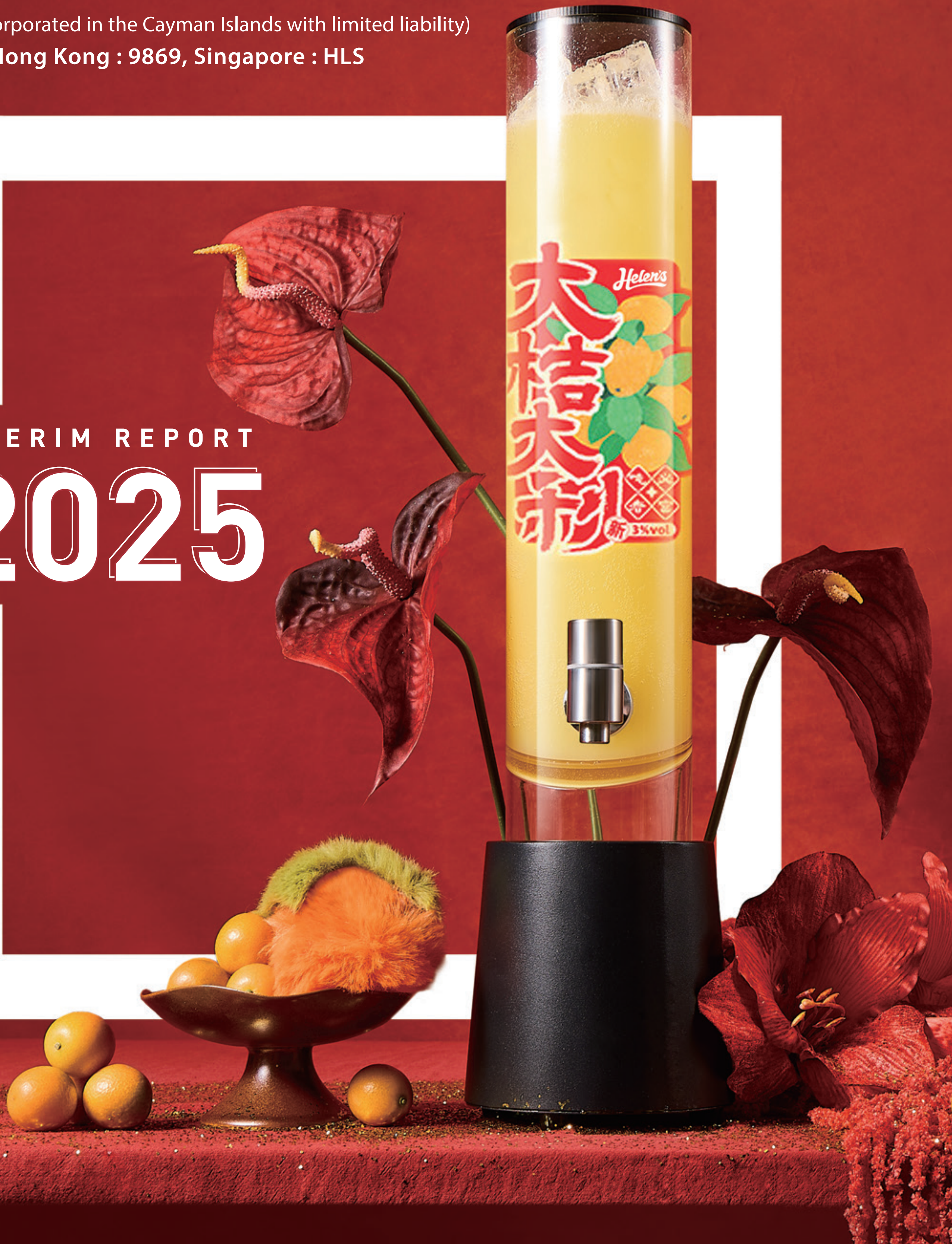
Helens International Holdings Company Limited

海倫司國際控股有限公司

(A company incorporated in the Cayman Islands with limited liability)

Stock code : Hong Kong : 9869, Singapore : HLS



INTERIM REPORT 2025

Contents

Definitions

"Articles of Association" or "Articles"	the amended and restated articles of association of our Company adopted on June 16, 2023, as amended from time to time
"Audit Committee"	the audit committee of the Board
"Board"	the board of directors of our Company
"BVI"	the British Virgin Islands
"Cantrust"	Cantrust (Far East) Limited, the trustee of the Mr. Xu's Trust
"China" or "PRC"	People's Republic of China, but for the purpose of this interim report and for geographical reference only and except where the context requires otherwise, references in this interim report to "China" and the "PRC" do not include Hong Kong, Macau and Taiwan
"Code" or "Corporate Governance Code"	the Corporate Governance Code sets out in Appendix C1 to the Listing Rules
"Company" or "our Company"	Helens International Holdings Company Limited (海倫司國際控股有限公司), an exempted company with limited liability incorporated in the Cayman Islands on January 16, 2018
"Controlling Shareholder(s)"	has the meaning ascribed to it under the Listing Rules and unless the context otherwise requires, refers to HHL International, Helens Hill (BVI), HLSH Holding and Mr. Xu
"Director(s)"	the director(s) of our Company
"Director RSU Scheme"	the restricted share unit scheme of the Company approved and adopted by the Board on March 31, 2021, the principal terms of which are set out in the paragraph headed "D. Share Incentive Schemes — 1. Pre-IPO RSU Schemes" in Appendix IV to the Prospectus
"Employee RSU Scheme"	the restricted share unit scheme of the Company approved and adopted by the Board on March 31, 2021, the principal terms of which are set out in the paragraph headed "D. Share Incentive Schemes — 1. Pre-IPO RSU Schemes" in Appendix IV to the Prospectus
"Global Offering"	the Hong Kong public offering and the international offering of our Shares
"Group," "our Group," "our," "we" or "us"	our Company, its subsidiaries from time to time
"Helens Hill (BVI)"	Helens Hill Holding Limited, a company incorporated in the BVI with limited liability on January 11, 2018, one of our Controlling Shareholders

Definitions

"HHL International"	HHL International Limited (HHL國際有限公司), a company incorporated in the BVI on May 12, 2021 with limited liability and wholly owned as to 1% by Helens Hill (BVI) and 99% by HLSH Holding, a Controlling Shareholder
"HK$" or "Hong Kong Dollars"	Hong Kong dollars, the lawful currency of Hong Kong
"HLSH Holding"	HLSH Holding Limited, a company incorporated in the BVI on March 24, 2021 with limited liability and wholly owned by Cantrust, a Controlling Shareholder
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong Stock Exchange" or "Stock Exchange"	The Stock Exchange of Hong Kong Limited, a wholly-owned subsidiary of Hong Kong Exchange and Clearing Limited
"Latest Practicable Date"	September 22, 2025, being the latest practicable date prior to the printing of this interim report for the purpose of ascertaining certain information contained herein
"Listing"	the listing of the Shares on the Main Board
"Listing Date"	the date, September 10, 2021, on which dealings in the Shares first commence on the Main Board
"Listing Rules" or "Hong Kong Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended or supplemented from time to time
"Main Board"	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the GEM of the Stock Exchange. For the avoidance of doubt, the Main Board excludes the GEM of the Stock Exchange
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
"Mr. Xu's Trust"	Tiny Tiny Hill Trust, a discretionary trust set up by Mr. Xu with Cantrust acting as trustee, the beneficiaries of which are Mr. Xu's family members and Helens Hill (BVI)
"Over-allotment Option"	the option granted by us to the International Underwriter(s), exercisable by the Sole Global Coordinator on behalf of the International Underwriter(s), pursuant to which we were required to allot and issue up to an aggregate of 20,197,500 additional Shares (representing 15% of the Shares initially being offered under the Global Offering) to cover over-allocations in the International Offering, details of which are described in the section headed "Structure of the Global Offering — Over-allotment Option" of the Prospectus
"Post-IPO RSU"	a restricted share unit to be granted under the Post-IPO RSU Scheme

