u>

The Company

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Trade debtors	1,555	1,875	2,990	3,109
Input value-added tax recoverable	3,566	3,919	5,741	5,791
Deposits	1,432	8,910	5,831	9,747
Other receivables	716	695	792	145
Dividend receivables	—	21,500	55,500	63,500
Prepayments to vendors	2,163	2,764	5,084	5,734
Prepayment for listing expense	—	—	123	3,764
Amount due from subsidiaries	147,613	82,358	111,575	59,759
	<u>157,045</u>	<u>122,021</u>	<u>187,636</u>	<u>151,549</u>

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 31 December 2022, 2023 and 2024 and 30 June 2025, the ageing analysis of trade debtors (which are included in trade and other receivables), based on the revenue recognition date, is as follows:

The Group

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Within 1 month	7,486	13,440	17,643	21,016
More than 1 month but within 3 months	—	2,605	1,147	2,797
	<u>7,486</u>	<u>16,045</u>	<u>18,790</u>	<u>23,813</u>

The Company

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Within 1 month	<u>1,555</u>	<u>1,875</u>	<u>2,990</u>	<u>3,109</u>

Further details on the Group's accounting policies for credit losses from financial instruments and the Group's credit risk are set out in note 2(i)(i) and note 28(a).

19 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION

(a) Cash and cash equivalents comprise:

The Group

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Cash on hand	202	214	167	115
Cash at bank	48,424	47,689	73,347	94,352
Less: restricted bank deposits (note (i))	<u>(12,107)</u>	<u>(21,139)</u>	<u>(31,324)</u>	<u>(44,435)</u>
Cash and cash equivalents in the consolidated statements of financial position and the consolidated cash flow statements.	<u>36,519</u>	<u>26,764</u>	<u>42,190</u>	<u>50,032</u>

The Company

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Cash on hand	202	214	167	115
Cash at bank	28,207	32,414	58,910	52,294
Less: restricted bank deposits (note (i))	<u>(12,107)</u>	<u>(20,012)</u>	<u>(30,197)</u>	<u>(44,435)</u>
Cash and cash equivalents in the statements of financial position of the Company	<u>16,302</u>	<u>12,616</u>	<u>28,880</u>	<u>7,974</u>

- (i) As at 31 December 2022, 2023 and 2024 and 30 June 2025, restricted bank deposits mainly was reserved for receipts in advance of stored value membership accounts in accordance with relevant regulations issued by Ministry of Commerce of PRC.

(b) Reconciliation of (loss)/profit before taxation to cash generated from operations:

	Note	Years ended 31 December			Six months ended 30 June	
		2022	2023	2024	2024	2025
		RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
(Loss)/profit before taxation		(48,145)	57,138	74,881	26,454	52,296
Adjustments for:						
Interest income and investment income	5	(2,339)	(3,326)	(3,207)	(1,305)	(2,100)
Depreciation	6(e)	115,595	148,475	224,622	102,861	134,535
Amortisation of intangible assets	6(e)	853	1,167	1,872	780	1,219
Finance costs	6(a)	16,962	19,333	27,771	12,697	14,512
Losses/(gains) on disposal of property, plant and equipment and right-of-use assets		306	(1,229)	(3,994)	107	(515)
Impairment losses on property, plant and equipment	11(a)	9,440	8,938	1,589	846	1,956
Equity-settled share-based payment expenses	6(b)	1,337	1,419	3,139	1,551	2,624
Net fair value changes of financial assets measured at FVPL	6(c)	(9)	(63)	(261)	(130)	(18)
Changes in working capital:						
Increase in lease payment receivables		4,052	4,005	2,426	1,438	442
Decrease/(increase) in inventories		2,972	(10,459)	4,432	6,624	461
Increase in trade and other receivables and rental deposits		(6,045)	(32,006)	(29,994)	(6,998)	(18,740)
(Decrease)/increase in trade and other payables and accruals		(1,601)	43,269	10,370	(740)	9,496
Increase in contract liabilities		17,680	25,181	23,486	17,167	28,299
Increase in restricted bank deposits		(6,118)	(9,032)	(10,185)	(8,926)	(13,111)
Cash generated from operations		<u>104,940</u>	<u>252,810</u>	<u>326,947</u>	<u>152,426</u>	<u>211,356</u>

(c) **Reconciliation of liabilities arising from financing activities:**

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group's consolidated cash flow statements as cash flows from financing activities.

	Bank loans	Finance costs payable	Lease liabilities	Total
	RMB'000 note 24	RMB'000	RMB'000 note 22	RMB'000
At 1 January 2022	–	–	394,634	394,634
Changes from financing cash flows:				
Proceeds from bank loans	35,394	–	–	35,394
Repayment of bank loans	(25,412)	–	–	(25,412)
Interest of bank loans paid	–	(198)	–	(198)
Payment of capital element of lease liabilities	–	–	(68,945)	(68,945)
Payment of interest element of lease liabilities	–	–	(16,600)	(16,600)
Total changes from financing cash flows	9,982	(198)	(85,545)	(75,761)
Other changes:				
Interest expenses (note 6(a))	–	208	16,600	16,808
Increase in lease liabilities from entering into new leases during the year	–	–	117,924	117,924
Decrease in lease liabilities from terminating leases during the year	–	–	(4,908)	(4,908)
Total other changes	–	208	129,616	129,824
At 31 December 2022	9,982	10	438,705	448,697

	Bank loans	Finance costs payable	Dividend payables	Lease liabilities	Total
	RMB'000 note 24	RMB'000	RMB'000 note 20	RMB'000 note 22	RMB'000
At 1 January 2023	9,982	10	–	438,705	448,697
Changes from financing cash flows:					
Proceeds from bank loans	25,115	–	–	–	25,115
Repayment of bank loans	(35,097)	–	–	–	(35,097)
Interest of bank loans paid	–	(55)	–	–	(55)
Payment of capital element of lease liabilities	–	–	–	(128,611)	(128,611)
Payment of interest element of lease liabilities	–	–	–	(19,074)	(19,074)
Dividends paid	–	–	(19,152)	–	(19,152)
Total changes from financing cash flows	(9,982)	(55)	(19,152)	(147,685)	(176,874)
Other changes:					
Interest expenses (note 6(a))	–	45	–	19,074	19,119
Dividends approved	–	–	19,546	–	19,546
Increase in lease liabilities from entering into new leases during the year	–	–	–	276,220	276,220
Decrease in lease liabilities from terminating leases during the year	–	–	–	(9,762)	(9,762)
Total other changes	–	45	19,546	285,532	305,123
At 31 December 2023	–	–	394	576,552	576,946

