Xiabuxiabu Catering Management (China) Holdings Co., Ltd.
呷哺呷哺餐飲管理(中國)控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 520)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2026

FINANCIAL HIGHLIGHTS

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue	**1,493,047**	1,942,383
Segment results[1]	**30,012**	6,421
Loss before tax	**(33,858)**	(75,721)
Total loss for the period	**(36,194)**	(80,828)
Total loss for the period attributable to owners of the Company	**(35,990)**	(84,079)

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

The board (the "**Board**") of directors (the "**Director(s)**") of Xiabuxiabu Catering Management (China) Holdings Co., Ltd. (the "**Company**") is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the "**Group**") for the six months ended 30 June 2026 (the "**Reporting Period**").

BUSINESS REVIEW AND OUTLOOK

Overview

By the end of June 2026, the Group operated a total of 761 restaurants worldwide, including 743 restaurants in Mainland China and 18 restaurants in other markets. In the first half of 2026, the Group opened 28 new Xiabuxiabu restaurants and 1 new Xia Niu Pai restaurant in Mainland China. At 30 June 2026, the Group operated 644 Xiabuxiabu restaurants, 98 Coucou restaurants and 1 Xia Niu Pai restaurant in 16 provinces and autonomous regions and 3 centrally administered municipalities in Mainland China, namely Beijing, Tianjin and Shanghai. A total of 15 Coucou restaurants and 3 Xiabuxiabu restaurants are operated outside Mainland China.

The Group's revenue decreased by 23.1% from RMB1,942.4 million in the first half of 2025 to RMB1,493.0 million for the Reporting Period. The sales from Xiabuxiabu decreased by 19.8% from RMB1,135.3 million in the first half of 2025 to RMB911.0 million for the Reporting Period. The sales generated from Coucou decreased by 31.0% from RMB745.2 million in the first half of 2025 to RMB514.4 million for the Reporting Period. The Group recorded a pre-tax loss of RMB33.9 million for the Reporting Period, representing a significant decrease of 55.3% from RMB75.7 million in the first half of 2025. The Group recorded a net loss of RMB36.2 million for the Reporting Period, reflecting a substantial reduction of 55.2% from RMB80.8 million in the first half of 2025. It was primarily attributable to (i) adhering to the lean development strategy of the supply chain, through an integrated supply chain layout and full-chain collaboration, advancing the centralization and simplification of warehouse networks and the integration of dynamic review mechanism of procurement, implementing a cost control framework which combined economies of scale with agile responsiveness, so as to drive gradual improvement in the cost structure and further consolidate the Group's cost leadership advantage; (ii) deepening the membership programme to effectively enhance brand loyalty, steadily increasing members' contribution to consumption and activity metrics, and promoting the orderly narrowing of the net loss of the Group; and (iii) continuously advancing the structural network of restaurants, strategically eliminating under-performing restaurants and focusing on expansion in high-potential regions to enhance the overall profitability. The amount of provision for asset impairment losses on closed and continuously loss-making restaurants was significantly decreased by approximately 30% compared to the same period in 2025.

In response to the ongoing challenges in the catering market and changes in consumer demands, the Group will continue to actively advance various front-end business innovations and refine operational management in all aspects, including: (i) focusing on its multi brand strategy and successively launching innovative brands such as the "Xiabu Pasture (呷哺牧場)" and the "Xia Niu Pai (呷牛排)" steak brand to enrich its brand matrix and consumption scenarios, while adhering to a prudent expansion strategy and consistently recording profits; (ii) systematically implementing a full chain digital operation system to fully realise real time monitoring and intelligent analysis of core operational metrics via collaborative data platforms, and significantly improving operational efficiency and decision-making quality; (iii) the Xiabuxiabu brand has been progressing the "Phoenix Return (鳳還巢)" partnership programme in an orderly manner, with a significant increase in the number of restaurants and steady per-restaurant profitability. The brand has also been sustaining the gift card sales programme, achieving substantial improvements in repurchase rates and effectively improving the Group's operating cash flow; (iv) the Coucou brand embraces a product-driven growth strategy, establishes a new product iteration mechanism to accurately anchor consumption trends and customer preferences, and creates benchmark blockbuster items with strong market penetration on a quarterly cycle; and (v) the delivery business has recorded strong growth, with online channels effectively offsetting fluctuations in dine in foot traffic and forming a dual pillar revenue structure comprising both dine in and delivery.

Operational Highlights

The Group's restaurant network

By the end of June 2026, the Group operated a total of 761 restaurants worldwide, including 743 restaurants in Mainland China and 18 restaurants in other markets. In the first half of 2026, the Group opened 28 new Xiabuxiabu restaurants and 1 new Xia Niu Pai restaurant in Mainland China. In addition, the Group closed a total of 139 Xiabuxiabu restaurants and a total of 34 Coucou restaurants in the first half of 2026 due to commercial reasons in Mainland China and other markets. Such closures primarily formed part of the Group's ongoing restaurant network optimisation programme and mainly involved underperforming restaurants with relatively weaker traffic performance and profitability. Through the strategic reallocation of resources to higher-potential locations and markets, the Group seeks to enhance overall operating efficiency and improve profitability across its restaurant network. The Group will continue to evaluate restaurant performance and implement disciplined network optimisation initiatives when appropriate.

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

	As at 30 June			
	2026		2025	
	#	**%**	#	%
Tier 1 cities[(1)]	**302**	**46.7**	325	42.6
Tier 2 cities[(2)]	**216**	**33.4**	313	41.0
Tier 3 cities and below[(3)]	**126**	**19.5**	122	16.0
Other markets[(4)]	**3**	**0.4**	3	0.4
Total	**647**	**100.0**	763	100.0

(1) Beijing, Shanghai, Guangzhou and Shenzhen.

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

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

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

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

	As at 30 June			
	2026		2025	
	#	**%**	#	%
Tier 1 cities[(1)]	**42**	**37.2**	64	36.8
Tier 2 cities[(2)]	**54**	**47.8**	91	52.3
Tier 3 cities and below[(3)]	**2**	**1.7**	3	1.7
Other markets[(4)]	**15**	**13.3**	16	9.2
Total	**113**	**100.0**	174	100.0

(1) Beijing, Shanghai, Guangzhou and Shenzhen.

(2) Except for the tier 1 cities mentioned above, all centrally administered municipalities and most provincial capitals in Mainland China, plus Dongguan, Jiangyin, Ningbo, Xiamen, Suzhou, Wenzhou, Wuxi, and Zhuhai.

(3) Taizhou and Zhangzhou.

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

Key operational information of the Group's restaurants

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

	For the six months ended 30 June	
	2026	2025
Net Revenue (in RMB thousands)		
Tier 1 cities[1]	**468,307**	529,207
Tier 2 cities[2]	**266,924**	321,748
Tier 3 cities and below[3]	**134,380**	165,843
Other markets[4]	**10,765**	12,065
Total	**880,376**	1,028,863
Average spending per customer (RMB)[5]		
Tier 1 cities[1]	**54.7**	54.8
Tier 2 cities[2]	**47.7**	51.4
Tier 3 cities and below[3]	**50.5**	52.7
Other markets[4]	**132.0**	131.5
Average	**52.1**	53.7
Seat turnover rate (x)[6]		
Tier 1 cities[1]	**2.8**	3.0
Tier 2 cities[2]	**2.4**	2.4
Tier 3 cities and below[3]	**1.9**	2.1
Other markets[4]	**2.5**	2.8
Average	**2.5**	2.6

(1) Beijing, Shanghai, Guangzhou and Shenzhen.

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

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

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

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

(6) Calculated by (for counter seats) dividing total customer traffic by total Xiabuxiabu restaurants' operation days and average seat count during the period, or (for dining tables) dividing total customer traffic by total Xiabuxiabu restaurants' operation days and average table count during the period.

Although overall consumption remained relatively weak in the first half of 2026, the Group has been taking proactive actions to close restaurants with marked significant decline in foot traffic to emphasize enhancing customer consumption experiences and strengthen members' loyalty to the Xiabuxiabu brand. Adhering to the philosophy of "treating customers as friends and providing heartfelt service", the brand continuously revitalises itself by integrating digital, youthful, and internet-driven thinking into member and customer operations and interactions. The seat turnover rate decreased slightly from 2.6x for the six months ended 30 June 2025 to 2.5x for the Reporting Period, representing a period-to-period decrease of 3.8%.