Definitions

"Post-IPO RSU Scheme"	the post-IPO restricted share unit scheme of the Company approved and adopted by the Board on March 31, 2021, the principal terms of which are set out in the paragraph headed "D. Share Incentive Schemes — 2. Post-IPO RSU Scheme" in Appendix IV to the Prospectus, and as amended or supplemented or otherwise modified from time to time
"Pre-IPO RSU"	a restricted share unit granted under the Pre-IPO RSU Schemes
"Pre-IPO RSU Schemes"	Director RSU Scheme, Employee RSU Scheme and Senior Management RSU Scheme
"Prospectus"	the prospectus issued by the Company on August 31, 2021 in connection with the Hong Kong public offering
"Remuneration Committee"	the remuneration committee of the Board
"Renminbi" or "RMB"	the lawful currency of the PRC
"Reporting Period"	the six months ended June 30, 2025
"RSU(s)"	restricted share unit(s)
"RSU Trustee"	the trustee of the Post-IPO RSU Scheme
"Senior Management RSU Scheme"	the restricted share unit scheme of the Company approved and adopted by the Board on March 31, 2021, the principal terms of which are set out in the paragraph headed "D. Share Incentive Schemes — 1. Pre-IPO RSU Schemes" in Appendix IV to the Prospectus
"SFO"	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as amended, supplemented or otherwise modified from time to time
"Share(s)" or "Ordinary Share(s)"	the shares of our Company, as the context so requires
"Shareholder(s)"	holder(s) of our Share(s)
"subsidiary(ies)"	has the meaning ascribed to it in section 15 of the Companies Ordinance
"Substantial Shareholder(s)"	has the meaning ascribed to it under the Listing Rules
"US$"	United States dollars, the lawful currency for the time being of the United States
"%"	per cent

Capitalized terms have the meaning in the Prospectus unless otherwise defined.

Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Xu Bingzhong (徐炳忠先生)
(Chairman and Chief Executive Officer)
Ms. Cai Wenjun (蔡文君女士)
Ms. Yu Zhen (余臻女士)
Mr. He Daqing (賀大慶先生)

Independent Non-Executive Directors

Mr. Li Dong (李東先生)
Mr. Wang Renrong (王仁榮先生)
Mr. Wong Heung Ming Henry (黃向明先生)
(resigned on 11 July 2025)
Mr. Ler Soon Hock Leonard (呂珣福先生)
(appointed on 11 July 2025)

AUDIT COMMITTEE

Mr. Li Dong *(Chairman)*
Mr. Wang Renrong
Mr. Wong Heung Ming Henry *(resigned on 11 July 2025)*
Mr. Ler Soon Hock Leonard *(appointed on 11 July 2025)*

REMUNERATION COMMITTEE

Mr. Wang Renrong *(Chairman)*
Mr. Li Dong
Mr. Xu Bingzhong

NOMINATION COMMITTEE

Mr. Xu Bingzhong *(Chairman)*
Mr. Li Dong
Mr. Wang Renrong
Ms. Cai Wenjun *(appointed on 29 August 2025)*
Mr. Ler Soon Hock Leonard *(appointed on 29 August 2025)*

COMPANY SECRETARY

Mr. Lui Wing Yat Christopher *(ACG, HKACG)*

AUTHORIZED REPRESENTATIVES

Ms. Yu Zhen
Mr. Lui Wing Yat Christopher *(ACG, HKACG)*

REGISTERED OFFICE

Palm Grove Unit 4
265 Smith Road, George Town
P.O. Box 52A Edgewater Way, #1653
Grand Cayman KY1-9006
Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN CHINA

Building B2
Guanggu Chongwen Centre Phase I
No. 792 Gaoxin Avenue
East Lake New Technology Development Zone
Wuhan
Hubei Province
PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Shop 32, G/F
Gold Coast Piazza
1 Castle Peak Road
Castle Peak Bay, New Territories
Hong Kong

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Walkers Corporate Limited
190 Elgin Avenue
George Town
Grand Cayman KY1-9008
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

Corporate Information

SINGAPORE SHARE TRANSFER AGENT

In.Corp Corporate Services Pte. Ltd.
36 Robinson Road
#20-01 City House
Singapore 068877

LEGAL ADVISER IN HONG KONG

KJ Tan & Co
7/F, LL Tower
2 Shelley Street
Hong Kong

AUDITOR

PricewaterhouseCoopers
Certified Public Accountants
Registered Public Interest Entity Auditor
22/F, Prince's Building
Central
Hong Kong

PRINCIPAL BANKS

China Merchants Bank Co., Ltd.
Wuhan Guanggu Technology Sub-branch
No. 475-1 Guanshan Avenue
Donghu Development Zone
Wuhan
Hubei Province
PRC

Industrial and Commercial Bank of China (Asia) Limited
33/F, ICBC Tower
3 Garden Road
Central
Hong Kong

STOCK CODE

Hong Kong: 9869
Singapore: HLS

COMPANY WEBSITE

www.helensbar.com

Financial Highlights

	For the six months ended June 30,	
	2025	2024
	(RMB in thousands)	*(RMB in thousands)*
	(unaudited)	(unaudited)
Revenue	**291,145**	441,294
Profit before income tax	**51,899**	69,459
Profit for the period attributable to owners of the Company	**50,331**	69,677

Business Highlights

DISTRIBUTION OF OUR BAR NETWORK

In the first half of 2025, the total number of the Group's bars increased from 560 at the beginning of the year to 580 as of June 30, 2025, and further expanded to 583 as of August 26, 2025. Among them, the number of existing operating bars (including self-operated bars and franchise bars) has remained stable, while the "HiBeer Partnership" bar network continues to expand.

In May 2025, we resumed the self-operated bar plan. Through (1) opening new bars in new markets; and (2) reopening bars with new iterations in existing markets, we aimed to achieve upgrades in bar environment, improvements in customer experience, and reductions in costs such as rental and labor costs, and, thereby enhancing bar operational performance. Currently, 10 bars have been opened or will open in the near future. Going forward, as we continue to open new self-operated bars, our self-operated network is expected to gradually expand again.

As of August 26, 2025, we had a total of 583 bars globally, including three bars in Singapore, one bar in Japan, one bar in Hong Kong, China, and 578 bars across 32 provincial-level administrative regions and 283 cities in Mainland China.

	As of			
	August 26, 2025	**June 30, 2025**	December 31, 2024	June 30, 2024
Mainland China				
Bars in first-tier cities	**36**	**36**	35	37
Bars in second-tier cities	**140**	**140**	146	172
Bars in third and lower-tier cities	**402**	**399**	375	323
Bars in regions out of Mainland China	**5**	**5**	4	5
Total	**583**	**580**	560	537

	As of			
	August 26, 2025	**June 30, 2025**	December 31, 2024	June 30, 2024
Self-operated bars	**109**	**109**	112	187
Franchised bars	**39**	**39**	42	67
"HiBeer Partnership" bars	**435**	**432**	406	283
Total	**583**	**580**	560	537

OPERATING INDICATORS

Average Daily Turnover Per Bar Opened in Each City

The table below shows the average daily turnover per bar opened in different tier cities during the indicated periods.

	For the six months ended June 30,	
	2025	2024
	(RMB in thousands)	*(RMB in thousands)*
Average daily turnover per self-operated bar and franchised bar		
Mainland China		
First-tier cities	**9.0**	8.7
Second-tier cities	**8.8**	7.4
Third and lower-tier cities	**7.7**	7.2
Overall	**8.3**	7.5

Average daily turnover per "HiBeer Partnership" bar

		For the six months ended June 30,	
		2025	2024
Type of store	**Store area**	***(RMB in thousands)***	*(RMB in thousands)*
Large Store	240–260 square meters[1]	**5.0**	6.1
Medium Store	150–240 square meters[2]	**4.0**	5.3
Small Store	90–150 square meters[1]	**3.6**	4.7
Overall	**90–260 m²**	**4.2**	5.4

Notes:

(1): both numbers inclusive.

(2): both numbers exclusive.

Business Highlights

Same-store Performance

The following table sets forth the same-store sales of Helen's self-operated bars and franchised bars during the indicated periods. "Same-store" means bars that opened for at least 140 days during the six months ended June 30, 2024 and the six months ended June 30, 2025, respectively.