	Bank loans	Finance costs payable	Dividend payables	Lease liabilities	Total
	RMB'000 note 24	RMB'000	RMB'000 note 20	RMB'000 note 22	RMB'000
At 1 January 2024	—	—	394	576,552	576,946
Changes from financing cash flows:					
Proceeds from bank loans	50,000	—	—	—	50,000
Interest of bank loans paid	—	(381)	—	—	(381)
Payment of capital element of lease liabilities	—	—	—	(177,078)	(177,078)
Payment of interest element of lease liabilities	—	—	—	(27,083)	(27,083)
Dividends paid	—	—	(394)	—	(394)
Total changes from financing cash flows	50,000	(381)	(394)	(204,161)	(154,936)
Other changes:					
Interest expenses (note 6(a))	—	381	—	27,083	27,464
Increase in lease liabilities from entering into new leases during the year	—	—	—	375,110	375,110
Decrease in lease liabilities from terminating leases during the year	—	—	—	(39,965)	(39,965)
Total other changes	—	381	—	362,228	362,609
At 31 December 2024	50,000	—	—	734,619	784,619

(unaudited)	Bank loans	Finance costs payable	Dividend payables	Lease liabilities	Total
	RMB'000 note 24	RMB'000	RMB'000 note 20	RMB'000 note 22	RMB'000
At 1 January 2024	—	—	394	576,552	576,946
Changes from financing cash flows:					
Payment of capital element of lease liabilities	—	—	—	(85,145)	(85,145)
Payment of interest element of lease liabilities	—	—	—	(12,555)	(12,555)
Dividends paid	—	—	(394)	—	(394)
Total changes from financing cash flows	—	—	(394)	(97,700)	(98,094)
Other changes:					
Interest expenses (note 6(a))	—	—	—	12,555	12,555
Increase in lease liabilities from entering into new leases during the period	—	—	—	175,742	175,742
Decrease in lease liabilities from terminating leases during the period	—	—	—	(987)	(987)
Total other changes	—	—	—	187,310	187,310
At 30 June 2024	—	—	—	666,162	666,162

	Bank loans	Finance costs payable	Dividend payables	Lease liabilities	Total
	RMB'000 note 24	RMB'000	RMB'000 note 20	RMB'000 note 22	RMB'000
At 1 January 2025	50,000	—	—	734,619	784,619
Changes from financing cash flows:					
Repayment of bank loans	(50,000)	—	—	—	(50,000)
Interest of bank loans paid	—	(7)	—	—	(7)
Payment of capital element of lease liabilities	—	—	—	(104,166)	(104,166)
Payment of interest element of lease liabilities	—	—	—	(14,329)	(14,329)
Dividends paid	—	—	(14,727)	—	(14,727)
Total changes from financing cash flows	(50,000)	(7)	(14,727)	(118,495)	(183,229)
Other changes:					
Interest expenses (note 6(a))	—	7	—	14,329	14,336
Dividends approved	—	—	14,727	—	14,727
Increase in lease liabilities from entering into new leases during the period	—	—	—	139,483	139,483
Decrease in lease liabilities from terminating leases during the period	—	—	—	(7,712)	(7,712)
Total other changes	—	7	14,727	146,100	160,834
At 30 June 2025	—	—	—	762,224	762,224

(d) Total cash outflow for leases:

	Years ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Within operating cash flows	5,228	18,409	20,639	9,211	15,980
Within financing cash flows	85,545	147,685	204,161	97,700	118,495
	<u>90,773</u>	<u>166,094</u>	<u>224,800</u>	<u>106,911</u>	<u>134,475</u>

These amounts relate to the following:

	Years ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Lease rentals settled	<u>90,773</u>	<u>166,094</u>	<u>224,800</u>	<u>106,911</u>	<u>134,475</u>

20 TRADE AND OTHER PAYABLES AND REDEMPTION LIABILITIES

(a) Trade and other payables

The Group

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Trade payables	24,198	47,645	49,828	56,872
Payables for purchase of property, plant and equipment	7,271	5,920	13,170	13,295
Staff cost payable	8,208	19,293	22,919	24,707
Deposits received from franchisees and suppliers	6,334	8,475	9,643	9,301
Other taxes payables	123	809	1,275	1,441
Other payables	4,770	10,669	13,516	14,715
Dividends payable	—	394	—	—
	<u>50,904</u>	<u>93,205</u>	<u>110,351</u>	<u>120,331</u>

The Company

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Payables for purchase of property, plant and equipment	4,647	3,875	4,709	1,535
Staff cost payable	3,464	6,474	6,746	5,819
Deposits received from suppliers . . .	1,310	1,479	1,415	1,401
Other taxes payables	16	145	261	319
Other payables	723	3,347	2,902	1,897
Amount due to subsidiaries	40,115	21,484	42,623	8,017
Dividends payable	—	394	—	—
	<u>50,275</u>	<u>37,198</u>	<u>58,656</u>	<u>18,988</u>

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

As at 31 December 2022, 2023 and 2024 and 30 June 2025, the ageing analysis of trade payables, based on the invoice date, is as follows:

The Group

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Within 1 year	<u>24,198</u>	<u>47,645</u>	<u>49,828</u>	<u>56,872</u>

(b) Redemption liabilities

The Group and the Company

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Redemption liabilities	45,000	45,000	45,000	45,000

During 2014 to 2021, the Company conducted several rounds of financing by issuing paid-in capital to investors and granting them certain special rights.

The Series Angel, Series Pre-A, Series A, Series A+, Series B and Series B+ investors (collectively refer to as “the Investors”) are entitled to the same voting rights and dividend rights as the founding shareholder of the Company. Certain key special rights issued to the Investors are summarised as follows:

Redemption rights

Redemption rights granted by the Company

In March 2021, the Company entered into an investment agreement with an investor (the “Series B Investor”), pursuant to which, the Series B Investor agreed to pay, in aggregate, RMB30,000,000 to subscribe for the Company’s paid-in capital of RMB487,000.

The Series B Investor would have the right to request the Company to purchase all or part of the paid-in capital of the Company held by it, upon the occurrence of any of the specified contingent events, including but not limited to:

- (1) the Company fails to complete a qualified initial public offering on or before the seventh anniversary from 11 March 2021;
- (2) the Company or the actual controllers of the founding shareholder of the Company have seriously breached any term of the transaction documents;
- (3) the actual controllers of the founding shareholder of the Company lose control over the Company without the written consent of the Series B Investor.

The redemption price is the higher of (i) the aggregate of the original issue price plus an annual rate of return of 7% calculated on a simple basis plus all declared but unpaid dividends; and (ii) the aggregate of the 150% original issue price plus all declared but unpaid dividends.

The redemption right will automatically expire upon the qualified initial public offering of the Company’s shares.

Redemption rights granted by Huai’an Chuangtao Enterprise Management Partnership (Limited Partnership), Mr. Song and Mr. Su

Certain investors had been granted redemption rights by Huai’an Chuangtao Enterprise Management Partnership (Limited Partnership), Mr. Song and Mr. Su.

The directors of the Company have confirmed that (i) the Company does not have any obligation to fulfil the redemption rights granted by Huai’an Chuangtao Enterprise Management Partnership (Limited Partnership), Mr. Song and Mr. Su; and (ii) the Company has not provided any guarantee for the redemption rights granted by Huai’an Chuangtao Enterprise Management Partnership (Limited Partnership), Mr. Song and Mr. Su in the event of a default by Huai’an Chuangtao Enterprise Management Partnership (Limited Partnership), Mr. Song or Mr. Su. Accordingly, no financial liability has been recorded in the consolidated financial statements with respect to the redemption rights granted by Huai’an Chuangtao Enterprise Management Partnership (Limited Partnership), Mr. Song and Mr. Su.