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

	For the six months ended 30 June	
	2026	2025
Number of same-store*		
Tier 1 cities	**270**	
Tier 2 cities	**210**	
Tier 3 cities and below	**112**	
Other markets	**3**	
Total	**595**	
Same-store sales (in RMB million)		
Tier 1 cities	**410.3**	453.4
Tier 2 cities	**221.4**	245.7
Tier 3 cities and below	**115.6**	132.6
Other markets	**10.8**	12.1
Total	**758.1**	843.8
Same-store sales growth (%)		
Tier 1 cities	**(9.5)**	
Tier 2 cities	**(9.9)**	
Tier 3 cities and below	**(12.8)**	
Other markets	**(10.7)**	
Average	**(10.1)**	

* Including restaurants that had commenced operations prior to the beginning of the periods under comparison and operated for 150 days or above during the six-month periods ended 30 June 2025 and 2026.

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

	For the six months ended 30 June	
	2026	2025
Net Revenue (in RMB thousands)		
Tier 1 cities(1)	**173,569**	230,141
Tier 2 cities(2)	**175,348**	287,505
Tier 3 cities and below(3)	**5,172**	7,302
Other markets(4)	**138,614**	160,712
Total	**492,703**	685,660
Average spending per customer (RMB)(5)		
Tier 1 cities(1)	**135.6**	128.7
Tier 2 cities(2)	**128.2**	122.1
Tier 3 cities and below(3)	**132.2**	119.9
Other markets(4)	**282.7**	282.3
Average	**154.8**	143.8
Table turnover rate (x)(6)		
Tier 1 cities(1)	**1.5**	1.5
Tier 2 cities(2)	**1.2**	1.3
Tier 3 cities and below(3)	**1.2**	1.2
Other markets(4)	**2.2**	2.0
Average	**1.4**	1.4

(1) Beijing, Shanghai, Guangzhou and Shenzhen.

(2) Except for the tier 1 cities mentioned above, all centrally administered municipalities and most provincial capitals in Mainland China, plus Dongguan, Jiangyin, Ningbo, Xiamen, Suzhou, Wenzhou, Wuxi and Zhuhai.

(3) Taizhou and Zhangzhou.

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

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

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

In the first half of 2026, due to the impact of consumption downgrade and insufficient competitiveness of branded products, the Coucou brand faced significant challenges, with a continuous decline in customer traffic. Although the Group has taken various proactive measures such as increasing in-store all-you-can-drink and all-you-can-eat promotions, intensifying the frequency and scale of online and offline marketing activities, and boosting advertising spending across major media platforms, the table turnover rate of Coucou restaurants remained stable at 1.4 times compared to the same period in 2025.

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

	For the six months ended 30 June	
	2026	2025
Number of same-store*		
Tier 1 cities	**46**	
Tier 2 cities	**53**	
Tier 3 cities and below	**2**	
Other markets	**15**	
Total	**116**	
Same-store sales (in RMB million)		
Tier 1 cities	**161.7**	177.1
Tier 2 cities	**143.5**	167.9
Tier 3 cities and below	**5.2**	5.8
Other markets	**135.9**	148.5
Total	**446.3**	499.3
Same-store sales growth (%)		
Tier 1 cities	**(8.7)**	
Tier 2 cities	**(14.5)**	
Tier 3 cities and below	**(10.6)**	
Other markets	**(8.5)**	
Average	**(10.6)**	

* Including restaurants that had commenced operations prior to the beginning of the periods under comparison and operated for 150 days or above during the six-month periods ended 30 June 2025 and 2026.

OUTLOOK

Business Outlook

According to the data released by the National Bureau of Statistics, the GDP in the first half of 2026 increased by 4.7% period-to-period, and the second quarter was 0.9% higher than the first quarter. On a quarterly basis, GDP grew by 5.0% period-to-period in the first quarter and 4.3% in the second quarter of 2026. In July 2026, the State Council approved the "15th Five-Year Plan for Expanding Consumption" as the outline plan for expanding consumption during the 15th Five-Year Plan period. It outlines 28 key tasks and measures to address industry pain points, with a prominent focus on "promoting quality improvement and public welfare in service consumption." As a key focus area of lifestyle service consumption, the catering industry has clear strategic targets and objectives. Key tasks include enhancing the quality of catering services, implementing a regional catering brand cultivation project, developing green catering, and optimizing the consumption environment. Related policy benefits will continue to be realized in areas such as brand cultivation, innovation in consumption scenarios, and optimization of the business environment. These will accelerate the transformation towards standardization and quality improvement of the industry.

The Group is deeply focused on the value reconstruction of customer consumption experience. By enriching the membership benefits matrix, it strengthens the emotional bond between the brand and customers. Three measures were implemented: launching a tiered membership benefits with targeted concessions, driving organic growth of the campus customer base, and leveraging digital stored-value programmes to lock in customer loyalty. Guided by the philosophy of "treating customers as friends", the Group actively breaks down traditional service boundaries, leverages digital tools to enable online-offline integration, and creates a more socially engaging consumption experience that appeals to younger consumers. The Group is committed to transforming digital tools into tangible service improvements. Through refined operations, it enhances members' sense of honour and loyalty, thereby strengthening the brand's competitive moat amid fierce market competition.

During 2026, the Group continues to deepen its innovative marketing initiatives, achieving positive results in brand value enhancement and customer growth. In the first half of 2026, the gift card business achieved sales of over RMB330 million, with more than 860,000 cards sold. During the Reporting Period, the Group recruited over 1.2 million new members, and the per-member spending for gift card members reached RMB342, significantly above the overall member average. This not only significantly enhances member loyalty and repurchase willingness, but also builds sustainable growth momentum for the Group's long-term development.

For supply chain, the Group has deepened operational reforms and systematically advanced the transformation and upgrading of its operational model. Focusing on three strategic pillars: human resources allocation, optimisation of the warehouse network structure, and refined inventory management, it has established a long-term mechanism for reducing costs and improving efficiency, resulting in continuous improvement in core operational metrics. In terms of human resources, the Group has completed the nationwide consolidation and centralisation of regional operations, standardising performance evaluation criteria and resource allocation mechanisms. In terms of the warehouse network, the Group has closed underperforming locations, restructured distribution routes and established an integrated smart dispatch platform, resulting in a significant improvement in transshipment efficiency. In terms of inventory management, the Group has optimised inventory and distribution strategies, adjusted warehouse service coverage, and continued to improve inventory turnover efficiency. The Group will continue to deepen refined management, consolidate its cost competitiveness, enhance its resilience against cyclical fluctuations, in order to lay a solid operational foundation for high-quality development.

Xiabuxiabu advances its core strategy on "market expansion, brand elevation, and operational optimization". Online, it rapidly expands delivery market coverage and launches new delivery products to capture the quick-service prepared food market, while actively pursuing e-commerce partnerships to drive traffic. Offline, it continuously optimizes restaurant network structure by closing underperforming restaurants and opening new locations in high-potential areas to enhance operational efficiency. It also boosts brand exposure and influence through expanding co-branded IP collaborations. In the second half of 2026, Xiabuxiabu will focus deeply on students as the target customer base. By developing product bundles such as student-exclusive set meals and snacks, as well as creating a student gathering atmosphere to enhance social attributes, the Group fosters emotional connections between the brand and young students, and strengthens the brand's approachable image and influence among younger consumers. Leveraging the new brand, "Xiabu Pasture（呷哺牧場）", to attract customer groups and capture customer mindshare, the brand offers customers more choices via the self-selection vegetable model, while adopting a youthful green color scheme in its visual identity design to further appeal to young customers.

In the first half of 2026, Coucou further strengthened its marketing initiatives and achieved breakthrough growth in sales through cross-brand collaborations and live-streaming channels. It precisely launched a premium cross-brand collaboration with Häagen-Dazs, reinforcing the brand's accessible luxury positioning and enhancing product-premium capability and increasing customer in-store visit rate. Meanwhile, it deepened its presence on live-streaming channels through leading internet platforms. Through regular dedicated live-streaming sessions and platform traffic support, it effectively broadened public-domain customer acquisition channels, achieving dual growth in brand exposure and restaurant revenue. The 10th-anniversary-themed prepaid promotion yielded significant results and retained high-value existing customers. Capitalising on the brand's tenth-anniversary milestone, it launched an exclusive prepaid rewards campaign, with marketing timing precisely aligned to consumption windows, effectively reactivating dormant members and enhancing customer repurchase loyalty. This led to significant improvements in cash flow and the engagement of existing members, thereby strengthening the operational resilience of the restaurant base. The delivery product structure was optimised, with the launch of business set meals opening a new growth trajectory. It continuously iterated its takeaway and delivery product matrix, introducing business sets tailored for the lunchtime to fill day-time revenue gaps, with concurrent improvements in delivery order volumes, average order value and daypart revenue fill rates. The proportion of online revenue steadily increased, bringing about an optimised revenue structure across all time slots and channels. Further optimisation and upgrades will be carried out in the second half of 2026.