Although our same-store daily sales declined in the first half of 2025, by measures such as actively improving product gross margins, reducing rental costs and enhancing labour efficiency, our same-store bar-level operating profit margin in the second quarter of 2025 improved as compared with the same period last year.

We are actively implementing multiple initiatives to restore same-store performance, including: (1) further refining and enhancing frontline partner performance incentive schemes to achieve collaborative performance growth; (2) strengthening organizational systems and cultural development, optimizing bar operations management and services, and improving customer experience; (3) continuously optimizing the product portfolio, establishing a blockbuster product incubation system, and increasing customer stickiness; (4) reinforcing the marketing system to enhance customer acquisition and repeat purchase.

	For the six months ended June 30,		
	2025		2024
Number of same-store		**142**	
Same-store turnover *(RMB'000)*	**229,239.53**		279,116.30
Growth of same-store turnover *(%)*		**-17.9**	
Same-store average daily turnover *(RMB'000)*	**1,274.40**		1,546.22
Growth of same-store daily average turnover *(%)*		**-17.6**	
Same-store average daily turnover per store *(RMB'000)*	**9.0**		10.9
Growth of same-store average daily turnover per store *(%)*		**-17.6**	

Contribution from Our Featured Products

The following table sets forth the overall contribution and contribution margin of all of Helen's branded alcoholic drinks and third-party branded alcoholic drinks in self-operated bars respectively during the indicated periods. With our scientific supply chain management, coupled with our expanding scale and growing brand influence, our contribution gross margin has significantly improved compared with the same period last year.

	For the six months ended June 30,	
	2025	2024
All Helen's branded alcoholic drinks		
Contribution *(RMB'000)*	**73,777**	124,458
Contribution margin *(%)*	**80.2%**	78.3%
All third-party branded alcoholic drinks		
Contribution *(RMB'000)*	**28,014**	42,773
Contribution margin *(%)*	**57.8%**	53.7%

Note: Our contribution margin represents (i) the contribution of a given product, i.e. the revenue generated from the sales of a given product, less the costs of raw materials and consumables, divided by (ii) the revenue generated from the sales of the given product.

Management Discussion and Analysis

BUSINESS REVIEW AND OUTLOOK

In the first half of 2025, we recorded revenue of RMB291.1 million, compared with RMB441.3 million in the first half of 2024, mainly due to a decline in the number of existing operating bars (self-operated bars and franchise bars) compared with the same period last year, as well as a decrease in same-store daily sales. Despite the overall weakness in the food and beverage consumption market in the first half of 2025, we still achieved solid profitability, with profit attributable to owners of the Company amounting to RMB50.3 million.

In the first half of 2025, the total number of the Group's bars increased from 560 at the beginning of the year to 580 as of 30 June 2025, and further expanded to 583 as of 26 August 2025. Among them, the number of existing operating bars (including self-operated bars and franchise bars) has remained stable, while the "HiBeer Partnership" bar network continues to expand.

In May 2025, we resumed the self-operated bar plan. Through (1) opening new bars in new markets; and (2) reopening bars with new iterations in existing markets, we aimed to achieve upgrades in bar environment, improvements in customer experience, and reductions in costs such as rental and labor costs, and, thereby enhancing bar operational performance. Currently, 10 bars have been opened or will open in the near future. Going forward, as we continue to open new self-operated bars, our self-operated network is expected to gradually expand again.

In the first half of 2025, we continued to optimize and upgrade the "HiBeer Partnership" bar model. While continuing to iterate and upgrade bar design and ambiance, the total investment per bar has further decreased.

In the first half of 2025, the contribution gross margin of our self-operated bars increased from 70% in the first half of 2024 to 74%, of which the gross margin of our branded alcoholic drinks rose from 78.3% in the first half of 2024 to 80.2%. This was mainly attributable to enhancements in our scientific and effective supply chain management capabilities, as well as brand effects brought about by continued expansion of scale.

Although our same-store daily sales declined in the first half of 2025, by measures such as actively improving product gross margins, reducing rental costs and enhancing labour efficiency, our same-store bar-level operating profit margin in the second quarter of 2025 improved as compared with the same period last year. We are actively implementing multiple initiatives to restore same-store performance, including: (1) further refining and enhancing frontline partner performance incentive schemes to achieve collaborative performance growth; (2) strengthening organizational systems and cultural development, optimizing bar operations management and services, and improving customer experience; (3) continuously optimizing the product portfolio, establishing a blockbuster product incubation system, and increasing customer stickiness; (4) reinforcing the marketing system to enhance customer acquisition and repeat purchase. Going forward, as same-store daily sales stabilize and recover, bar-level operating profit margins are expected to further improve.

Looking ahead, on the one hand, we will continue to consolidate and expand our self-operated bar network; on the other hand, we will further develop our franchise bar network through the continuously optimized "HiBeer Partnership" bar model. At the same time, we will continue to strengthen supply chain integration and space design capabilities, and leverage these two core strengths to explore new modes such as the "third space", thereby continuously creating new value for consumers' evolving lifestyles.

Management Discussion and Analysis

REVENUE

Our revenue decreased by 34.0% from RMB441.3 million for the six months ended June 30, 2024 to RMB291.1 million for the six months ended June 30, 2025 mainly due to a decline in the number of existing operating bars (self-operated bars and franchise bars) compared with the same period last year, as well as a decrease in same-store daily sales. Among these, the decrease in revenue from franchise business was mainly due to the increase in revenue from product sales to "HiBeer Partnership" bars being offset by the decrease in revenue from franchise service provided to franchise bars and "HiBeer Partnership" bars.

The following table sets forth the revenue by segment and services and a breakdown of revenue during the indicated periods.

	For the six months ended June 30,					
	2025			2024		
	Revenue			Revenue		
	(RMB in thousands)	***% of total revenue***	***% of self-operated business***	*(RMB in thousands)*	*% of total revenue*	*% of self-operated business*
Helen's branded products	**128,264**	**44.1**	**70.0**	222,568	50.4	71.6
Helen's beer	**17,264**	**5.9**	**9.4**	29,648	6.7	9.6
Spirituous drinks	**74,709**	**25.7**	**40.8**	129,361	29.3	41.6
Snacks	**36,291**	**12.5**	**19.8**	63,559	14.4	20.4
Third-party brand alcoholic drinks	**48,462**	**16.6**	**26.5**	79,692	18.1	25.6
Other products and revenue(1)	**6,400**	**2.2**	**3.5**	8,674	2.0	2.8
Sub-total of revenue from self-operated business	**183,126**	**62.9**	**100**	310,934	70.5	100
Revenue from franchise business(2)	**108,019**	**37.1**	**—**	130,360	29.5	—
Total	**291,145**	**100**	**—**	441,294	100	—

Notes:

(1) Including paper towels, other consumer goods that we provide to customers in bars, and the revenue generated from our mobile device charging service in bars.

(2) Including (i) revenue from providing franchising services to franchised bars and "HiBeer Partnership" bars; and (ii) revenue from sales of products to "HiBeer Partnership" bars.

OTHER INCOME

Our other income increased by 250.0% from RMB0.2 million for the six months ended June 30, 2024 to RMB0.7 million for the six months ended June 30, 2025, mainly due to rental income generated from renting out a portion of our office building.

COST OF RAW MATERIALS AND CONSUMABLES USED

The cost of our raw materials and consumables used decreased by 27.1% from RMB159.3 million for the six months ended June 30, 2024 to RMB116.1 million for the six months ended June 30, 2025, including the cost of raw materials and consumables of self-operated bars of RMB47.9 million and the cost of raw materials and consumables generated by sales of products to "HiBeer Partnership" bars of RMB68.2 million. The decrease in the cost of raw materials and consumables used was mainly due to the decrease in the revenue and the amount of the required raw materials and consumables.

EMPLOYEE BENEFIT AND MANPOWER SERVICE EXPENSES

Our employee benefit and manpower service expenses decreased by 36.2% from RMB96.5 million for the six months ended June 30, 2024 to RMB61.6 million for the six months ended June 30, 2025. The decrease in employee benefit and manpower services expenses was primarily due to a concurrent reduction in employee wages and benefits resulting from the decline in the number of our employees.