Anti-dilution right

If the Company issues new shares at a price per share lower than the respective issue price per share to the Investors, the Investors shall have the right to subscribe for new shares or to acquire shares from the founding shareholder at nil consideration or at minimum consideration permitted by law, so that the total amount paid by the Investors divided by the total amount of shares obtained is equal to the price per share in the new issuance.

Measurement

The Company recognised the financial liabilities arising from its obligation to purchase all or part of the paid-in capital from the Series B Investor under the specified contingent events of which the occurrence are beyond the control of the Company. The redemption liabilities are measured at the highest redemption amount under different contingent events on a present-value basis.

21 CONTRACT LIABILITIES

The Group

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Current				
Franchising income	1,508	3,364	3,091	4,125
Stored value membership accounts and issued vouchers	34,228	55,751	78,703	106,081
Customer loyalty scheme	914	1,027	834	732
	<u>36,650</u>	<u>60,142</u>	<u>82,628</u>	<u>110,938</u>
	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Non-current				
Franchising income	<u>1,875</u>	<u>3,564</u>	<u>4,564</u>	<u>4,553</u>

The Company

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Stored value membership accounts and issued vouchers	34,199	55,723	78,675	106,053
Customer loyalty scheme	246	224	148	106
	<u>34,445</u>	<u>55,947</u>	<u>78,823</u>	<u>106,159</u>

Movements in contract liabilities:

The Group

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
At the beginning of the year/period .	20,845	38,525	63,706	87,192
Increase in contract liabilities as a result of receiving advance payment of franchising income during the year/period	1,683	5,019	4,039	2,477
Increase in contract liabilities as a result of receiving advance payment of stored value membership accounts and issued vouchers during the year/period . .	34,227	55,751	78,699	71,420
Increase in contract liabilities as a result of receiving advance payment of customer loyalty scheme during the year/period . .	914	1,027	834	201
Decrease in contract liabilities as a result of utilising during the year/period	(19,144)	(36,616)	(60,086)	(45,799)
Balance at the end of the year/period	38,525	63,706	87,192	115,491

The Company

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
At the beginning of the year/period .	18,132	34,445	55,947	78,823
Increase in contract liabilities as a result of receiving advance payment of stored value membership accounts and issued vouchers during the year/period . .	34,199	55,723	78,675	71,420
Increase in contract liabilities as a result of receiving advance payment of customer loyalty scheme during the year/period . . .	246	224	148	26
Decrease in contract liabilities as a result of utilising during the year/period	(18,132)	(34,445)	(55,947)	(44,110)
Balance at the end of the year/period	34,445	55,947	78,823	106,159

As at 31 December 2022, 2023 and 2024 and 30 June 2025, the amount of contract liabilities expected to be recognised as income after more than one year is RMB1,875,000, RMB3,564,000 and RMB4,564,000 and RMB4,553,000. All of the other contract liabilities are expected to be recognised as income within one year.

22 LEASE LIABILITIES

As at 31 December 2022, 2023 and 2024 and 30 June 2025, the lease liabilities were repayable as follows:

The Group

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Within 1 year	124,151	162,441	219,473	239,105
After 1 year but within 2 years	113,769	155,967	190,136	200,629
After 2 years but within 5 years	186,601	259,496	328,853	330,098
After 5 years	62,186	57,927	63,265	56,728
	<u>486,707</u>	<u>635,831</u>	<u>801,727</u>	<u>826,560</u>
Less: total future interest expenses . .	<u>48,002</u>	<u>59,279</u>	<u>67,108</u>	<u>64,336</u>
Present value of lease liabilities . . .	<u>438,705</u>	<u>576,552</u>	<u>734,619</u>	<u>762,224</u>
Lease liabilities included in the consolidated statements of financial position				
– Within 1 year	108,548	141,318	194,423	214,308
– After 1 year but within 2 years . . .	100,249	139,271	172,559	183,461
– After 2 years but within 5 years . . .	171,296	240,603	307,321	310,259
– After 5 years	58,612	55,360	60,316	54,196
	<u>330,157</u>	<u>435,234</u>	<u>540,196</u>	<u>547,916</u>
	<u>438,705</u>	<u>576,552</u>	<u>734,619</u>	<u>762,224</u>

The Company

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Within 1 year	43,550	45,682	43,539	36,960
After 1 year but within 2 years	40,227	48,324	29,900	27,776
After 2 years but within 5 years	64,088	63,849	40,925	36,575
After 5 years	2,722	1,606	345	1,438
	<u>150,587</u>	<u>159,461</u>	<u>114,709</u>	<u>102,749</u>
Less: total future interest expenses . .	<u>11,147</u>	<u>12,088</u>	<u>7,380</u>	<u>6,524</u>
Present value of lease liabilities . . .	<u>139,440</u>	<u>147,373</u>	<u>107,329</u>	<u>96,225</u>
Lease liabilities included in the statements of financial position				
– Within 1 year	38,699	40,280	39,956	33,823
– After 1 year but within 2 years . . .	36,865	44,914	27,801	25,861
– After 2 years but within 5 years . . .	61,227	60,588	39,229	35,167
– After 5 years	2,649	1,591	343	1,374
	<u>100,741</u>	<u>107,093</u>	<u>67,373</u>	<u>62,402</u>
	<u>139,440</u>	<u>147,373</u>	<u>107,329</u>	<u>96,225</u>

23 PROVISIONS

The Group

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Provisions for restoration costs	<u>4,310</u>	<u>6,631</u>	<u>8,735</u>	<u>9,510</u>

The Company

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Provisions for restoration costs	<u>1,363</u>	<u>1,549</u>	<u>1,680</u>	<u>1,688</u>

Movements in provisions:

The Group

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January	3,405	4,310	6,631	8,735
Additional provisions	880	2,107	2,151	1,047
Unwind of discount	154	214	307	176
Provisions utilised	(129)	—	(354)	(448)
Balance at 31 December/30 June . . .	<u>4,310</u>	<u>6,631</u>	<u>8,735</u>	<u>9,510</u>

The Company

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January	1,128	1,363	1,549	1,680
Additional provisions	185	128	91	49
Unwind of discount	50	58	64	34
Provisions utilised	—	—	(24)	(75)
Balance at 31 December/30 June . . .	<u>1,363</u>	<u>1,549</u>	<u>1,680</u>	<u>1,688</u>

Pursuant to the terms of the respective tenancy agreements entered into by the Group, the Group is required to return its leased properties to the conditions as stipulated in the tenancy agreements at the expiration of the corresponding lease term as appropriate. The provision for reinstatement costs was estimated based on certain assumptions and estimates made by the Group's management with reference to historical reinstatement costs and/or other available market information. The estimation basis is reviewed on an ongoing basis and revised where appropriate.