The Group adopts a combined strategy of "strengthening the foundations and implementing targeted measures" to enhance brand resilience and operational quality in other markets. First of all, the Group consistently puts priority on product quality and further deepens the dual-driven strategy of "service+product", maintaining leading ratings on mainstream review platforms, with solid brand loyalty and a consistently high brand reputation. Secondly, the Group keeps innovating, closely tracking changes with consumer behaviour while continuously driving menu optimisation and new product development, effectively enhancing the novelty of the customer experience. Moreover, the launch of value-for-money self-service hotpot set meals during the lunchtime period is well received and delivers notable results in proactively exploring new initiatives. Finally, the Group dynamically optimises its restaurant network structure and reevaluates restaurant-site selection criteria to lower fixed costs and improve per-restaurant profitability.

2026 Industry Outlook

2026 is a year full of possibilities and challenges.

According to the data released by the National Bureau of Statistics, national catering revenue in the first half of 2026 was RMB2,825 billion, representing a period-to-period increase of 2.8%; the revenue of catering enterprises above the designated size was RMB832.8 billion, representing a period-to-period increase of 1.8%. In the first half of 2026, China's catering market has moved beyond its high-growth phase and entered a new cycle characterised by moderating growth, intensifying divergence, and a reshaping of the underlying industry logic. The catering market as a whole has exhibited a landscape of "overall stability, moderating growth, and sharp divergence". While continuing to serve as a "stabilising force" for consumption, its growth rate has shown a trend of "higher at the beginning, lower at the end, and slowing month-on-month". The catering industry continues to face multiple challenges, with the sector as a whole remaining under pressure.

China's catering industry is currently in a deepening phase of structural adjustment, with moderating growth and an increasingly divergent competitive landscape. Rising rigid costs and growing rationality in consumer behaviour generate pressure on the industry's profitability. The competitive focus has shifted from scale-driven expansion to competition over efficiency and quality, as the sector enters an in-depth reshuffling phase featuring survival of the fittest. In response to cyclical fluctuations, the Group adheres to long-termism and the principle of prudent operation, and strengthens internal capabilities. Its strategic focus has fully transitioned from a "scale-driven" approach to an "efficiency and quality" approach, which can effectively build differentiated competitive moats that help the Group to navigate economic cycles and achieve high-quality, sustainable long-term growth.

MANAGEMENT DISCUSSION AND ANALYSIS

The following table is a summary of the Group's condensed consolidated statement of profit or loss and other comprehensive income with line items in absolute amounts and as percentages of the Group's total revenue for the periods indicated, together with the change (expressed in percentages) for the six months ended 30 June 2025 and for the six months ended 30 June 2026:

	For the six months ended 30 June				Period-to-period change
	2026		2025		
	RMB'000	**%**	*RMB'000*	%	%
	(Unaudited)		(Unaudited)		
Revenue	**1,493,047**	**100.0**	1,942,383	100.0	(23.1)
Other income	**23,896**	**1.6**	19,822	1.0	20.6
Raw materials and consumables used	**(518,345)**	**(34.7)**	(641,386)	(33.0)	(19.2)
Staff costs	**(494,604)**	**(33.1)**	(666,466)	(34.3)	(25.8)
Property rentals and related expenses	**(91,280)**	**(6.1)**	(120,190)	(6.2)	(24.1)
Utilities expenses	**(59,276)**	**(4.0)**	(75,399)	(3.9)	(21.4)
Depreciation and amortization	**(225,068)**	**(15.1)**	(317,713)	(16.4)	(29.2)
Other expenses	**(142,879)**	**(9.6)**	(160,832)	(8.3)	(11.2)
Other gains and losses	**1,312**	**0.1**	(29,543)	(1.5)	(104.4)
Finance costs	**(20,661)**	**(1.4)**	(26,397)	(1.4)	(21.7)
Loss before tax	**(33,858)**	**(2.3)**	(75,721)	(3.9)	(55.3)
Income tax expense	**(2,336)**	**(0.2)**	(5,107)	(0.3)	(54.3)
Loss for the period	**(36,194)**	**(2.4)**	(80,828)	(4.2)	(55.2)
Total comprehensive expense for the period	**(36,194)**	**(2.4)**	(80,828)	(4.2)	(55.2)

Revenue

The Group's revenue decreased by 23.1% from RMB1,942.4 million for the six months ended 30 June 2025 to RMB1,493.0 million for the Reporting Period, which was due to the decrease in the number of restaurants and consumption downgrade. The revenue generated from Xiabuxiabu decreased by 19.8% from RMB1,135.3 million for the six months ended 30 June 2025 to RMB911.0 million for the Reporting Period; and the revenue contributed by Coucou decreased by 31.0% from RMB745.2 million for the six months ended 30 June 2025 to RMB514.4 million for the Reporting Period. The sales revenue of condiment products decreased by 2.4% from RMB47.2 million for the six months ended 30 June 2025 to RMB46.0 million for the Reporting Period, with the overall trend remaining stable.

Other income

The Group's other income increased by RMB4.1 million from RMB19.8 million for the six months ended 30 June 2025 to RMB23.9 million for the Reporting Period, representing a rise of 20.6%, which was mainly due to additional warehouse rental income.

Raw materials and consumables

The Group's raw materials and consumables decreased by RMB123.1 million from RMB641.4 million in the first half of 2025 to RMB518.3 million during the Reporting Period, representing a 19.2% decline. This reduction was primarily attributable to: (i) as at 30 June 2026, the number of restaurants decreased by a net of 176 compared to 30 June 2025; (ii) focusing on supply chain and operational efficiency improvement, reducing costs through procurement cost reduction and strict control over waste at store level; (iii) precisely controlling marketing and pricing to reasonably manage concession levels through rational discounts and targeted promotions.

Staff costs

The Group's staff costs decreased by 25.8% from RMB666.5 million for the six months ended 30 June 2025 to RMB494.6 million for the Reporting Period, which was mainly because the Group optimized its restaurant network structure by closing under-performing restaurants. As at 30 June 2026, the number of restaurants decreased by a net of 176 compared to 30 June 2025. The number of employees decreased from 17,930 as at 30 June 2025 to 12,446 as at 30 June 2026. Therefore, the overall staff costs decreased. As a percentage of the Group's revenue, staff costs decreased from 34.3% in the first half of 2025 to 33.1% in the first half of 2026.

Property rentals and related expenses

The Group's property rentals and related expenses decreased by 24.1% from RMB120.2 million for the six months ended 30 June 2025 to RMB91.3 million for the Reporting Period due to closure of some under-performing restaurants. The Group's property rentals and related expenses as a percentage of the Group's revenue have decreased slightly from 6.2% in the first half of 2025 to 6.1% in the Reporting Period.

Utilities expenses

The Group's utilities expenses decreased by 21.4% from RMB75.4 million for the six months ended 30 June 2025 to RMB59.3 million for the Reporting Period, which was mainly attributable to the decrease in the number of restaurants in the first half of the year by 176 compared to the same period last year. During the Reporting Period, utilities expenses as a percentage of the Group's revenue were at 4.0%, representing a slight increase compared to 3.9% for the corresponding period last year.

Depreciation and amortization

The Group's depreciation and amortization decreased by 29.2% from RMB317.7 million for the six months ended 30 June 2025 to RMB225.1 million for the Reporting Period, primarily due to (i) the decrease in the number of restaurants in the Reporting Period by 176 compared to the same period of last year and (ii) the increased efforts to utilize existing resources. As a percentage of the Group's revenue, depreciation and amortization decreased from 16.4% in the first half of 2025 to 15.1% in the first half of 2026.