DEPRECIATION OF RIGHT-OF-USE ASSETS

The depreciation of our right-of-use assets decreased by 47.3% from RMB31.7 million for the six months ended June 30, 2024 to RMB16.7 million for the six months ended June 30, 2025. The decrease was mainly due to the termination of certain self-operated bars' lease contracts under the optimization and adjustment of the strategic transformation of the Company.

DEPRECIATION OF PROPERTY, PLANT AND EQUIPMENT

The depreciation of our property, plant and equipment decreased by 50.6% from RMB32.2 million for the six months ended June 30, 2024 to RMB15.9 million for the six months ended June 30, 2025. The decrease was mainly due to a reduction in the property, plant and equipment of self-operated bars as the number of bars declined.

DEPRECIATION OF INVESTMENT PROPERTIES

For the six months ended June 30, 2025, our depreciation of investment properties amounted to RMB1.7 million (for the six months ended June 30, 2024: nil). This is primarily due to our conversion of a portion of our office asset for rental purposes, which was subsequently classified as investment properties, resulting in depreciation.

SHORT-TERM RENTAL AND OTHER RELATED EXPENSES

Our short-term rental and other related expenses decreased by 47.6% from RMB18.5 million for the six months ended June 30, 2024 to RMB9.7 million for the six months ended June 30, 2025. The decrease was primarily due to the number of employees in self-operated bars declined as a result of the implementation of optimization and adjustment of our bar network, leading to less short-term dormitories we leased for employees.

UTILITIES EXPENSES

Our utilities expenses decreased by 50.5% from RMB9.7 million for the six months ended June 30, 2024 to RMB4.8 million for the six months ended June 30, 2025. The decrease was mainly due to the electricity bills and network energy consumption costs and the dormitory electricity and water utilities expenses decreased with the decrease in the number of bars accordingly.

Management Discussion and Analysis

TRAVELLING AND RELATED EXPENSES

Our travelling and related expenses decreased by 50.0% from RMB4.8 million for the six months ended June 30, 2024 to RMB2.4 million for the six months ended June 30, 2025. The decrease was mainly due to our implementation of refined management and cost-saving measures.

SECONDARY LISTING EXPENSES

During the six months ended June 30, 2025, we did not have any secondary listing expenses (for the six months ended June 30, 2024: RMB12.2 million).

ADVERTISING AND PROMOTION EXPENSES

Our advertising and promotion expenses decreased by 72.8% from RMB8.1 million for the six months ended June 30, 2024 to RMB2.2 million for the six months ended June 30, 2025. The decrease was mainly due to the refined management of our online promotion.

NET REVERSAL/(PROVISION) OF IMPAIRMENT LOSSES OF TRADE RECEIVABLES

For the six months ended June 30, 2025, our net reversal of impairment trade receivables amounted to RMB19,000 (for the six months ended June 30, 2024: impairment losses of RMB0.4 million).

OTHER EXPENSES

Our other expenses decreased by 33.0% from RMB30.0 million for the six months ended June 30, 2024 to RMB20.1 million for the six months ended June 30, 2025. The decrease was primarily due to corresponding decrease in our daily operation and maintenance expenses as the number of bars decreased.

OTHER LOSSES, NET

For the six months ended June 30, 2025, we incurred net other losses of RMB4.2 million which primarily comprised (i) gains on optimization and adjustment of our bars of RMB3.5 million, including gains on disposal of plant and equipment (approximately RMB0.4 million), loss on rental deposits (approximately RMB0.7 million), penalties and compensation for early termination (approximately RMB0.4 million), and gain on termination of leases (approximately RMB4.2 million); (ii) exchange loss of RMB8.0 million due to appreciation of USD and/or HKD denominated assets; and (iii) fair value changes of financial assets at fair value through profit or loss (approximately RMB0.3 million).

FINANCE INCOME

Our finance income decreased from RMB29.8 million for the six months ended June 30, 2024 to RMB19.2 million for the six months ended June 30, 2025. The decrease was primarily due to the reduction in bank deposit amounts.

FINANCE COSTS

Our finance costs decreased by 37.7% from RMB6.1 million for the six months ended June 30, 2024 to RMB3.8 million for the six months ended June 30, 2025. The decrease in finance costs was mainly attributable to lease liabilities decline with a decrease in the number of bars, resulting in a decrease in related interest.

PROFIT BEFORE INCOME TAX

As a result of the foregoing, the profit before income tax was RMB51.9 million for the six months ended June 30, 2025, and the profit before income tax was RMB69.5 million for the six months ended June 30, 2024, and the profit before income tax margin was 17.8% and 15.7% for the same periods, respectively.

INCOME TAX (EXPENSES)/CREDIT

The income tax expenses was RMB1.6 million for the six months ended June 30, 2025, and the income tax credit was RMB0.2 million for the six months ended June 30, 2024. This was mainly due to the expiration of unused tax losses recognized as deferred tax assets previously.

PROPERTY, PLANT AND EQUIPMENT

Our property, plant and equipment represent (i) building, (ii) office equipment such as printers, (iii) computer equipment, (iv) furniture and fixture used in bars such as tables and chairs and facilities in kitchens, (v) leasehold improvement and (vi) motor and vehicle. Our property, plant and equipment decreased from RMB217.9 million as of December 31, 2024 to RMB180.0 million as of June 30, 2025. The decrease in our property, plant and equipment in the first half of 2025 was mainly due to depreciation and reclassification of certain property, plant and equipment as investment properties.

INTANGIBLE ASSETS

Our intangible assets mainly include office systems and software that we have purchased. Our intangible assets remained generally stable with RMB41,000 and RMB32,000, respectively, as of December 31, 2024 and June 30, 2025, respectively.

RIGHT-OF-USE ASSETS

Our right-of-use assets (i.e. our confirmed long-term leased properties) decreased from RMB95.7 million as of December 31, 2024 to RMB91.7 million as of June 30, 2025. Such decrease was due to depreciation and the termination of certain self-operated bars' lease contracts under the optimization and adjustment of the strategic transformation of the Company.

INVESTMENT PROPERTIES

Our investment properties increased from RMB33.0 million as of December 31, 2024 to RMB56.9 million as of June 30, 2025. The increase in investment properties was mainly due to further conversion of a portion of our office asset for rental purposes, which was subsequently classified as investment properties during the first half of 2025.

DEFERRED TAX ASSETS

The deferred tax assets slightly decreased from RMB75.2 million as of December 31, 2024 to RMB73.6 million as of June 30, 2025 mainly due to the expiration of unused tax losses that had previously been recognised as deferred tax assets.

INVENTORIES

Our inventories represent the alcoholic drinks, food and consumables used in our bar operations.

The following table sets forth our inventory balance as of the dates indicated.

	As of	
	June 30, 2025	December 31, 2024
	(RMB in thousands)	*(RMB in thousands)*
Inventories		
Alcoholic drinks	**15,230**	16,359
Food	**5,490**	3,095
Consumables	**540**	668
Total	**21,260**	20,122

Our inventory balance increased from RMB20.1 million as of December 31, 2024 to RMB21.3 million as of June 30, 2025, basically remained stable, while our inventory turnover days increased from 23.3 days as of December 31, 2024 to 32.1 days as of June 30, 2025.

PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

Our prepayments, deposits and other receivables primarily include rental and other deposits, other tax receivable and other prepayments. Our prepayments, deposits and other receivables decreased from RMB99.2 million as of December 31, 2024 to RMB92.4 million as of June 30, 2025. The decrease was mainly due to the Group's strategic consideration of bars optimization and adjustment, resulting in the decrease in rental deposit.

TRADE RECEIVABLES

Our trade receivables basically remained stable and decreased from RMB28.4 million as of December 31, 2024 to RMB23.7 million as of June 30, 2025.

FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

As of June 30, 2025, we had financial assets at fair value through profit or loss of RMB55.0 million (as of December 31, 2024: nil), mainly because we purchased a small amount of low-risk bond products to optimise capital allocation.

CASH AND BANK BALANCES

Our cash and bank balances comprise cash and cash equivalents, term deposits with original maturity over three months and restricted cash. Our cash and bank balances were RMB806.4 million and RMB663.3 million as of December 31, 2024 and June 30, 2025, respectively, and the decrease in cash and bank balances in the first half of 2025 was mainly due to the payment of the 2024 final dividend.