24 BANK LOANS

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

The Group

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Within one year or on demand				
– guaranteed	<u>9,982</u>	<u>–</u>	<u>50,000</u>	<u>–</u>

The Company

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Within one year or on demand				
– guaranteed	<u>9,859</u>	<u>–</u>	<u>–</u>	<u>–</u>

All of the bank loans as at 31 December 2022 and 2024 were guaranteed by related parties (note 30(d)).

All of the Group's banking facilities are subject to the fulfilment of covenants relating to the Group's financial metrics which are tested periodically, as are commonly found in lending arrangements with financial institutions. If the Group were to breach the covenants, the related loans would become payable on demand. The Group did not identify any difficulties complying with the covenants. Further details of the covenants and the Group's management of liquidity risk are set out in note 28(b). As at 31 December 2022 and 2024, none of the covenants relating to the drawn down facilities had been breached.

25 INCOME TAX IN THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(a) Current taxation in the consolidated statements of financial position represents:

The Group

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
At the beginning of the year/period	50	(108)	2,034	6,732
Provisions for PRC income tax	9	9,826	17,936	10,039
Provisions for Hong Kong Profits Tax	–	–	163	1,126
Income tax paid	<u>(167)</u>	<u>(7,684)</u>	<u>(13,401)</u>	<u>(9,305)</u>
At the end of the year/period	<u>(108)</u>	<u>2,034</u>	<u>6,732</u>	<u>8,592</u>
Reconciliation to the consolidated statements of financial position				
Income tax payable	6	3,610	7,459	9,260
Income tax recoverable	<u>(114)</u>	<u>(1,576)</u>	<u>(727)</u>	<u>(668)</u>
	<u>(108)</u>	<u>2,034</u>	<u>6,732</u>	<u>8,592</u>

Current taxation in the statements of financial position of the Company represents:

The Company

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
At the beginning of the year/period .	12	(21)	(628)	825
Provisions for PRC income tax	–	421	2,480	61
Income tax paid	(33)	(1,028)	(1,027)	(184)
At the end of the year/period	<u>(21)</u>	<u>(628)</u>	<u>825</u>	<u>702</u>
Reconciliation to the statements of financial position of the Company				
Income tax payable	–	–	825	702
Income tax recoverable	(21)	(628)	–	–
	<u>(21)</u>	<u>(628)</u>	<u>825</u>	<u>702</u>

(b) Deferred tax assets and liabilities recognised

(i) Movement of each component of deferred tax assets and liabilities

The components of deferred tax assets/(liabilities) recognised in the consolidated statements of financial position and the movements for the years ended 31 December 2022, 2023 and 2024 and the six months ended 30 June 2025 are as follows:

The Group

Deferred tax assets/(liabilities) arising from:	Unused tax losses	Right-of-use assets	Lease liabilities	Provisions	Impairment losses	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2022	1,514	(86,862)	94,248	740	1,738	1,089	12,467
Credited/(charged) to profit or loss	<u>5,150</u>	<u>(3,841)</u>	<u>8,358</u>	<u>191</u>	<u>1,867</u>	<u>456</u>	<u>12,181</u>
At 31 December 2022 and 1 January 2023 .	6,664	(90,703)	102,606	931	3,605	1,545	24,648
(Charged) /credited to profit or loss . .	<u>(5,848)</u>	<u>(27,805)</u>	<u>29,930</u>	<u>462</u>	<u>1,175</u>	<u>688</u>	<u>(1,398)</u>
At 31 December 2023 and 1 January 2024 .	816	(118,508)	132,536	1,393	4,780	2,233	23,250
Credited/(charged) to profit or loss	<u>1,295</u>	<u>(12,728)</u>	<u>14,251</u>	<u>319</u>	<u>(498)</u>	<u>1,279</u>	<u>3,918</u>
At 31 December 2024 and 1 January 2025	2,111	(131,236)	146,787	1,712	4,282	3,512	27,168
Credited/(charged) to profit or loss	<u>726</u>	<u>5,483</u>	<u>(5,314)</u>	<u>100</u>	<u>(146)</u>	<u>(146)</u>	<u>703</u>
At 30 June 2025 .	<u>2,837</u>	<u>(125,753)</u>	<u>141,473</u>	<u>1,812</u>	<u>4,136</u>	<u>3,366</u>	<u>27,871</u>

The components of deferred tax assets/(liabilities) recognised in the statements of financial position of the Company and the movements for the years ended 31 December 2022, 2023 and 2024 and the six months ended 30 June 2025 are as follows:

The Company

Deferred tax assets/(liabilities) arising from:	Unused tax losses	Right-of-use assets	Lease liabilities	Provisions	Impairment losses	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2022	—	(28,801)	31,926	282	554	873	4,834
Credited/(charged) to profit or loss	<u>1,135</u>	<u>(778)</u>	<u>2,134</u>	<u>59</u>	<u>471</u>	<u>333</u>	<u>3,354</u>
At 31 December 2022 and 1 January 2023	1,135	(29,579)	34,060	341	1,025	1,206	8,188
(Charged) /credited to profit or loss	<u>(1,135)</u>	<u>(3,319)</u>	<u>3,570</u>	<u>46</u>	<u>422</u>	<u>355</u>	<u>(61)</u>
At 31 December 2023 and 1 January 2024	—	(32,898)	37,630	387	1,447	1,561	8,127
Credited/(charged) to profit or loss	<u>—</u>	<u>8,725</u>	<u>(9,402)</u>	<u>33</u>	<u>(70)</u>	<u>818</u>	<u>104</u>
At 31 December 2024 and 1 January 2025	—	(24,173)	28,228	420	1,377	2,379	8,231
Credited/(charged) to profit or loss	<u>651</u>	<u>1,816</u>	<u>(3,170)</u>	<u>2</u>	<u>(321)</u>	<u>(325)</u>	<u>(1,347)</u>
At 30 June 2025	<u><u>651</u></u>	<u><u>(22,357)</u></u>	<u><u>25,058</u></u>	<u><u>422</u></u>	<u><u>1,056</u></u>	<u><u>2,054</u></u>	<u><u>6,884</u></u>

(ii) *Reconciliation to the consolidated statements of financial position*

The Group

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Net deferred tax assets in the consolidated statements of financial position	24,648	23,250	27,168	27,871

Reconciliation to the statements of financial position of the Company

The Company

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Net deferred tax assets in the statements of financial position . .	8,188	8,127	8,231	6,884

26 EQUITY SETTLED SHARE-BASED PAYMENTS

The share-based incentive scheme (the “Scheme”) was approved and adopted by Company in 2019. In connection with the Scheme, Huai'an Yujian Haoren Enterprise Management Partnership (Limited Partnership) (“Huai'an Yujian Haoren”) was established as the employee incentive vehicles to hold the shares of the Company. The eligible employees under the Scheme would be granted options which give the holder the right to subscribe for the shares of the Company through holding the limited partnership interests in Huai'an Yujian Haoren at the exercise price of RMB0.02 per share of the Company. As the Company has the right to direct the relevant activities of Huai'an Yujian Haoren so as to suit the Company's obligations in relation to the Scheme, Huai'an Yujian Haoren is treated as the subsidiary of the Company.