Other expenses

The Group's other expenses decreased by RMB17.9 million or 11.1% from RMB160.8 million for the six months ended 30 June 2025 to RMB142.9 million for the Reporting Period. Among these, (i) marketing expenses decreased by 13.2% from RMB30.3 million in the first half of 2025 to RMB26.3 million in the Reporting Period, mainly due to the reduction in the number of the Group's restaurants, which led to lower costs for the design and production of promotional materials, as well as the contraction in the overall scale of advertising placements in shopping-mall channels; (ii) royalty expenses decreased by 28.0% from RMB20.0 million in the first half of 2025 to RMB14.4 million in the Reporting Period, as the Group's overall revenue declined, resulting in a corresponding reduction in tea beverage service fees; and (iii) office and administrative expenses decreased by 24.1% from RMB16.2 million in the first half of 2025 to RMB12.3 million in the Reporting Period, mainly due to the reduction in the number of employees resulting from personnel restructuring, which led to lower office consumables and miscellaneous administrative expenses; in addition, the decline in operating revenue also resulted in a corresponding decrease in merchant acquiring fees. The Group's continuous refined control and management of operating costs has led to an overall downward trend in expenses.

Other gains and losses

The Group recognized other net gains of RMB1.3 million for the Reporting Period as compared to other net losses of RMB29.5 million for the six months ended 30 June 2025, representing a significant decrease of 104.4% primarily due to (i) the Group's efforts in optimising its restaurant network structure by closing under-performing restaurants, leading to a reduction in the amount of provision for asset impairment losses from RMB73.0 million in the corresponding period in 2025 to RMB51.1 million during the Reporting Period, a significant decrease of 30.0% (as detailed in note 7 to the condensed consolidated financial statements) and (ii) gain on the termination of leases following the closure of restaurants increased from RMB5.0 million in the first half of 2025 to RMB36.1 million in the Reporting Period.

Finance costs

The Group recorded finance costs of RMB20.7 million for the Reporting Period, mainly derived from interest on lease liabilities of RMB14.8 million, representing a decrease of 21.7% compared to the finance costs of RMB26.4 million in the same period last year.

Income tax expense

During the Reporting Period, the Group incurred RMB2.3 million in income tax expense, while the income tax expense for the six months ended 30 June 2025 was RMB5.1 million, a decrease of 54.3% period-to-period. This mainly resulted from (i) profits recorded for certain subsidiaries of the Company during the Reporting Period; and (ii) a decrease of RMB0.2 million in net deferred income tax assets of certain subsidiaries as at 30 June 2026 as compared to 2025.

Liquidity and capital resources

For the six months ended 30 June 2026, the Group financed its operations primarily through cash generated from the Group's operations. The Group intends to finance its expansion and business operations through organic and sustainable growth as well as bank financing.

Bank balances and cash

As at 30 June 2026, the cash and cash equivalents of the Group were RMB256.5 million (31 December 2025: RMB249.1 million), which primarily consisted of cash on hand and demand deposits, mainly denominated in Renminbi as to 40.2%, US dollars as to 56.5%, Singapore dollars as to 1.4%, Hong Kong dollars as to 1.3% and New Taiwan dollars as to 0.6%.

On the other hand, the balance of financial assets of the Group amounted to RMB291.7 million as at 30 June 2026 (as detailed in note 16 to the condensed consolidated financial statements as well as the description below).

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

Financial assets at FVTPL

As at 30 June 2026, the Group had financial assets at FVTPL which amounted to RMB291.7 million in aggregate, which mainly represented financial products (the "**Financial Products**") issued by Fubon Huayi Bank Co., Ltd., China International Capital Corporation Limited, Industrial Bank Co., Ltd., COFCO Trust Co., Ltd., China CITIC Bank Co., Ltd., Huatai Securities Co., Ltd., Galaxy Securities Co., Ltd., and China Merchants Bank Co., Ltd. (collectively, the "**Investment Fund Companies**"), which are investments with no predetermined or guaranteed return and are not principal protected, with expected annual return rates ranging from 1.5% to 4.8%. Two of the Financial Products, with a total principal amount of RMB133.0 million, are classified as non-current assets due to their maturity date in 2028. The amount redeemed from the Financial Products was recorded as gain from changes in fair value of financial assets designated as financial assets at FVTPL, which amounted to approximately RMB6.6 million as at 30 June 2026.

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

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

There was no single financial product in the Group's investment portfolio that has a carrying amount accounting for more than 5% of the Group's total assets as at 30 June 2026.

The subscription of financial products during the period ended 30 June 2026, whether individually or in aggregate (if required), does not constitute a discloseable transaction under Chapter 14 of the Listing Rules.

Indebtedness

As at 30 June 2026, the Group had short-term borrowings (including liabilities under discounted bills, or any covenant in connection therewith) of RMB660.3 million (31 December 2025: RMB425.6 million, an increase of 55.2% period-to-period) which were denominated in RMB and carried fixed interest rates ranging from 0.65% to 3.00% and were expected to mature within one year.

Gearing ratio

As at 30 June 2026, the Group's gearing ratio was 1.54. Gearing ratio was calculated by dividing bank and other borrowings by total equity as at the same date and multiplying by 100%.

Capital expenditures

The Group made payment for the capital expenditures representing the purchase of property, plant and equipment of RMB67.5 million during the Reporting Period in connection with new restaurants opening and re-decoration and furnishing of existing restaurants. For the six months ended 30 June 2025, the Group made payment for the capital expenditure of RMB44.6 million, an increase of 51.3% period-to-period. The Group's capital expenditure in the first half of 2026 was funded primarily by cash generated from its operating activities. In the first half of 2026, the Group opened a total of 29 new restaurants.

Pledge of assets

As at 30 June 2026, the Group had pledged certain land, plant and machinery with a carrying amount of RMB10.6 million to obtain bank borrowings of RMB30.0 million. In addition, the Group had pledged bank deposits of RMB378.2 million as security for bank borrowings.

Contingent liabilities and guarantees

As at 30 June 2026, the Group did not have any significant unrecorded contingent liabilities, guarantees or any litigation against the Group.

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

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

Employee and remuneration policies

As at 30 June 2026, the Group had a total of 12,446 employees (31 December 2025: 16,781), of which 56 employees worked at the Group's food processing facilities and warehouse logistics, 1,522 were restaurant management staff, 10,295 were restaurant service staff and 573 were operation management and administrative staff.

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

For the Reporting Period, the total staff costs of the Group (including salaries, bonuses, social insurances, provident funds and share incentive schemes) amounted to RMB494.6 million (six months ended 30 June 2025: RMB666.5 million, a decrease of 25.8% period-to-period), representing approximately 33.1% of the total revenue of the Group.

FINANCIAL RESULTS

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

FINANCIAL INFORMATION

The condensed consolidated results of the Group for the six months ended 30 June 2026 are as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2026

		For the six months ended 30 June	
		2026	2025
	Notes	***RMB'000***	*RMB'000*
		(Unaudited)	(Unaudited)
Revenue	*3*	**1,493,047**	1,942,383
Other income	*5*	**23,896**	19,822
Raw materials and consumables used		**(518,345)**	(641,386)
Staff costs		**(494,604)**	(666,466)
Property rentals and related expenses		**(91,280)**	(120,190)
Utilities expenses		**(59,276)**	(75,399)
Depreciation and amortisation		**(225,068)**	(317,713)
Other expenses	*6*	**(142,879)**	(160,832)
Other gains and losses	*7*	**1,312**	(29,543)
Finance costs	*8*	**(20,661)**	(26,397)
Loss before tax	*9*	**(33,858)**	(75,721)
Income tax expense	*10*	**(2,336)**	(5,107)
Loss for the period		**(36,194)**	(80,828)
Total comprehensive expense for the period		**(36,194)**	(80,828)
Loss for the period attributable to:			
Owners of the Company		**(35,990)**	(84,079)
Non-controlling interest		**(204)**	3,251
		(36,194)	(80,828)
Total comprehensive expense attributable to:			
Owners of the Company		**(35,990)**	(84,079)
Non-controlling interest		**(204)**	3,251
		(36,194)	(80,828)
Loss per share			
– Basic (RMB cents per share)	*12*	**(3.42)**	(8.01)
– Diluted (RMB cents per share)	*12*	**(3.42)**	(8.01)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2026