LEASE LIABILITIES

We had lease liabilities of RMB145.4 million and RMB125.8 million as of December 31, 2024 and June 30, 2025, respectively. The decrease in lease liabilities was mainly because of the decrease in number of bars as a result of the Group's strategic consideration of bars optimization and adjustment.

TRADE PAYABLES

Our trade payables mainly represent the expenses payable to our suppliers to purchase raw materials, equipment and other supplies that are necessary for our bar operations. Our trade payables decreased from RMB28.7 million as of December 31, 2024 to RMB25.8 million as of June 30, 2025. The decrease was primarily due to a drop in our revenue, which led to a corresponding reduction in procurement from suppliers. Our trade payables turnover days increased from 34.3 days as at December 31, 2024 to 42.3 days as at June 30, 2025, mainly due to our refined operational strategy and the improvement in our supplier management capabilities.

OTHER PAYABLES AND ACCRUALS

Our other payables and accruals decreased from RMB12.6 million as of December 31, 2024 to RMB9.2 million as of June 30, 2025. Such decrease was mainly due to reduced product procurement, which also resulted in a decrease in other payables associated with logistics, services and other related operations.

LIQUIDITY AND CAPITAL RESOURCES

We have adopted a prudent treasury management policy. We placed a strong emphasis on having funds readily available and accessible and were in a stable liquidity position with sufficient funds in standby banking facilities to cope with daily operations and meet its future development demands for capital.

During the Reporting Period, we mainly used cash generated from operating activities for our business. Our cash and bank balances were RMB806.4 million and RMB663.3 million as of December 31, 2024 and June 30, 2025, respectively. Our cash were mainly used to meet the needs of business operation.

Going forward, we expect to fund our operations in part with revenue generated from operations of our bars. However, with the continuing expansion of our business, we may require further funding through public or private equity offerings, debt financing and other sources. We will continue to evaluate potential financing opportunities based on our need for capital resources and market conditions.

INDEBTEDNESS

Bank borrowings

As of June 30, 2025, we had bank borrowings with maturity within one year of RMB30.0 million secured with guarantee (2024: nil).

Lease liabilities

As of June 30, 2025, our lease liabilities amounted to RMB125.8 million.

CONTINGENT LIABILITIES

As of June 30, 2025, we did not have any material contingent liabilities.

CAPITAL COMMITMENTS

As of June 30, 2025, we did not have any capital commitments.

CAPITAL EXPENDITURES

Our capital expenditures were incurred primarily for opening new bars, acquiring equipment, refurnishing existing bars and purchasing furniture and equipment required for bar operations. Our total capital expenditures decreased from RMB5.8 million as of June 30, 2024 to RMB3.9 million as of June 30, 2025. The decrease was attributable to the active transformation of the Group towards a platform-based company with a light-asset model.

GEARING RATIO

As of June 30, 2025, our gearing ratio was 3.0% (as of June 30, 2024: nil). The gearing ratio is calculated by the total debt (including interest-bearing bank and other borrowings) divided by total equity at the end of the period multiplied by 100%.

FOREIGN EXCHANGE RISK

For the six months ended June 30, 2025, we mainly operated in China. We are exposed to foreign exchange risk primarily because the proceeds from the Global Offering are denominated in Hong Kong dollars and certain bank deposits denominated in US dollars.

During the Reporting Period, the Group was not engaged in any foreign exchange hedging related activity. However, our management monitors foreign exchange exposure and will consider appropriate hedging measures should the need arise in the future.

PLEDGE OF ASSETS

As of June 30, 2025, certain buildings of approximately RMB79.6 million (December 31, 2024: nil) were pledged as security for bank borrowings in the principal amount of RMB30.0 million.

SIGNIFICANT INVESTMENT, MATERIAL ACQUISITION AND DISPOSAL

For the six months ended June 30, 2025, the Group did not have any significant investments, material acquisitions or disposals of subsidiaries, associates and joint ventures. In addition, except for the expansion plan disclosed in sections "Business" and "Future Plans and Use of Proceeds" in the Prospectus, the Group did not have any specific plans for significant investments or acquisition of material capital assets or other businesses. The Group, however, will continue to identify new business development opportunities.

EMPLOYEES AND REMUNERATION POLICIES

As of June 30, 2025, we had 576 employees and 814 outsourced personnel, most of whom were based in China. We offer competitive wages and other benefits to the employees and provide discretionary performance bonus as a further incentive. For more details, please refer to the sections headed "Pre-IPO RSU Schemes" and "Post-IPO RSU Scheme" in the Report of the Directors of the 2024 annual report of the Company. We have also improved career development pathways and talent training systems for employees to facilitate their self-growth. The Group's remuneration policies are formulated based on the performance of individual employees and are reviewed regularly.

During the six months ended June 30, 2025, the total employee benefit expenses (including Directors' remuneration) and manpower service expenses were RMB61.6 million.

In accordance with the laws and regulations in the PRC, we participate in the applicable housing provident funds and various social insurance plans for employees initiated by local municipal and provincial governments. The Group and the PRC-based employees are required to make monthly contributions to these plans calculated as a specific percentage of the employees' salaries. There was no forfeited contribution utilized to offset employers' contributions and there was no forfeited contribution available to reduce the contribution for the six months ended June 30, 2025.

INTERESTS AND SHORT POSITIONS OF THE DIRECTORS AND CHIEF EXECUTIVE IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at June 30, 2025, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares or debentures of the Company or any of our associated corporations (within the meaning of Part XV of the SFO), which were required (a) to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO); or (b) pursuant to Section 352 of the SFO, to be recorded in the register referred to therein; or (c) to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code, were as follows:

(A) Long position in the Shares of the Company

Name of Director	Capacity/ Nature of interest	Long position in number of Shares held in the Company	Approximate percentage of relevant Shares in the issued share capital of the Company (%)[1]
Mr. Xu Bingzhong[2]	Founder of a discretionary trust and interest in a controlled corporation	737,000,000	58.24
Ms. Cai Wenjun	Beneficial owner	1,253,476	0.10
	Founder of a discretionary trust who can influence how the trustee exercises his discretion	7,400,000	0.58
Ms. Yu Zhen	Restricted shares granted to Ms. Yu Zhen pursuant to the listed corporation's Post-IPO RSU Scheme	1,166,667	0.09
Mr. He Daqing	Restricted shares granted to Mr. He Daqing pursuant to the listed corporation's Post-IPO RSU Scheme	71,508	0.01

Notes:

(1) The calculation is based on the total number of 1,265,477,524 Shares issued as of June 30, 2025.

(2) HHL International holds 737,000,000 Shares. HHL International is owned as to (i) 1% by Helens Hill (BVI), which is wholly-owned by Mr. Xu Bingzhong; and (ii) 99% by HLSH Holding, which is wholly-owned by Cantrust, the trustee of the Mr. Xu Bingzhong's Trust. Mr. Xu Bingzhong's Trust is a discretionary trust set up by Mr. Xu Bingzhong as the settlor and protector, where Mr. Xu Bingzhong's family members and Helens Hill (BVI) are the beneficiaries. Under the SFO, Mr. Xu Bingzhong is deemed to be interested in all the Shares registered under the name of HHL International.

(B) Long position in the ordinary shares of associated corporations

Name of Director	Name of associated corporation	Capacity/ Nature of interest	Long position in number of Shares in the relevant company	Approximate percentage of the issued share capital (%)
Mr. Xu Bingzhong	HHL International	Interest in a controlled corporation	2	1
		Founder of a discretionary trust	198	99

Save as disclosed above, as at June 30, 2025, none of the Directors and chief executive of the Company had or was deemed to have any interests or short positions in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have taken under such provisions of the SFO), or which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or which were required, pursuant to the Model Code, to be notified to the Company and the Hong Kong Stock Exchange.