Accordingly, the ordinary shares of the Company held by the Huai'an Yujian Haoren are recorded under the shares held for the share-based incentive scheme of the Group until the share options are exercised and vested.

(a) The terms and conditions of the grants are as follows:

Each share option would become exercisable when the explicit required service period and the grantee's annual performance evaluation during the explicit required service period are satisfied. The shares of the Company underlying the share options (“Restricted Shares”) are not allowed to transfer before the completion of a qualified listing of the Company (“IPO”) unless the Company approves the transfer. Before the completion of an IPO, the Company has the right to repurchase the Restricted Shares at the original exercise price received per share for the employees at manager-level or below or at the higher of 30% of the per-share valuation in the most recent financing round and the original exercise price received per share for the employees at departmental director-level or above.

The grantees as the holder of the Restricted Shares would be entitled to the relevant non-forfeitable dividend right. All unexercised share options shall become lapse upon the termination of employment.

	<u>Number of instruments</u>	<u>Required service period</u>	<u>Contractual life of options</u>
Options granted to employees at departmental director-level or above:			
– on 5 April 2019, 5 May 2019, 1 October 2019, 5 April 2020, 5 May 2020, 1 June 2020, 28 June 2020, 1 October 2020, 5 April 2021, 5 May 2021 and 1 October 2021	9,353,550	No vesting period	0.25 years
– on 2 December 2019, 7 January 2020, 1 November 2020 and 1 December 2020 . . .	1,595,300	2 years	2.25 years
– on 2 December 2019, 7 January 2020, 1 November 2020, 1 December 2020, 15 October 2021, 15 October 2022, 16 February 2023, 15 October 2023, 1 February 2024, 18 February 2024, 26 February 2024, 20 March 2024	6,118,150	3 years	3.25 years
– on 2 December 2019, 7 January 2020, 1 November 2020 and 1 December 2020 . . .	1,595,700	4 years	4.25 years
– on 1 November 2020.	1,025,650	4.91 years	5.16 years
– on 26 February 2024.	306,650	1.59 years	1.84 years
– on 9 January 2025	306,650	3 years	3.25 years
– on 31 March 2025	54,250	No vesting period	0.25 years
– on 31 March 2025	2,339,950	3 years	3.25 years
Options granted to employees at manager-level or below:			
– on 15 October 2021	60,000	Until the later of the completion of an IPO and the end of 3.96 years from the date of the grant	4.21 years
– on 16 February 2023, 31 March 2023, 17 January 2024 and 28 March 2024	1,020,000	Until the later of the completion of an IPO and the end of 3 years from the date of the grant	3.25 years
– 16 January 2025 and 31 March 2025	2,220,000	Until the later of the completion of an IPO and the end of 3 years from the date of the grant	3.25 years
Total share options granted	<u><u>25,995,850</u></u>		

(b) The number of share options and the number of the Restricted Shares are as follows:

	Number of Options	Number of Restricted Shares
Outstanding as of 1 January 2022	6,143,400	—
Granted during the year	613,300	—
Exercised during the year	(1,709,250)	1,709,250
Vested during the year	—	(1,709,250)
Outstanding as of 31 December 2022	5,047,450	—
Granted during the year	1,449,700	—
Exercised during the year	(1,709,350)	1,709,350
Vested during the year	—	(1,709,350)
Outstanding as of 31 December 2023	4,787,800	—
Granted during the year	3,173,200	—
Exercised during the year	(1,699,150)	1,699,150
Vested during the year	—	(1,639,150)
Outstanding as of 31 December 2024	6,261,850	60,000
Granted during the period	4,920,850	—
Exercised during the period	(54,250)	54,250
Vested during the period	—	(54,250)
Forfeited during the period	(306,650)	—
Outstanding as of 30 June 2025	10,821,800	60,000

For the years ended 31 December 2022, 2023 and 2024 and the six months ended 30 June 2024 and 2025, the Group recognised share-based expenses of RMB1,337,000, RMB1,419,000, RMB3,139,000, RMB1,551,000 (unaudited) and RMB2,624,000.

(c) Fair value of share options and assumptions

The fair value of services received in return for share options granted is measured by reference to the fair value of share options granted. The estimate of the fair value of the share options granted is measured based on a binomial lattice model. The contractual life of the share option is used as an input into this model. Expectations of early exercise are incorporated into the binomial lattice model.

	Years ended 31 December			Six months ended 30 June
	2022	2023	2024	2025
Fair value of share options and assumptions				
Fair value at measurement date (RMB)	1.47	1.47-2.02	1.93-1.97	3.63
Share price (RMB)	1.49	1.49-2.04	2.04	3.77
Exercise price (RMB)	0.02	0.02	0.02	0.02
Expected volatility	52.41%	54.84%-55.61%	47.73%-54.38%	50.02%-50.59%
Option life (years)	3.25	3.25	1.84-3.25	3.25
Early exercise level	2.80	2.20-2.80	2.20-2.80	2.20-2.80
Expected dividends	0.00%	0.00%	1.57%	1.11%
Risk-free interest rate	2.24%	2.40%-2.53%	1.97%-2.31%	1.27%-1.60%

The expected volatility is based on the historic volatility (calculated based on the weighted average remaining life of the share options), adjusted for any expected changes to future volatility based on publicly available information. Changes in the subjective input assumptions could materially affect the fair value estimate.

27 CAPITAL, RESERVES AND DIVIDENDS

(a) Movements in components of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statements of changes in equity. Details of the changes in the Company's individual components of equity are set out below:

Note	Paid-in Capital	Share capital	Share premium	Capital reserve	Other reserve	Share-based payment reserve	Statutory reserve	Shares held for the share-based incentive scheme	(Accumulated losses)/ retained profits	Total
	RMB'000 note 27(c)	RMB'000 note 27(c)	RMB'000 note 27(d)(i)	RMB'000 note 27(d)(i)	RMB'000 note 27(d)(iv)	RMB'000 note 27(d)(ii)	RMB'000 note 27(d)(iii)	RMB'000 note 26	RMB'000	RMB'000
At 1 January 2022 . . .	12,266	—	—	129,898	(45,000)	1,924	145	(327)	(16,633)	82,273
Loss for the year . . .	—	—	—	—	—	—	—	—	(10,157)	(10,157)
Equity-settled share-based transactions . .	—	—	—	—	—	1,337	—	—	—	1,337
Shares vested under the share-based incentive scheme . . .	—	—	—	1,171	—	(1,171)	—	34	—	34
At 31 December 2022 and 1 January 2023 .	12,266	—	—	131,069	(45,000)	2,090	145	(293)	(26,790)	73,487
Profit for the year . . .	—	—	—	—	—	—	—	—	22,837	22,837
Conversion into a joint stock company . . .	(12,266)	12,266	108,706	(131,069)	—	(2,369)	(145)	—	24,877	—
Equity-settled share-based transactions . .	—	—	—	—	—	1,419	—	—	—	1,419
Shares vested under the share-based incentive scheme . . .	—	—	726	—	—	(726)	—	34	—	34
Dividend declared . . .	—	—	—	—	—	—	—	—	(19,546)	(19,546)
At 31 December 2023 and 1 January 2024 .	—	12,266	109,432	—	(45,000)	414	—	(259)	1,378	78,231