	Notes	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Non-current assets			
Property, plant and equipment	*13*	**299,235**	377,603
Right-of-use assets	*13*	**513,051**	607,613
Intangible assets		**7,413**	7,626
Deferred tax assets		**1,524**	1,674
Rental deposits		**129,753**	132,282
Financial assets at fair value through profit or loss ("**FVTPL**")	*16*	**132,625**	130,080
Interest in a joint venture		**98,518**	99,077
Trade and other receivables and prepayments	*15*	**104,178**	57,192
		1,286,297	1,413,147
Current assets			
Inventories	*14*	**185,613**	269,522
Trade and other receivables and prepayments	*15*	**253,066**	313,283
Income tax recoverable		**609**	877
Financial assets at FVTPL	*16*	**159,051**	295,146
Restricted bank balances		**468,855**	206,965
Term deposits		**–**	30,000
Bank balances and cash		**256,516**	249,063
		1,323,710	1,364,856
Current liabilities			
Trade payables	*17*	**112,392**	195,040
Accrual and other payables		**344,489**	410,547
Amount due to the Controlling Shareholder		**89,000**	89,000
Lease liabilities	*18*	**125,494**	220,071
Borrowings	*19*	**660,304**	425,579
Contract liability	*20*	**411,462**	470,588
Deferred income		**910**	910
		1,744,051	1,811,735
Net current liabilities		**(420,341)**	(446,879)

	Notes	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Total assets less current liabilities		**865,956**	966,268
Non-current liabilities			
Deferred income		**3,640**	4,095
Lease liabilities	*18*	**390,062**	446,866
Provisions		**45,492**	52,940
		439,194	503,901
Net assets		**426,762**	462,367
Capital and reserves			
Share capital		**176**	176
Share premium and reserves		**427,908**	463,309
Equity attributable to owners of the Company		**428,084**	463,485
Non-controlling interest		**(1,322)**	(1,118)
Total equity		**426,762**	462,367

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2026

	Share Capital	Share premium	Equity-settled share-based payments reserve	Statutory surplus reserve	Treasury share reserve	Retained earnings	Subtotal	Non-controlling interest	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Balance at 1 January 2026 (Audited)	**176**	**265,107**	**3,884**	**63,950**	**(147,721)**	**278,089**	**463,485**	**(1,118)**	**462,367**
Loss for the period	–	–	–	–	–	**(35,990)**	**(35,990)**	**(204)**	**(36,194)**
Total comprehensive expense for the period	–	–	–	–	–	**(35,990)**	**(35,990)**	**(204)**	**(36,194)**
Recognition of equity-settled share-based payments	–	–	**589**	–	–	–	**589**	–	**589**
Exercise of Restricted Share Unit ("RSU")	–	**(3,003)**	**(635)**	–	**3,638**	–	–	–	–
Balance at 30 June 2026 (Unaudited)	**176**	**262,104**	**3,838**	**63,950**	**(144,083)**	**242,099**	**428,084**	**(1,322)**	**426,762**
Balance at 1 January 2025 (Audited)	176	280,159	6,861	62,090	(155,694)	580,495	774,087	70,803	844,890
(Loss)/gain for the period	–	–	–	–	–	(84,079)	(84,079)	3,251	(80,828)
Total comprehensive (expense)/income for the period	–	–	–	–	–	(84,079)	(84,079)	3,251	(80,828)
Recognition of equity-settled share-based payments	–	–	1,435	–	–	–	1,435	–	1,435
Exercise of Restricted Share Unit ("RSU")	–	(2,091)	(5,882)	–	7,973	–	–	–	–
Balance at 30 June 2025 (Unaudited)	176	278,068	2,414	62,090	(147,721)	496,416	691,443	74,054	765,497

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2026

	For six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Net cash generated from operating activities	**124,389**	195,495
Cash flows from investing activities		
Interests income received	**4,754**	3,183
Purchase of financial assets at FVTPL	**(771,124)**	(1,206,009)
Proceeds from disposal of financial assets at FVTPL	**911,234**	1,249,728
Purchases of property, plant and equipment	**(67,450)**	(44,575)
Payments for right-of-use assets	**(4,986)**	(2,243)
Utilisation of provisions	**(10,140)**	(2,012)
Payments for rental deposits	**(5,525)**	(11,034)
Collection of rental deposits	**14,215**	17,276
Proceeds from disposal of property, plant and equipment	**158**	1,776
Purchase of intangible assets	**(196)**	(895)
Placement of restricted bank balances	**(377,599)**	(45,450)
Withdrawal of restricted bank balances	**115,709**	25,964
Placement of term deposits with initial terms of over three months	**–**	(11,140)
Withdrawal of term deposits with initial terms of over three months	**30,000**	7,188
Net cash used in investing activities	**(160,950)**	(18,243)
Cash flows from financing activities		
Repayments of borrowings	**(347,187)**	(349,468)
Repayments of leases liabilities	**(179,853)**	(209,643)
New bank borrowings raised	**581,912**	334,589
Interest paid	**(5,197)**	(3,281)
Net cash from/(used in) financing activities	**49,675**	(227,803)
Net increase/(decrease) in cash and cash equivalents	**13,114**	(50,551)
Cash and cash equivalents at the beginning of the period	**249,063**	362,695
Effect of foreign exchange rate changes, net	**(5,661)**	1,033
Cash and cash equivalents at the end of the period represented by bank balances and cash	**256,516**	313,177

1. GENERAL INFORMATION AND BASIS OF PREPARATION

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

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

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

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

As at 30 June 2026, the Group's current liabilities exceeded its current assets by approximately RMB420,341,000. The liquidity of the Group is primarily dependent on its ability to maintain adequate cash inflows from operations and sufficient financing to meet its financial obligations as and when they fall due. The directors of the Company ("**Directors**") have a reasonable expectation that the Group has adequate resources to continue in operational existence after taking into account of the future 12 months cash flow forecast and the unused banking facilities of the Group amounting to RMB981 million to meet their financial obligations in the foreseeable future. Thus, the Group continues to adopt the going concern basis of accounting in preparing the condensed consolidated financial statements.

2. PRINCIPAL ACCOUNTING POLICIES

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

Other than additional accounting policies resulting from application of amendments to International Financial Reporting Standards ("**IFRSs**"), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2026 are the same as those presented in the Group's annual financial statements for the year ended 31 December 2025.

2. PRINCIPAL ACCOUNTING POLICIES *(continued)*

Application of amendments to IFRSs

In the current interim period, the Group has applied the following amendments to an IFRS Accounting Standard issued by the IASB, for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2026 for the preparation of the Group's condensed consolidated financial statements:

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity
Amendments to IFRS Accounting Standard	Annual Improvements to IFRS Accounting Standards – Volume 11

The application of the amendments to a IFRS Accounting Standard in the current interim period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

3. REVENUE

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

	For the six months ended 30 June 2026			
	Xiabuxiabu	**Coucou**	**Others**	**Total**
	RMB'000	***RMB'000***	***RMB'000***	***RMB'000***
	(Unaudited)	**(Unaudited)**	**(Unaudited)**	**(Unaudited)**
Types of goods or service				
Restaurant operations	**907,335**	**514,393**	**3,981**	**1,425,709**
Sales of condiment products	**–**	**–**	**46,020**	**46,020**
Sales of other goods	**3,646**	**27**	**17,645**	**21,318**
Total	**910,981**	**514,420**	**67,646**	**1,493,047**
Geographical markets				
Mainland China	**900,122**	**371,182**	**67,646**	**1,338,950**
Other markets	**10,859**	**143,238**	**–**	**154,097**
Total	**910,981**	**514,420**	**67,646**	**1,493,047**

3. REVENUE *(continued)*

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

4. OPERATING SEGMENTS

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

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

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

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

4. OPERATING SEGMENTS *(continued)*

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

Six months ended 30 June 2026

	Xiabuxiabu	Coucou	Total reportable segments	Others	Adjustments and eliminations	Consolidated
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
SEGMENT REVENUE						
External sales	910,981	514,420	1,425,401	67,646	–	1,493,047
Inter-segment sales	–	–	–	998,284	(998,284)	–
	910,981	514,420	1,425,401	1,065,930	(998,284)	1,493,047
Segment results *(Note)*	50,854	(28,704)	22,150	7,862	–	30,012
Impairment loss on property, plant and equipment	(8,537)	(22,815)	(31,352)	–	–	(31,352)
Impairment loss on right-of-use assets	(10,993)	(13,668)	(24,661)	–	–	(24,661)
Reversal of impairment on rental deposit	2,061	2,844	4,905	–	–	4,905
Reversal of impairment on other receivables	–	–	–	16,263	–	16,263
Loss on closure of restaurants	(577)	(158)	(735)	–	–	(735)
Gain from changes in fair value-of financial assets at FVTPL	6,273	–	6,273	287	–	6,560
Loss on disposal of property, plant and equipment, net	(2,304)	(373)	(2,677)	–	–	(2,677)
Interest on bank borrowings	(373)	(20)	(393)	(4,804)	–	(5,197)
Segment profit (loss)	36,404	(62,894)	(26,490)	19,608	–	(6,882)
Unallocated central administration costs						(24,829)
Unallocated Directors' emoluments						(2,147)
Loss before tax						(33,858)