Corporate Governance and Other Information

INTERESTS AND SHORT POSITIONS OF THE SUBSTANTIAL SHAREHOLDERS IN THE SHARES AND UNDERLYING SHARES

To the best knowledge of the Company and based on the public information, as at June 30, 2025, the interests or short positions of the following persons (other than the Directors and chief executives of the Company) in the Shares, underlying Shares of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO (including interests or short positions which any such persons other than the Directors and chief executives of the Company are taken or deemed to have taken under such provisions of the SFO), or which were required to be entered in the register required to be kept by the Company pursuant to Section 336 of the SFO were as follows:

Name of Substantial Shareholders	Capacity/ Nature of interest	Total number of Shares held in the Company	Approximate percentage of relevant Shares in the issued share capital of the Company (%)[1]
Mr. Xu Bingzhong[2]	Founder of a discretionary trust and interest in a controlled corporation	737,000,000 (Long position)	58.24
Cantrust[2]	Trustee	737,000,000 (Long position)	58.24
HLSH Holding[2]	Interest in a controlled corporation	737,000,000 (Long position)	58.24
HHL International[2]	Beneficial owner	737,000,000 (Long position)	58.24

Notes:

(1) The calculation is based on the total number of 1,265,477,524 Shares issued as of June 30, 2025.

(2) HHL International holds 737,000,000 Shares. HHL International is owned as to (i) 1% by Helens Hill (BVI), which is wholly-owned by Mr. Xu Bingzhong; and (ii) 99% by HLSH Holding, which is wholly-owned by Cantrust, the trustee of the Mr. Xu Bingzhong's Trust. Mr. Xu Bingzhong's Trust is a discretionary trust set up by Mr. Xu Bingzhong as the settlor and protector, where Mr. Xu Bingzhong's family members and Helens Hill (BVI) are the beneficiaries. Under the SFO, Cantrust and HLSH Holding are deemed to be interested in all the Shares registered under the name of HHL International.

Save as disclosed above, as at June 30, 2025, no person (other than the Directors and chief executives of the Company) had or was deemed to have any interests or short positions in the Shares, underlying Shares of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company or the Hong Kong Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO or which were required to be entered in the register required to be kept by the Company pursuant to Section 336 of the SFO.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the above section headed "Interests and Short Positions of the Directors and Chief Executive in the Shares, Underlying Shares and Debentures of the Company and its Associated Corporations" or otherwise disclosed in this interim report, at no time during the Reporting Period was the Company or any of its subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of Shares or debentures of the Company or any other body corporate, and none of the Directors or their spouse and children under the age of 18 was given any right to subscribe for the equity or debt securities of the Company or any other body corporate, or had exercised any such rights.

PRE-IPO RSU SCHEMES

Our Company granted RSUs to certain individuals in our Group in 2018. Subsequently, pursuant to the board resolution dated March 31, 2021, to extend such share incentives granted in 2018, our Company adopted the following RSU schemes, namely the Senior Management RSU Scheme, the Director RSU Scheme and the Employee RSU Scheme, and re-granted new RSUs to the aforesaid grantees.

On June 7, 2021, (i) 3,100,389 Shares were issued to TLTQ Holding Limited, for the purpose of the Director RSU Scheme; (ii) 9,999,611 Shares were issued to SHXM Holding Limited, for the purpose of the Senior Management RSU Scheme; and (iii) 13,700,000 Shares were issued to NLNQ Holding Limited, for the purpose of the Employee RSU Scheme. As such, no Shares are available for issue under the Pre-IPO RSU Schemes.

Before the Listing Date, all of the Pre-IPO RSUs under the Pre-IPO RSU Schemes had already been granted and vested.

POST-IPO RSU SCHEME

The following is a summary of the principal terms of the Post-IPO RSU Scheme approved and adopted by our Company on March 31, 2021 (the "**Adoption Date**"), and restated and amended by our Company on January 16, 2022.

Summary of Terms

1. *Purpose*

The purpose of the Post-IPO RSU Scheme is to incentivize employees and business associates for their services and contribution to the success of our Group, and to provide incentives to them to further contribute to our Group.

2. *Maximum number of Shares*

On June 7, 2021, 47,652,017 Shares were issued by the Company to TSLZ Holding Limited for the purpose of the Post-IPO RSU Scheme. As amended by the Company on January 16, 2022, the maximum aggregate number of Shares underlying all the Post-IPO RSUs increased from 47,652,017 Shares to 57,651,628 Shares (excluding the awards that have lapsed or been cancelled in accordance with the rules of the Post-IPO RSU Scheme), representing approximately 4.56% of the issued share capital of the Company as at the Latest Practicable Date.

On April 8, 2025, in order to incentivize participants in the business of the Group for their contributions and to attract, motivate and retain them to strive for the future development and expansion of the Group by providing them with the opportunity to own equity interests in the Company, the Board has resolved to amend the rules of the Post-IPO RSU Scheme to increase the maximum aggregate number of Awards that may be granted under the Post-IPO RSU Scheme from 57,651,628 Shares to 77,651,628 Shares (excluding the Awards that have lapsed or been cancelled in accordance with the rules of the Post-IPO RSU Scheme), representing approximately 6.14% of the issued share capital of the Company as at the Latest Practicable Date. In April 2025, the trustee of the Post-IPO RSU Scheme has purchased 10,000,000 Shares on the Stock Exchange.

As the Shares under the Post-IPO RSU Scheme are existing Shares, the total number of Shares available for issue under the Post-IPO RSU Scheme is 0. No awards were granted , vested, lapsed or cancelled under the Post-IPO RSU Scheme during the Reporting Period. The number of Shares that may be issued in respect of the awards granted under the Post-IPO RSU Scheme during the Reporting Period divided by the weighted average number of Shares in issue for the Reporting Period is not applicable. The numbers of awards available for grant at the beginning and the end of the Reporting Period are 4,661,257 and 14,661,257, respectively.

Each award is granted for nil consideration and shall be vested immediately upon the later of the (i) execution of the relevant grant letter and acceptance by the grantee within the time period stipulated in the relevant grant letter; and (ii) satisfaction of the relevant vesting conditions as set out in the relevant grant letter. There is no maximum entitlement of each participant under the Post-IPO RSU Scheme.

3. *Selected persons*

The Board may select any employee or officer of any member of our Group to be granted with RSUs under the Post-IPO RSU Scheme after the Listing.

As amended by the Company on January 16, 2022, the scope of "Employee" includes any employee, director or officer of any member of the Group and "Eligible Person(s)" includes not only "Employee" but also any advisor or consultant of any member of the Group at any time during the duration of the Post-IPO RSU Scheme.

4. *Duration*

The Post-IPO RSU Scheme shall be valid and effective for a term of ten years commencing on the Adoption Date (the "**Post-IPO RSU Scheme Period**"), after which period no further Post-IPO RSUs shall be granted or accepted, but the provisions of the Post-IPO RSU Scheme shall remain in full force and effect in order to give effect to the vesting of Post-IPO RSUs granted and accepted prior to the expiration of the Post-IPO RSU Scheme Period. Therefore, as at the Latest Practicable Date, the remaining life of the Post-IPO RSU Scheme approximately five years and six months.

5. *Administration*

The Post-IPO RSU Scheme shall be subject to the administration of the Board or an advisory committee appointed by the Board in accordance with the rules of such scheme. The Board has the power to construe and interpret the rules of the Post-IPO RSU Scheme and the terms of the awards granted thereunder. Any decision of the Board made in accordance with the rules of the Post-IPO RSU Scheme shall be final and binding, provided in each case that such decision is made in accordance with the Articles and any applicable laws.

6. Grant of Post-IPO RSUs

After the Board has selected the grantees, it will inform the RSU Trustees of the name(s) of the person(s) selected, the number of Shares underlying the Post-IPO RSUs to be granted to each of them, the vesting schedule and other terms and conditions (if any) that the Post-IPO RSUs are subject to as determined by the Board.

Subject to limitations and conditions of the Post-IPO RSU Scheme, the RSU Trustees shall, upon receipt of the notification from the Board, grant to each of the selected persons an offer of the grant of award(s) by way of a letter, which shall attach an acceptance notice, subject to the conditions that the Board thinks fit at its discretion.

7. Acceptance of Awards

If the selected person intends to accept the offer of the grant of Post-IPO RSUs as specified in the grant letter, he or she is required to sign the acceptance notice and return it to the Company within the time period and in a manner prescribed in the grant letter. The grantees shall not be required to bear or pay any price or fee for the application or acceptance of awards.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTING SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed the Company's listed securities (including sale of treasury shares (as defined under the Listing Rules)) during the Reporting Period. As of June 30, 2025, the Company did not hold any treasury shares.