Note	Paid-in Capital	Share capital	Share premium	Capital reserve	Other reserve	Share-based payment reserve	Statutory reserve	Shares held for the share-based incentive scheme	(Accumulated losses)/ retained profits	
	RMB'000 note 27(c)	RMB'000 note 27(c)	RMB'000 note 27(d)(i)	RMB'000 note 27(d)(i)	RMB'000 note 27(d)(iv)	RMB'000 note 27(d)(ii)	RMB'000 note 27(d)(iii)	RMB'000 note 26	RMB'000	Total RMB'000
Profit for the year . . .	—	—	—	—	—	—	—	—	40,916	40,916
Equity-settled share-based transactions . . .	—	—	—	—	—	—	—	—	—	—
26	—	—	—	—	—	3,139	—	—	—	3,139
Shares vested under the share-based incentive scheme . . .	—	—	—	—	—	—	—	32	—	32
26&27(d)	—	—	1,418	—	—	(1,418)	—	—	—	—
Appropriation to statutory reserve . . .	—	—	—	—	—	—	3,531	—	(3,531)	—
27(d)(iii)	—	—	—	—	—	—	—	—	—	—
At 31 December 2024	—	12,266	110,850	—	(45,000)	2,135	3,531	(227)	38,763	122,318
and 1 January 2025 . . .	—	—	—	—	—	—	—	—	12,028	12,028
Profit for the period . . .	—	—	—	—	—	—	—	—	—	—
Equity-settled share-based transactions . . .	—	—	—	—	—	2,624	—	—	—	2,624
26	—	—	—	—	—	—	—	—	—	—
Shares vested under the share-based incentive scheme . . .	—	—	16	—	—	(17)	—	1	—	—
26&27(d)	—	—	—	—	—	—	—	—	(14,727)	(14,727)
27(b)	—	—	—	—	—	—	—	—	—	—
Dividend declared . . .	—	12,266	110,866	—	(45,000)	4,742	3,531	(226)	36,064	122,243
At 30 June 2025	—	—	—	—	—	—	—	—	—	—

(b) Dividends

For the years ended 31 December 2022, 2023 and 2024 and the six months ended 30 June 2025, the Company approved dividends of nil, RMB19,546,000 (RMB0.03 per ordinary share), nil and RMB14,727,000 (RMB0.02 per ordinary share), respectively to its shareholders.

(c) Paid-in capital and share capital

	<i>Note</i>	<u>No. of ordinary shares issued and fully paid</u>	<u>Paid-in capital</u>	<u>Share capital</u>
		<i>'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January 2022 and 31 December 2022 and 1 January 2023		—	12,266	—
Issue of ordinary shares upon conversion into a joint stock limited liability company	<i>i</i>	613,325	(12,266)	12,266
At 31 December 2023 and 31 December 2024 and 30 June 2025		613,325	—	12,266

Note:

Pursuant to the shareholders' resolutions and agreements dated 30 August 2023, the shareholders of the Company agreed to convert the Company into a joint stock limited liability company. The net assets of the Company as of the conversion base date, which is 30 April 2023, including paid-in capital, capital reserve, share-based payment reserve, statutory reserve and accumulated losses were converted into 613,324,800 shares with par value of RMB0.02 each. The excess of the net assets converted over the nominal value of the ordinary shares was credited to the Company's share premium. Upon the completion of registration with the Company on 7 September 2023, the Company was converted into a joint stock limited liability company under PRC Company Law, and renamed from Guangzhou Meet Xiaomian Catering Management Co., Ltd. to Guangzhou Xiao Noodles Catering Management Co., Ltd..

(d) Nature and purpose of reserves

(i) Capital reserve and share premium

The capital reserve of the Group represents:

- (i) the differences between the net considerations received and the nominal amount of paid-in capital issued by the Company before its conversion into a joint stock limited liability company in September 2023;
- (ii) the grant date fair value of the share options issued to employees of the Group under the share-based incentive scheme which have been vested and exercised before its conversion into a joint stock limited liability company in September 2023.

The share premium of the Group represents:

- (i) the difference between the net assets and total amount of the par value of share issued in relation to the conversion into a joint stock limited liability company as disclosed in note 27(c);
- (ii) the grant date fair value of the share options issued to employees of the Group under the share-based incentive scheme which have been vested and exercised after its conversion into a joint stock limited liability company in September 2023.

(ii) Share-based payment reserve

The share-based payment reserve is for recognising the grant date fair value of options issued to employees of the Group under the share-based incentive scheme which are not yet vested or exercised in accordance with the accounting policy adopted for equity-settled share-based payments in note 2(q)(ii).

(iii) Statutory reserve

Pursuant to the Articles of Association of the Group's PRC companies and relevant statutory regulations, appropriations to the statutory reserve fund were made at 10% of profit after tax determined in accordance with accounting rules and regulations of the PRC until the reserve balance reaches 50% of the registered capital. This reserve fund can be utilised in setting off accumulated losses or increasing capital of the PRC companies provided that the balance after such conversion is not less than 25% of their registered capital, and is non-distributable other than in liquidation.

(iv) Other reserve

Other reserve represents the initial carrying amount of the redemption liabilities, which is reclassified from equity as note 20(b) mentioned.

(v) Exchange reserve

The exchange reserve comprise all foreign exchange differences arising from the translation of the financial information of operations with functional currency other than RMB.

(e) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

28 FINANCIAL RISK MANAGEMENT AND FAIR VALUES

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group's business.

The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's credit risk is primarily attributable to trade and other receivables, lease payment receivables and long-term receivables. The Group's exposure to credit risk arising from cash and cash equivalents and restricted deposits is limited because the counterparties are banks and financial institutions with high-credit-quality, for which the Group considers to have low credit risk. The Group's exposure to credit risk arising from refundable rental deposits is considered to be low, taking into account (i) the landlords' credit rating and (ii) the remaining lease term and the period covered by the rental deposits.

The Group's trade receivables mainly due from the third party payment platforms such as Unionpay, Alipay or WeChat Pay are with high credit rating and no past due history. The management of the Group considers these assets are short-term in nature and the probability of default is negligible on the basis of high-credit-rating issuers during the years ended 31 December 2022, 2023 and 2024 and the six months ended 30 June 2025, and accordingly, no ECL allowance for trade receivables has been recognised at 31 December 2022, 2023 and 2024 and 30 June 2025.