Other segment information

Amounts included in the measure of segment results:

	Xiabuxiabu	Coucou	Total reportable segments	Others	Unallocated costs	Consolidated
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Depreciation and amortisation	(139,655)	(77,853)	(217,508)	(7,020)	(540)	(225,068)
Gain on termination of leases	32,615	3,534	36,149	–	–	36,149
Gain on reassessment of lease liabilities	1,574	292	1,866	–	–	1,866
Finance costs (excluding interest on bank borrowings)	(11,358)	(4,057)	(15,415)	(49)	–	(15,464)

4. OPERATING SEGMENTS *(continued)*

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

Six months ended 30 June 2025

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

Other segment information

Amounts included in the measure of segment results:

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

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

Note: The measure used for reporting segment result is the adjusted segment profit (loss) before (i) Certain gain or loss from changes in fair value of financial assets at FVTPL, (ii) Interest on bank borrowings, (iii) Impairment loss and disposal losses on non-current assets, (iv) Reversal of impairment loss on financial assets and (v) Loss on closure of restaurants.

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

	30/06/2026	31/12/2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Continuing operations		
Xiabuxiabu	**1,923,597**	1,996,883
Coucou	**464,920**	516,429
Total reportable segment assets	**2,388,517**	2,513,312
Other operating segments	**124,196**	166,094
Unallocated headquarters office building and land use right	**97,294**	98,597
Consolidated assets	**2,610,007**	2,778,003

	30/06/2026	31/12/2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Continuing operations		
Xiabuxiabu	**1,333,248**	1,381,072
Coucou	**392,372**	432,307
Total reportable segment liabilities	**1,725,620**	1,813,379
Other operating segments	**368,625**	413,257
Unallocated liability	**89,000**	89,000
Consolidated liabilities	**2,183,245**	2,315,636

5. OTHER INCOME

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Interest income on:		
– bank deposits	**4,754**	3,183
– rental deposits	**1,107**	1,902
	5,861	5,085
Government grant	**5,389**	7,528
Delivery income for takeout orders	**782**	847
Sale of consumables	**5,107**	1,755
Leasing and Warehousing	**3,289**	–
Others	**3,468**	4,607
	12,646	7,209
	23,896	19,822

6. OTHER EXPENSES

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Delivery service fee	**41,337**	34,775
Marketing expenses	**26,336**	30,251
Professional service fee	**13,447**	15,605
Royalty expenses	**14,372**	19,971
Logistics expense	**10,750**	13,320
Travel and communication expenses	**8,110**	10,796
Office and administrative expenses	**12,325**	16,240
Maintenance fees	**4,422**	5,302
Others	**11,780**	14,572
	142,879	160,832

7. OTHER GAINS AND LOSSES

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Loss on disposal of property, plant and equipment, net	**(2,677)**	(865)
Gain on termination of leases	**36,149**	4,986
Gain on reassessment of lease liabilities *(Note)*	**1,866**	6,520
Foreign exchange (loss) gain, net	**(4,447)**	6,472
Loss on closure of restaurants	**(735)**	(924)
Reversal of impairment loss on other receivables	**16,263**	13,916
Impairment reversal (loss) on rental deposit	**4,905**	(2,402)
Impairment loss on property, plant and equipment	**(31,352)**	(30,673)
Impairment loss on right-of-use assets	**(24,661)**	(39,916)
Gains from changes in fair value of financial assets at FVTPL	**6,560**	13,452
Share of results of joint ventures	**(559)**	(109)
	1,312	(29,543)

Note: For the restaurants that the Group plans to exercise the early termination option, the Group remeasures the lease liability to reflect changes to the lease payments and recognised the amount of the remeasurement of the lease liability as an adjustment to the right-of-use assets. However, for the leases that the carrying amount of the right-of-use assets is reduced to zero, the Group recognised the gain on remeasurement of lease liabilities in profit or loss amounted to RMB1,866,000 during the current interim period (six months ended 30 June 2025: RMB6,520,000).

8. FINANCE COSTS

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Interest on lease liabilities	**14,810**	22,287
Interest on bank borrowings	**5,197**	3,281
Unwinding of discounts of provisions	**654**	829
	20,661	26,397

9. LOSS BEFORE TAX

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

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Depreciation of right-of-use assets	**127,718**	205,267
Depreciation of property, plant and equipment	**96,941**	111,839
Amortisation of intangible assets	**409**	607
Total depreciation and amortisation	**225,068**	317,713
Operating lease rentals in respect of restaurants lease payments		
– variable lease payment *(Note)*	**29,034**	32,482
– short-term lease	**16,391**	20,910
– other rental expenses	**45,855**	66,798
Total property rentals and related expenses	**91,280**	120,190
Directors' emoluments	**2,147**	2,581
Other staff cost	**492,457**	663,885
Total staff cost	**494,604**	666,466

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

10. INCOME TAX EXPENSE

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Enterprise income tax ("**EIT**")		
Current tax	**2,186**	4,411
Deferred tax	**150**	696
Total income tax recognised in profit or loss	**2,336**	5,107

Under the EIT Law, withholding tax is imposed on dividends declared and paid to non-PRC resident in respect of profits earned by the PRC subsidiaries from 1 January 2008 onwards. Deferred taxation has not been provided for in the condensed consolidated financial statements in respect of the temporary differences attributable to the accumulated undistributed profits of PRC subsidiaries amounting to RMB1,367 million as at 30 June 2026 (As at 31 December 2025: RMB1,324 million), as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

At the end of the reporting period, the Group has deductible temporary differences of RMB752,414,000 (As at 31 December 2025: RMB770,643,000) with no deferred tax asset recognised as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

At the end of the reporting period, the Group has unused tax losses of RMB1,298,925,000 (As at 31 December 2025: RMB1,235,495,000) available for offset against future profits. No deferred tax asset has been recognised in relation to such unused tax losses due to the unpredictability of future profit streams in respective subsidiaries. Included in unrecognised tax losses are losses of RMB1,220,805,000 (As at 31 December 2025: RMB1,164,021,000) that will expire in 2031. Other losses may be carried forward indefinitely.

11. DIVIDENDS

No interim dividends were proposed to equity shareholders of the Company attributable to the interim period ended 30 June 2026 and 30 June 2025.

12. LOSS PER SHARE

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

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Loss for the purposes of calculating basic and diluted earnings per share		
Loss for the period attributable to owners of the Company	**(35,990)**	(84,079)

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

	For the six months ended 30 June	
	2026	2025
	'000	*'000*
	(Unaudited)	(Unaudited)
Weighted average number of ordinary shares for the purpose of calculating basic loss per share	**1,052,114**	1,049,909
Effect of dilutive potential ordinary shares *(Note)*	**N/A**	N/A
Weighted average number of ordinary shares for the purpose of calculating diluted loss per share	**1,052,114**	1,049,909

Note: The calculation of diluted loss per share for the six months ended 30 June 2026 does not assume the exercise of the Company's share options and restricted shares since their exercise would result in a decrease in loss per share.

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

During the six months ended 30 June 2026, additions to the property, plant and equipment amounted to RMB52,760,000 (six months ended 30 June 2025: RMB31,134,000) consisting of leasehold improvement, machinery, motor vehicles, furniture and fixtures and construction in progress.

During the current interim period, the Group entered into several new lease agreements with lease terms ranging from 1 to 5 years. The Group is required to make fixed term payments and additional variable payments depending on the restaurants' performance during the contract period. On lease commencement date, the Group recognised right-of-use assets of RMB80,320,000 (six months ended 30 June 2025: RMB120,656,000) and lease liability of RMB71,796,000 (six months ended 30 June 2025: RMB117,048,000).

Impairment assessment

As at 30 June 2026, in view of the unfavourable future prospects of some restaurants, the management of the Group concluded there was an impairment indicator for relevant property, plant and equipment and right-of-use assets, with carrying amounts of RMB164,098,000 and RMB290,558,000 respectively (31 December 2025: RMB179,645,000 and RMB321,392,000), and conducted impairment assessment on the recoverable amounts. The Group estimates the recoverable amount of the restaurants to which the leasehold improvement and right-of-use assets belong as it is not possible to estimate the recoverable amount of the assets individually, including allocation of corporate assets when reasonable and consistent basis can be established.