CHANGE IN THE POSITION AND INFORMATION OF DIRECTORS AND SENIOR MANAGEMENT

After the Reporting Period, Mr. Wong Heung Ming Henry resigned as an independent non-executive Director and a member of the Audit Committee with effect from July 11, 2025. Following his resignation, Mr. Ler Soon Hock Leonard has been appointed as an independent non-executive Director and a member of the Audit Committee with effect from July 11, 2025. He obtained the legal advice referred to in Rule 3.09D of the Listing Rules on June 27, 2025, and has confirmed that he has understood his obligations as a director of the Company. Further, with effect from August 29, 2025, Ms. Cai Wenjun and Mr. Ler Soon Hock Leonard have been appointed as members of the Nomination Committee. For details, please refer to the announcements of the Company dated July 11, 2025 and August 29, 2025.

Save as disclosed, during the Reporting Period and as at the Latest Practicable Date, there has been no change in the information of the Directors as required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company recognizes the importance of good corporate governance for enhancing the management of the Company as well as preserving the interests of the shareholders as a whole. The Company has adopted corporate governance practices based on the principles and code provisions as set out in the Corporate Governance Code as contained in Part 2 of Appendix C1 to the Listing Rules ("**Corporate Governance Code**") as its own code of corporate governance practices.

Corporate Governance and Other Information

The Board is of the view that during the Reporting Period, the Company has complied with all the applicable code provisions as set out in the Corporate Governance Code, except for the code provision C.2.1 described in the paragraph headed "C. Directors' Responsibilities, Delegation and Board Proceedings — C.2 Chairman and Chief Executive". The Board will continue to review and monitor the code of corporate governance practices of the Company with an aim of maintaining a high standard of corporate governance.

Pursuant to Code Provision C.2.1 of the Corporate Governance Code, the roles of Chairman of the Board and Chief Executive Officer should be separate and should not be performed by the same individual. The division of responsibilities between the Chairman and Chief Executive Officer should be clearly established and set out in writing.

The roles of Chairman of the Board and Chief Executive Officer of the Company are currently held by Mr. Xu Bingzhong ("**Mr. Xu**"). As Mr. Xu has extensive contributions since the establishment of the Group and has rich experience, we believe that vesting the role of Chairman and Chief Executive Officer by Mr. Xu will enable the Group's leadership to be strong and consistent, and enhance the efficiency of business strategy execution. We believe that it is appropriate for Mr. Xu to continuously serve as Chairman and Chief Executive Officer, which is beneficial to the business development and prospects of the Group. Therefore, we have no intention at present to separate the functions of Chairman and Chief Executive Officer. Although this arrangement deviates from Code Provision C.2.1 of the Corporate Governance Code, the Board considers that the structure will not impair the balance of power and authority between the Board and the management of the Company. The reasons are: (i) the Board has sufficient checks and balances because its decisions must be approved by at least a majority of directors and the Board includes three independent non-executive directors, which complies with the Listing Rules; (ii) Mr. Xu and the other Directors acknowledge and undertake to fulfil their fiduciary duties as directors, which require them, among other things, to act in the best interests of the Company and to make decisions for the Group accordingly; and (iii) the Board is made up of experienced and talented people who meet regularly to discuss matters affecting the operations of the Company to ensure a balance of power and authority. In addition, the Group's overall strategic and other major businesses, financial and operational policies have been formulated jointly by the Board and senior management after detailed discussion.

The Board will continuously review the effectiveness of the Group's corporate governance structure from time to time to assess whether there is a need to distinguish between the roles of Chairman of the Board and Chief Executive Officer.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted the Model Code as its code of conduct regarding dealings in the securities of the Company by the Directors, and the Group's employees who, because of his/her office or employment, are likely to possess inside information in relation to the Group or the Company's securities. Specific enquiries have been made to all Directors and the Directors have confirmed that they have complied with the Model Code during the Reporting Period.

No incident of non-compliance with the Model Code by the employees was noted by the Company during the Reporting Period.

MATERIAL LITIGATION

The Company was not involved in any material litigation or arbitration during the Reporting Period. The Directors are also not aware of any material litigation or claims that were pending or threatened against the Group during the Reporting Period.

AUDIT COMMITTEE

The Audit Committee of the Company has three members comprising three independent non-executive directors, being Mr. Li Dong (chairman), Mr. Wang Renrong and Mr. Ler Soon Hock Leonard, with terms of reference in compliance with the Listing Rules.

The Audit Committee has considered and reviewed the accounting principles and practices adopted by the Group and has discussed matters in relation to risk management, internal control and financial reporting with the management, including the review of the unaudited condensed consolidated interim financial results of the Group for the six months ended June 30, 2025. The Audit Committee has reviewed and considered that the interim financial results for the six months ended June 30, 2025 are in compliance with the relevant accounting standards, rules and regulations and appropriate disclosures have been duly made.

CHANGE OF HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

After the Reporting Period, with effect from July 28, 2025, the Hong Kong Branch Share Registrar and Transfer Office of the Company was changed to Tricor Investor Services Limited. For details, please refer to the announcement of the Company dated July 11, 2025.

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in this report, the Company is not aware of any other material subsequent events from June 30, 2025 to the date of this report.

INTERIM DIVIDEND OUT OF THE SHARE PREMIUM ACCOUNT AND RECORD DATE

Based on the authorization granted by the Shareholders to the Board on the annual general meeting of the Company held on May 14, 2025, the Board recommended the payment of an interim dividend of RMB0.1051 per ordinary share of the Company in issue out of the share premium account of the Company for the six months ended June 30, 2025. The actual total amount of interim dividends to be paid will be subject to the total number of issued share capital of the Company as at the record date for determining the entitlement of shareholders to the interim dividend. The record date for determining entitlement to the interim dividend was September 19, 2025.

The interim dividend will be paid on or about September 30, 2025.

For the purpose of determination of the Shareholders registered under the Company's register of members in Hong Kong and register of members in Singapore for receiving the interim dividend in Hong Kong dollars or Singapore dollars respectively, any removal of the Shares between the Company's register of members in Hong Kong and register of members in Singapore has to be made by the Shareholders no later than 4:30 p.m. (both Hong Kong and Singapore times) on September 9, 2025.

Corporate Governance and Other Information

For Hong Kong Shareholders

For the purpose of determining Hong Kong Shareholders' entitlements to the interim dividend, the register of members of the Company in Hong Kong was closed from September 18, 2025 to September 19, 2025 (both days inclusive), during which period no transfer of Shares was registered. For Hong Kong Shareholders, the record date for determination of entitlements under the interim dividend was on September 19, 2025. Hong Kong Shareholders whose names appear on the register of members of the Company in Hong Kong on September 19, 2025 will be entitled to receive the interim dividend. In order to qualify for the interim dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not later than 4:30 p.m. (Hong Kong time) on September 17, 2025. The dividend warrants for the payment of dividend will be posted by ordinary mail to the Hong Kong Shareholders whose names shall appear on the register of members of the Company on September 19, 2025 at their own risk.

Based on the central parity rate of Renminbi against Hong Kong dollars as quoted by the People's Bank of China on August 28, 2025 of RMB1.00 against HK$1.09569, the amount of interim dividend payable per ordinary share of the Company for the six months ended June 30, 2025 is HK$0.115157. Interim dividend will be paid in Hong Kong dollars to Hong Kong Shareholders.

For Singapore Shareholders

In order to qualify for the interim dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Singapore share transfer agent, In.Corp Corporate Services Pte. Ltd. at 36 Robinson Road, #20-01 City House, Singapore 068877 for registration no later than 5:00 p.m. (Singapore time) on September 19, 2025.

Based on the central parity rate of Renminbi against Singapore dollars as quoted by the People's Bank of China on August 28, 2025 of RMB1.00 against S$0.18044, the amount of interim dividend payable per ordinary share of the Company for the six months ended June 30, 2025 is S$0.018964. Interim dividend will be paid in Singapore dollars to Singapore Shareholders.