In determining the ECL for other receivables, lease payment receivables (excluding rental deposits) and long-term receivables, the management of the Group has taken into account the historical default experience and forward-looking information, as appropriate. The management of the Group has assessed that other receivables, lease payment receivables and long-term receivables have not had a significant increase in credit risk since initial recognition and risk of default is insignificant. The expected credit loss rate is minimal and therefore, no ECL allowance for other receivables, lease payment receivables and long-term receivables have been recognised at 31 December 2022, 2023 and 2024 and 30 June 2025. The expected credit loss rate is minimal.

The Group does not provide any guarantee which would expose the Group to credit risk.

(b) Liquidity risk

As at 31 December 2022, 2023 and 2024 and 30 June 2025, the Group had net current liabilities amounting to RMB148,565,000, RMB186,756,000 and RMB242,225,000 and RMB254,960,000, respectively. In management of liquidity risk, the Group's policy is to regularly monitor its liquidity requirements, to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

The Group relies on the cash generated from operating activities as the main source of liquidity. For the years ended 31 December 2022, 2023 and 2024 and the six months ended 30 June 2025, the Group had net cash generated from operating activities of approximately RMB104,773,000, RMB245,126,000, RMB313,546,000 and RMB202,051,000, respectively. The directors believe that the Group will have sufficient funds available to meet their financial obligations in the foreseeable future.

The following tables show the remaining contractual maturities as at 31 December 2022, 2023 and 2024 and 30 June 2025 of the Group's non-derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current as at 31 December 2022, 2023 and 2024 and 30 June 2025 and the earliest date the Group can be required to pay:

	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total	Carrying amount at 31 December 2022
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade and other payables	50,904	—	—	—	50,904	50,904
Redemption liabilities	45,000	—	—	—	45,000	45,000
Bank loans	9,992	—	—	—	9,992	9,982
Lease liabilities	124,151	113,769	186,601	62,186	486,707	438,705
	<u>230,047</u>	<u>113,769</u>	<u>186,601</u>	<u>62,186</u>	<u>592,603</u>	<u>544,591</u>

	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total	Carrying amount at 31 December 2023
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade and other payables	93,205	—	—	—	93,205	93,205
Redemption liabilities	45,000	—	—	—	45,000	45,000
Lease liabilities	162,441	155,967	259,496	57,927	635,831	576,552
	<u>300,646</u>	<u>155,967</u>	<u>259,496</u>	<u>57,927</u>	<u>774,036</u>	<u>714,757</u>

	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total	Carrying amount at 31 December 2024
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade and other payables	110,351	—	—	—	110,351	110,351
Redemption liabilities	45,000	—	—	—	45,000	45,000
Bank loans	50,254	—	—	—	50,254	50,000
Lease liabilities	219,473	190,136	328,853	63,265	801,727	734,619
	<u>425,078</u>	<u>190,136</u>	<u>328,853</u>	<u>63,265</u>	<u>1,007,332</u>	<u>939,970</u>

	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total	Carrying amount at 30 June 2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade and other payables	120,331	—	—	—	120,331	120,331
Redemption liabilities	45,000	—	—	—	45,000	45,000
Lease liabilities	239,105	200,629	330,098	56,728	826,560	762,224
	<u>404,436</u>	<u>200,629</u>	<u>330,098</u>	<u>56,728</u>	<u>991,891</u>	<u>927,555</u>

(c) Interest rate risk

The Group's exposure to the interest rate risk is not significant since the Group does not hold any financial instrument of which the fair value or future cash flows will fluctuate due to changes in market interest rates.

(d) Currency risk

The Group is not exposed to significant foreign currency risk since financial assets and liabilities denominated in currencies other than the functional currencies of the Company and its subsidiaries are not significant.

As the Group's principal activities are carried out in the Chinese Mainland, the Group's transactions are mainly dominated in Renminbi, which is not freely convertible into foreign currencies. All foreign exchange transactions involving Renminbi must take place through the People's Bank of China or other institutions authorised to buy and sell foreign exchange. The exchange rates adopted for the foreign exchange transactions are the rates of exchange quoted by the People's Bank of China that are determined largely by supply and demand.

As at 31 December 2022, 2023 and 2024 and 30 June 2025, cash and cash equivalents situated in Chinese Mainland amounted to RMB36,519,000, RMB26,739,000, RMB39,031,000 and RMB44,006,000. Remittance of funds out of Chinese Mainland is subject to relevant rules and regulations of foreign exchange control.

(e) **Fair value measurement**

(i) *Financial assets and liabilities measured at fair value*

Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of each reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in IFRS 13, *Fair value measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: Fair value measured using significant unobservable inputs

The Group has a team headed by the finance manager performing valuations for the financial instruments, including structured deposits and financial assets measured at FVOCI which are categorised into Level 3 of the fair value hierarchy. The team reports directly to the chief financial officer. A valuation report with analysis of changes in fair value measurement is prepared by the team at each interim and annual reporting date, and is reviewed and approved by the chief financial officer.

	Fair value at 31 December	Fair value measurements as at 31 December 2022 categorised into		
	2022	Level 1	Level 2	Level 3
	RMB'000	RMB'000	RMB'000	RMB'000
Recurring fair value measurement				
Financial assets measured at FVPL:				
– Unlisted structured deposits.	7,009	–	–	7,009

	Fair value at 31 December	Fair value measurements as at 31 December 2023 categorised into		
	2023	Level 1	Level 2	Level 3
	RMB'000	RMB'000	RMB'000	RMB'000
Recurring fair value measurement				
Financial assets measured at FVOCI:				
– Unlisted equity securities . . .	50	–	–	50
Financial assets measured at FVPL:				
– Unlisted structured deposits.	25,063	–	–	25,063

	Fair value at 31 December	Fair value measurements as at 31 December 2024 categorised into		
	2024	Level 1	Level 2	Level 3
	RMB'000	RMB'000	RMB'000	RMB'000
Recurring fair value measurement				
Financial assets measured at FVOCI:				
– Unlisted equity securities . . .	50	–	–	50
Financial assets measured at FVPL:				
– Unlisted structured deposits.	70,261	–	–	70,261

	Fair value at 30 June	Fair value measurements as at 30 June 2025 categorised into		
	2025	Level 1	Level 2	Level 3
	RMB'000	RMB'000	RMB'000	RMB'000
Recurring fair value measurement				
Financial assets measured at FVOCI:				
– Unlisted equity securities . . .	50	–	–	50
Financial assets measured at FVPL:				
– Unlisted structured deposits.	25,018	–	–	25,018

For the years ended 31 December 2022, 2023 and 2024 and the six months ended 30 June 2025 , there were no transfers between Level 1 and Level 2, or transfer into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of each reporting period in which they occur.

Information about Level 3 fair value measurements

	Valuation techniques	Significant unobservable inputs
Unlisted structured deposits	Discounted cash flow (<i>note</i>)	Discount rate

Note: The fair value of unlisted structured deposits is determined by discounting the estimated future cash flows at risk-adjusted rate, which is the benchmark interest rate plus the risk premium as at the end of each reporting period.

The following table indicates the instantaneous change in the Group's loss/profit after tax and accumulated losses/retained profits that would arise if fair value of unlisted structured deposits to which the Group has significant exposure at the end of the each reporting period had changed at that date, assuming all other risk variables remained constant.