The recoverable amount of each restaurant concerned has been determined based on a value in use calculation. That calculation uses cash flow projections based on financial budgets approved by the management of the Group covering the remaining lease term with a pre-tax discount rate ranging from 13.97% to 15.72% as at 30 June 2026 (30 June 2025: 12.14% to 14.07%) reflecting the specific risks relating to the relevant restaurants operated in different regions. The other key assumption for the value in use calculated is revenue annual growth rate which is determined based on historical performance and relevant operation plans.

Based on the result of the assessment, the management of the Group determined that the recoverable amount of certain restaurants is lower than the carrying amount. The impairment loss has been recognised and allocated to relevant property, plant and equipment and right-of-use assets such that the carrying amount of each category of asset is not reduced below the highest of its fair value less cost of disposal, its value in use and zero. Based on the value in use calculation and the allocation, impairment loss of RMB31,352,000 (six months ended 30 June 2025: RMB30,673,000) and RMB24,661,000 (six months ended 30 June 2025: RMB39,916,000), has been recognised against the carrying amount of property, plant and equipment and right-of-use assets, respectively.

14. INVENTORIES

	As at 30 June 2026	As at 31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Food and beverage	**179,871**	262,794
Other materials	**1,859**	2,212
Consumables	**3,883**	4,516
	185,613	269,522

15. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	As at 30 June 2026	As at 31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Trade receivables	**11,401**	35,952
Prepaid operating expenses	**16,430**	27,115
Prepayments to suppliers	**16,090**	10,846
Input value-added tax recoverable	**293,136**	278,736
Other receivables	**20,373**	33,323
	357,430	385,972
Less: Allowance for credit losses	**(186)**	(15,497)
Total trade and other receivables and prepayments	**357,244**	370,475
Analysis as:		
Non-current		
Input value-added tax recoverable expected to be utilised beyond one year	**104,178**	57,192
Current	**253,066**	313,283
	357,244	370,475

15. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS *(continued)*

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

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

	As at 30 June 2026	As at 31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Within 30 days	**9,641**	31,641
31 to 90 days	**1,525**	3,677
91 to 180 days	**235**	634
	11,401	35,952

16. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial asset mandatorily measured at FVTPL:

	As at 30 June 2026	As at 31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Financial products *(Note)*	**291,676**	425,226
Current	**159,051**	295,146
Non-current	**132,625**	130,080
	291,676	425,226

16. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS *(continued)*

Note:

As at 30 June 2026, the Group's financial assets at FVTPL are the financial products issued by banks and investment fund companies which have no predetermined or guaranteed return and no principal protected. These financial assets are with expected rates of return, depending on the market price of underlying financial instruments, including government bonds, central bank bills, trust and other financial assets.

The maturity dates of the financial products classified as non-current asset are 13 July 2028 and 12 September 2028 (2025: 13 July 2028 and 12 September 2028).

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

17. TRADE PAYABLES

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

	As at 30 June 2026	As at 31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Within 60 days	**108,895**	190,075
61 to 180 days	**1,979**	2,769
181 to 1 year	**1,518**	2,196
	112,392	195,040

18. LEASE LIABILITIES

	As at 30 June 2026	As at 31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Lease liabilities payable:		
Within one year	**125,494**	220,071
Within a period of more than one year but not exceeding two years	**177,798**	249,419
Within a period of more than two years but not exceeding five years	**205,886**	190,732
Within a period of more than five years	**6,378**	6,715
	515,556	666,937
Less: Amount due for settlement with 12 months shown under current liabilities	**(125,494)**	(220,071)
Amount due for settlement after 12 months shown under non-current liabilities	**390,062**	446,866

The weighted average incremental borrowing rates applied to lease liabilities range from 3.60% to 5.88% (As at 31 December 2025: from 3.60% to 6.16%).

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

	SGD	**HKD**	**TWD**
	RMB'000	*RMB'000*	*RMB'000*
As at 30 June 2026 (Unaudited)	17,592	45,318	5,619
As at 31 December 2025 (Audited)	24,353	66,055	5,877

19. BORROWINGS

	As at 30 June 2026	As at 31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Unsecured	**257,219**	260,098
Secured *(Notes)*	**403,085**	165,481
	660,304	425,579

As at 30 June 2026, the bank borrowings carry fixed interest rate from 0.65% to 3.00% (As at 31 December 2025: 0.67% to 3.00%) per annum.

Notes:

(i) During the current period, the Group discounted inter-group bills receivables with recourse in an aggregate amount of RMB346,500,000 (As at 31 December 2025: RMB155,000,000). As at 30 June 2026, the associated borrowings amount to RMB206,500,000 (As at 31 December 2025: RMB35,000,000), which are secured by bank deposits of the Group amounting to RMB206,500,000 as at 30 June 2026 (As at 31 December 2025: RMB35,000,000).

(ii) As at 30 June 2026, bank borrowings amounting to RMB29,987,000 (As at 31 December 2025: RMB49,987,000) are guaranteed by a subsidiary of the Group and secured by certain property, plant and equipment with the carrying amount of RMB10,585,000 (As at 31 December 2025: RMB11,146,000).

(iii) As at 30 June 2026, certain of the Group's short-term bank borrowings amounting to RMB157,000,000 (As at 31 December 2025: RMB68,000,000) are secured by the pledge of the Group's bank deposits of RMB157,000,000 (As at 31 December 2025: RMB68,000,000).

(iv) As at 30 June 2026, certain of the Group's short-term bank borrowings amounting to TWD45,000,000 equal to RMB9,598,000 are secured by the pledge of the Group's term deposits of USD2,165,000 equal to RMB14,748,000.

20. CONTRACT LIABILITY

	As at 30 June 2026	As at 31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Customer loyalty programme *(Note i)*	**7,092**	19,256
Prepaid cards and advance from customers *(Note ii)*	**404,306**	449,440
Privilege membership programs *(Note iii)*	**64**	1,892
	411,462	470,588

Notes:

i. The contract liability of the customer loyalty programme is recognised along with the restaurant services provided during each reporting period. As at 30 June 2026, the balance of RMB7,092,000 (as at 31 December 2025: RMB19,256,000) presents the unredeemed performance obligation relating to the customer loyalty programme.

ii. The prepaid cards and advance from customers of the Group are refundable. However, no material refund was raised historically and the management of the Group expects the amounts to be refunded in the future reporting periods are insignificant.

During the reporting period, revenue of RMB39,281,000 from expected breakage was recognised, as it became remote that customers would exercise their remaining rights.

iii. The privilege membership programs offer privilege members rights to multiple benefits, such as discounts on certain products and assorted discount coupons with pre-defined quantities; consideration collected is allocated to the benefits provided based on their relative standalone selling price and revenue is recognised when food or services are delivered or the benefits expire. In determining the relative standalone selling price of the benefits, the Company considers the likelihood of future redemption based on historical redemption patterns and reviews such estimates periodically based upon the latest available information regarding redemption and expiration patterns.

iv. For the period ended 30 June 2026, revenue recognised that was included in the contract liability balance at the beginning of the year was RMB276,585,000 (for the period ended 30 June 2025, RMB234,988,000).

21. EQUITY-SETTLED SHARE-BASED PAYMENT TRANSACTIONS

SHARE AWARD SCHEME

On 28 November 2014, an RSU scheme of the Company was approved and adopted by the shareholders of the Company (the "**RSU Scheme**"). The RSU Scheme was valid and effective commencing from 17 December 2014 (the listing date) and expired ten years thereafter. The RSUs that were unvested, as well as those vested but not yet exercised, were transferred to a share award scheme adopted on 28 August 2024 (the "**Share Award Scheme**"). The grantees, the number of RSUs granted, and the terms and conditions of the RSUs remain unchanged before and after the transfer. As at 30 June 2026, no shares were outstanding under the RSU Scheme.

The purposes of the RSU Scheme and Share Award Scheme are to attract, retain and incentivise the Directors, management and key employees of the Group, to align their interests with the long-term success of the Company, to provide fair and competitive compensation to the Directors, management and key employees and to drive the achievement of strategic objectives of the Company.