At 31 December 2022		At 31 December 2023		At 31 December 2024		At 30 June 2025	
Increase in fair value of unlisted structured deposits	Effect on loss after tax and accumulated losses	Increase in fair value of unlisted structured deposits	Effect on profit after tax and accumulated losses	Increase in fair value of unlisted structured deposits	Effect on profit after tax and retained profit	Increase in fair value of unlisted structured deposits	Effect on profit after tax and retained profit
	RMB'000		RMB'000		RMB'000		RMB'000
5%	263	5%	940	5%	2,635	5%	938
-5%	(263)	-5%	(940)	-5%	(2,635)	-5%	(938)

The movement during the period in the balance of Level 3 fair value measurements is as follows:

Unlisted structured deposits	At 31 December 2022	At 31 December 2023	At 31 December 2024	At 30 June 2025
	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January	–	7,009	25,063	70,261
Payment for purchases of unlisted structured deposits	142,000	345,000	436,000	135,000
Disposals of unlisted structured deposits	(135,000)	(327,009)	(391,063)	(180,261)
Changes in fair value recognised in profit or loss during the year/period	9	63	261	18
At 31 December/30 June	<u>7,009</u>	<u>25,063</u>	<u>70,261</u>	<u>25,018</u>

Any gains or losses arising from the remeasurement of the Group's investment in unlisted structured deposits are recognised in the profit or loss.

Any gains or losses arising from the remeasurement of the Group's unlisted equity securities held for strategic purposes are recognised in the fair value reserve (non-recycling) in other comprehensive income. Upon disposal of the equity securities, the amount accumulated in other comprehensive income is transferred directly to retained earnings.

(ii) *Fair values of financial assets and liabilities carried at other than fair value*

The carrying amounts of the Group's financial instruments carried at amortised cost are not materially different from their fair values as at 31 December 2022, 2023 and 2024 and 30 June 2025.

29 COMMITMENTS

Capital commitments of the Group outstanding at 31 December 2022, 2023 and 2024 and 30 June 2025 not provided for in the consolidated financial statements were as follows:

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Contracted for acquisition of property, plant and equipment	2,019	5,236	6,846	9,173

As at 31 December 2022, the Group has entered into new leases of four to eight years that are not yet commenced, the lease payments under which amounted ranging from RMB340,000 to RMB865,000 per annum over the lease terms.

As at 31 December 2023, the Group has entered into new leases of three to eleven years that are not yet commenced, the lease payments under which amounted ranging from RMB470,000 to RMB938,000 per annum over the lease terms.

As at 31 December 2024, the Group has entered into new leases of two to ten years that are not yet commenced, the lease payments under which amounted ranging from RMB79,000 to RMB911,000 per annum over the lease terms.

As at 30 June 2025, the Group has entered into new leases of three to six years that are not yet commenced, the lease payments under which amounted ranging from RMB198,000 to RMB977,000 per annum over the lease terms.

30 MATERIAL RELATED PARTY TRANSACTIONS

(a) Names and relationships of the related parties that had material transactions with the Group

For the years ended 31 December 2022 and 2023 and 2024 and the six months ended 30 June 2025, the directors are of the view that the following are related parties of the Group:

Name of party	Relationship with the Group
Huai'an Yujian Haoren Enterprise Management Partnership (Limited Partnership) (淮安市遇見好人企業管理合夥企業(有限合伙))*	Shareholder
Mr. Song	Chairman of our Board, executive director and ultimate controlling party
Mr. Su	Executive director
Ms. Luo Yanling ("Ms. Luo")	Key management personnel and close members of the family of the ultimate controlling party

* The official names of these entities are in Chinese. The English names are for identification purpose only.

(b) **Key management personnel remuneration**

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors as disclosed in note 8 and certain of the highest paid employees as disclosed in note 9, is as follows.

	Years ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Salaries, wages and other benefits	2,475	3,395	3,713	1,781	2,006
Contributions to defined contribution retirement plan	32	33	38	19	21
Equity-settled share-based payment expenses	427	302	218	114	259
	<u>2,934</u>	<u>3,730</u>	<u>3,969</u>	<u>1,914</u>	<u>2,286</u>

Total remuneration is included in "staff costs" (see note 6(b)).

(c) **Balance with related parties**

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Non-trade in nature				
Dividends payable	—	394	—	—
	<u>—</u>	<u>394</u>	<u>—</u>	<u>—</u>

The balance with the related party is unsecured, interest-free and have no fixed repayment terms.

(d) **Guarantees from related parties**

All of the bank loans as at 31 December 2022 and 2024 were guaranteed by Mr. Song, Mr. Su and Ms. Luo. As at 31 December 2022, 2023 and 2024 and 30 June 2025, the unused banking loan facilities of RMB9,950,000, RMB80,000,000, RMB140,000,000 and RMB250,000,000 were guaranteed by Mr. Song, Mr. Su or Ms. Luo. These guarantees from related parties will be released on or before the listing.

31 IMMEDIATE AND ULTIMATE CONTROLLING PARTY

As at the date of issue of the consolidated financial statements, the Directors consider the immediate parent of the Group to be Huai'an Chuangtao Enterprise Management Partnership (Limited Partnership), which is incorporated in the PRC, and the ultimate controlling party of the Company to be Mr. Song.

32 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE ACCOUNTING YEAR BEGINNING ON 1 JANUARY 2025

Up to the date of issue of the consolidated financial statements, the IASB has issued a number of new or amended standards, which are not yet effective for the year beginning on 1 January 2025 and which have not been adopted in the consolidated financial statements. These developments include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after
Amendments to IFRS 9 and IFRS 7, <i>Contracts Referencing Nature-dependent Electricity</i>	1 January 2026
Amendments to IFRS 9 and IFRS 7, Amendments to the classification and measurement of financial instruments	1 January 2026
Annual improvements to IFRSs – Volume 11	1 January 2026
IFRS 18, Presentation and disclosure in financial statements	1 January 2027
IFRS 19, Subsidiaries without public accountability: disclosures	1 January 2027
Amendments to IFRS 10 and IAS 28, <i>Sale or Contribution of Assets between an Investor and its Associate or Joint venture</i>	Note

Note: The effective date for these amendments was deferred indefinitely. Early adoption continues to be permitted.

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements except for the following:

IFRS 18, Presentation and disclosure in financial statements

IFRS 18 will replace IAS 1 *Presentation of financial statements* and aims to improve the transparency and comparability of information about an entity financial statements. IFRS 18 is effective for the year beginning on or after 1 January 2027 and is to be applied retrospectively.

Among other changes, under IFRS 18, entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to provide specific disclosures about management-defined performance measures in a single note in the financial statements.

The Group does not plan to early adopt IFRS 18 and IFRS 18 will impact the presentation of financial statements and is not expected to have significant impact on the financial performance and positions of the Group.

33 SUBSEQUENT EVENTS

In October 2025, the Company passed a board resolution and shareholders resolution to declare a dividend of RMB34,365,000 to existing shareholders.