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

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

i. Purchase of treasury shares under the Share Award Scheme

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

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

SHARE AWARD SCHEME *(continued)*

ii. Details of granted Share Award Scheme

Tranches	Number of awarded shares	Grant date	Expiry date	Fair value at grant date	Vesting period
				HKD Dollars	
Transfer from RSU Scheme:					
RSUs tranche A	2,910,920	17/11/2016	17/11/2026	4.83	25% for each of 4 years after 01/04/2018
RSUs tranche B	3,993,190	08/05/2017	08/05/2027	6.99	25% for each of 4 years after 01/04/2019
RSUs tranche D	33,378	31/01/2018	31/01/2028	14.98	25% for each of 4 years after 01/04/2019
RSUs tranche E	1,000,981	14/12/2018	14/12/2028	11.20	25% for each of 4 years after 01/04/2020
RSUs tranche F	44,326	22/01/2019	22/01/2029	11.28	25% for each of 4 years after 01/04/2019
RSUs tranche G	1,346,707	30/09/2020	30/09/2030	9.49	25% for each of 4 years after 01/04/2021
RSUs tranche H	4,407,078	30/09/2020	30/09/2030	9.49	25% for each of 4 years after 01/04/2022
RSUs tranche J	199,000	01/04/2023	01/04/2033	6.27	33.3% for each of 3 years after 01/04/2024
RSUs tranche K	732,331	01/04/2024	01/04/2034	1.60	33.3% for each of 3 years after 01/04/2025
RSUs tranche L	2,255,577	01/04/2024	01/04/2034	1.60	33.3% for each of 3 years after 01/04/2025
Newly granted under Share Award Scheme:					
Tranche A	4,349,902	01/04/2025	01/04/2035	0.81	33.3% for each of 3 years after 01/04/2026

The following table discloses the movement of the Company's RSUs granted to the selected participants for the period ended 30 June 2026 and outstanding as at 30 June 2026 under the Share Award Scheme:

		Number of Awarded Shares			
	Outstanding at 1 January 2026 *(Note)*	Granted during the reporting period	Exercised during the reporting period	Forfeited during the reporting period	Outstanding at 30 June 2026
Share Awards Scheme					
Share Awards Scheme granted to					
Directors	1,467,836	–	(445,500)	(38,886)	983,450
Employees	4,280,678	–	(404,722)	(1,457,934)	2,418,022
Total	5,748,514	–	(850,222)	(1,496,820)	3,401,472

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

SHARE AWARD SCHEME *(continued)*

ii. Details of granted Share Award Scheme (continued)

Note:

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

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

The Group recognised the total expense of RMB589,000 for the period ended 30 June 2026 (RMB1,435,000 for the period ended 30 June 2025) in relation to Share Awards Scheme granted by the Company.

22. COMMITMENTS

	As at 30 June 2026	As at 31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Capital expenditure contracted for but not provided in respect of acquisition of property, plant and equipment	**5,191**	9,322

23. RELATED PARTY TRANSACTIONS

(a) Related party transactions

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

Relationship	Nature of transactions	For the six months ended 30 June 2026	2025
		RMB'000	*RMB'000*
		(Unaudited)	(Unaudited)
Related companies controlled by Mr. Ho Kuang-Chi	Royalty expenses *(Note 25)*	**14,372**	19,971
Related companies controlled by Mr. Ho Kuang-Chi	Short-term lease expense	**–**	600

Relationship	Nature of balances	As at 30 June 2026	As at 31 December 2025
		RMB'000	*RMB'000*
		(Unaudited)	(Audited)
Related companies controlled by Mr. Ho Kuang-Chi	Accrual and other payables	**3,994**	4,975
Mr. Ho Kuang-Chi *(Note 1)*	Amount due to Mr. Ho Kuang-Chi	**89,000**	89,000

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

(b) Remuneration of key management personnel of the Group

	For the six months ended 30 June 2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Short term employee benefits	**2,040**	2,352
Equity-settled share-based payments	**107**	229
	2,147	2,581

24. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

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

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active market for identical assets or liabilities;

- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Financial assets	**Fair value as at (RMB'000)**		**Fair value hierarchy**	**Valuation technique(s) and key input(s)**	**Significant unobservable input(s)**	**Relationship of unobservable inputs to fair value**
	30 June 2026	31 December 2025				
Financial assets at FVTPL	**291,676**	425,226	Level 3	Discounted cash flow. Future cash flows are estimated based on estimated return.	Estimated return	The higher the discount rate, the lower the fair value, vice versa; The higher the estimated return, the higher the fair value, vice versa

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

A 1% increase in the discount rate, holding all other variables constant, would decrease the carrying amount of the financial assets at FVTPL by RMB1,901,000 as at 30 June 2026. (31 December 2025: RMB3,903,000)

A 1% decrease in the discount rate, holding all other variables constant, would increase the carrying amount of the financial assets at FVTPL by RMB1,975,000 as at 30 June 2026. (31 December 2025: RMB3,900,000)

24. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS *(continued)*

A 1% decrease in the estimated return rates holding all other variables constant would decrease the carrying amount of the short-term investments by RMB2,023,000 (31 December 2025: RMB4,680,000)

A 1% increase in the estimated return rates holding all other variables constant would increase the carrying amount of the short-term investments by RMB2,023,000 (31 December 2025: RMB4,680,000)

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

Reconciliation of Level 3 fair value measurement of financial assets

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

	RMB'000
At 1 January 2025 (audited)	586,960
Purchase of financial assets at FVTPL	1,206,009
Redemption of financial assets at FVTPL	(1,249,728)
Net gains on financial assets at FVTPL	7,720
At 30 June 2025 (unaudited)	550,961
At 1 January 2026 (audited)	425,226
Purchase of financial assets at FVTPL	771,124
Redemption of financial assets at FVTPL	(911,234)
Net gains on financial assets at FVTPL	6,560
At 30 June 2026 (unaudited)	291,676

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

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

25. EVENTS AFTER THE REPORTING PERIOD

On 22 December 2023, the Company entered into a cooperation agreement (the "**Cooperation Agreement**") with Tea Mi Tea (HK) Holdings Co., Limited ("**Tea Mi Tea (HK)**") for the sale of "Tea me tea" branded beverages in the Group's restaurants. Under the Cooperation Agreement, the Company recognises royalty expenses and a corresponding liability to Tea Mi Tea (HK) based on the sales proceeds generated from such beverages.

On 13 August 2026, the Company entered into a supplemental agreement (the "**Supplemental Agreement**") with Tea Mi Tea (HK) to amend the royalty payment obligations under the Cooperation Agreement. Pursuant to the Supplemental Agreement, with effect from 1 July 2026, the Company is exempted from paying royalty expenses recognised in respect of the sale of tea beverages under the "Tea me tea" brand. Except as expressly provided in the Supplemental Agreement, all other terms and conditions of the Cooperation Agreement shall remain in full force and effect.

OTHER INFORMATION

INTERIM DIVIDEND

The Board has resolved not to declare any interim dividend for the six months ended 30 June 2026.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

On 13 August 2026, the Company entered into a supplemental agreement (the "**Supplemental Agreement**") with Tea Mi Tea (HK) Holdings Co., Limited ("**Tea Mi Tea (HK)**") to revise the pricing terms under the framework cooperation agreement entered into between the Company and Tea Mi Tea (HK) on 22 December 2023 ("**2023 Agreement**"). Pursuant to the Supplemental Agreement, with retrospective effect from 1 July 2026, Tea Mi Tea (HK) has waived the Company from the requirement to share with Tea Mi Tea (HK) the 5% of the total amount under the 2023 Agreement. Hence, Tea Mi Tea Group will provide the relevant operational support and the non-transferable right to use trademarks provided to the Group at nil consideration. For details, please refer to the announcement of the Company dated 13 August 2026.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

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

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

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

MODEL CODE FOR SECURITIES TRANSACTIONS

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

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

PURCHASE, SALE AND REDEMPTION OF LISTED SECURITIES

During the Reporting Period, the Company and its subsidiaries did not purchase, sell or redeem any of the listed securities (including sale of treasury shares) of the Company. As at 30 June 2026, the Company did not hold any treasury shares.

AUDIT COMMITTEE

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

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

This interim results announcement is published on the website of the Stock Exchange (www.hkexnews.hk) and that of the Company (www.xiabu.com). The interim report of the Company for the six months ended 30 June 2026 will be despatched to the shareholders of the Company (if requested) and will be available on the website of the Stock Exchange and that of the Company in due course.

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

Hong Kong, 27 August 2026

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