SUFFICIENCY OF PUBLIC FLOAT

The Stock Exchange has granted the Company a waiver from strict compliance with the requirements of Rule 8.08(1) of the Hong Kong Listing Rules, pursuant to which the minimum public float of the Company shall be the higher of: (a) percentage of Shares to be held by the public, i.e., 19.4478%, immediately following the completion of Global Offering (assume that the Over-allotment Option is not exercised and based on conversion of all preferred shares into Shares on a one-for-one basis); (b) percentage of Shares to be held by the public in the Company's enlarged issued share capital after the exercise of any Over-allotment Option. Immediately after the completion of the Global Offering and after the full exercise of the Over-allotment Option, the minimum public float of the percentage of Shares to be held by the public is approximately 20.7320%. Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Directors confirm that the Company has maintained the aforesaid minimum public float required by the Stock Exchange at the Latest Practicable Date.

USE OF PROCEEDS FROM THE GLOBAL OFFERING

The Company's Shares were listed on the Stock Exchange on September 10, 2021 and the net proceeds raised by the Company from the initial public offering and the full exercise of the Over-allotment Option amounted to approximately HK$2,980.1 million.

The balance of unutilized net proceeds amounted to approximately HK$321.5 million as at the end of the Reporting Period and the Company intends to use them in the same manner and proportions as described in the Prospectus and proposes to use the unutilized net proceeds in accordance with the expected timetable disclosed in the table below.

As at the end of the Reporting Period, the Group has used the net proceeds as follows:

Intended use of net proceeds[1]	Percentage of total net proceeds (at the same rate as stated in the Prospectus)	Amount of net Proceeds (at the same rate as stated in the Prospectus) *(HK$ in million)*	Balance of net proceeds as at December 31, 2024 *(HK$ in million)*	Amount of net proceeds utilized during the Reporting Period *(HK$ in million)*	Balance of net proceeds as at June 30, 2025 *(HK$ in million)*	Intended timetable for use of the unutilized net proceeds
Used for opening new bars and realizing our expansion plan over the next three years	70.0%	2,086.1	486.5	165.0	321.5	Before December 31, 2027
Used for further enhancing the construction of the talent echelon of our bars to optimize the human resource management system	10.0%	298.0	—	—	—	N/A
Used for further enhancing the construction of infrastructural capacity of our bars and continuing to invest in technology research and development	5.0%	149.0	—	—	—	N/A
Used for further strengthening the brand awareness of the Helen's	5.0%	149.0	—	—	—	N/A
Used for working capital and general corporate purposes	10.0%	298.0	—	—	—	N/A
Total	**100.0%**	**2,980.1**	**486.5**	**165.0**	**321.5**	

Note:

(1) Figures in the table are approximate.

Interim Condensed Consolidated Statements of Comprehensive Income

	Note	Six months ended 30 June 2025 RMB'000	2024 RMB'000
Revenue	3	**291,145**	441,294
Other income	5	**681**	237
Raw materials and consumables used	15	**(116,074)**	(159,342)
Employee benefit and manpower service expenses		**(61,603)**	(96,532)
Depreciation of right-of-use assets	19	**(16,713)**	(31,672)
Depreciation of property, plant and equipment	11	**(15,905)**	(32,231)
Depreciation of investment property	12	**(1,698)**	—
Amortisation of intangible assets		**(9)**	(9)
Short-term rental and other related expenses		**(9,718)**	(18,511)
Utilities expenses		**(4,813)**	(9,682)
Travelling and related expenses		**(2,387)**	(4,830)
Listing expenses		**—**	(12,152)
Advertising and promotion expenses		**(2,204)**	(8,130)
Other expenses	4	**(20,090)**	(30,042)
Net reversal/(provision) of impairment losses of trade receivables		**19**	(414)
Other (losses)/gains, net	6	**(4,161)**	7,789
Finance income	7	**19,189**	29,797
Finance costs	7	**(3,760)**	(6,111)
Profit before income tax		**51,899**	69,459
Income tax (expenses)/credit	8	**(1,568)**	218
Profit for the period attributable to owners of the Company		**50,331**	69,677
Other comprehensive (loss)/income:			
Item that may be subsequently reclassified to profit or loss			
Currency translation differences		**(10,423)**	5,249
Total comprehensive income for the period		**39,908**	74,926
Total comprehensive income for the period attributable to:			
Owners of the Company		**39,908**	74,926
Earnings per share for profit attributable to owners of the Company (expressed in RMB per share)			
Basic	9	**0.040**	0.055
Diluted	9	**0.040**	0.055

The accompanying notes are an integral part of this interim financial information.

Interim Condensed Consolidated Statements of Financial Position

	Note	As of 30 June 2025 RMB'000	As of 31 December 2024 RMB'000
Assets			
Non-current assets			
Property, plant and equipment	11	**179,967**	217,911
Intangible assets		**32**	41
Right-of-use assets	19	**91,730**	95,676
Investment properties	12	**56,931**	33,001
Deposits and prepayments	14	**28,437**	37,988
Deferred tax assets		**73,587**	75,155
		430,684	459,772
Current assets			
Inventories	15	**21,260**	20,122
Prepayments, deposits and other receivables	14	**63,981**	61,250
Trade receivables	16	**23,738**	28,407
Financial assets at fair value through profit or loss	13	**55,049**	—
Cash and cash equivalents	17	**539,929**	131,802
Term deposit with original maturity over three months	17	**120,703**	671,832
Restricted cash	17	**2,633**	2,790
		827,293	916,203
Total assets		**1,257,977**	1,375,975
Equity			
Equity attributable to owners of the Company			
Share capital	18	**1**	1
Reserves		**997,804**	1,118,790
Total equity		**997,805**	1,118,791
Liabilities			
Non-current liability			
Contract liabilities		**16,367**	21,218
Other payables	21	**21,742**	18,048
Lease liabilities	19	**72,798**	93,847
		110,907	133,113
Current liabilities			
Trade payables	20	**25,847**	28,744
Contract liabilities		**13,690**	13,470
Other payables and accruals	21	**9,155**	12,648
Borrowings	22	**30,000**	—
Lease liabilities	19	**52,971**	51,585
Current income tax liabilities		**17,602**	17,624
		149,265	124,071
Total liabilities		**260,172**	257,184
Total equity and liabilities		**1,257,977**	1,375,975

The accompanying notes are an integral part of this interim financial information.

Interim Condensed Consolidated Statements of Changes in Equity

	Attributable to owners of the Company						
	Share capital *RMB'000*	Share premium *RMB'000*	Share-based compensation reserve *RMB'000*	Statutory reserve *RMB'000*	Exchange reserve *RMB'000*	Accumulated losses *RMB'000*	Total *RMB'000*
Balance at January 1, 2025	**1**	**2,113,588**	**595,974**	**29,436**	**(21,088)**	**(1,599,120)**	**1,118,791**
Comprehensive income							
Profit for the period	**–**	**–**	**–**	**–**	**–**	**50,331**	**50,331**
Other comprehensive income							
Currency translation differences	**–**	**–**	**–**	**–**	**(10,423)**	**–**	**(10,423)**
Total comprehensive income	**–**	**–**	**–**	**–**	**(10,423)**	**50,331**	**39,908**
Transaction with owners							
Repurchase of ordinary shares	**–**	**(15,222)**	**–**	**–**	**–**	**–**	**(15,222)**
Dividend declared and paid *(Note 10)*	**–**	**(145,672)**	**–**	**–**	**–**	**–**	**(145,672)**
Appropriation to statutory reserve	**–**	**–**	**–**	**2,099**	**–**	**(2,099)**	**–**
Total transaction with owners	**–**	**(160,894)**	**–**	**2,099**	**–**	**(2,099)**	**(160,894)**
Balance at 30 June 2025	**1**	**1,952,694**	**595,974**	**31,535**	**(31,511)**	**(1,550,888)**	**997,805**

	Attributable to owners of the Company						
	Share capital *RMB'000*	Share premium *RMB'000*	Share-based compensation reserve *RMB'000*	Statutory reserve *RMB'000*	Exchange reserve *RMB'000*	Accumulated losses *RMB'000*	Total *RMB'000*
Balance at January 1, 2024	1	2,706,693	595,974	23,766	10,447	(1,515,474)	1,821,407
Comprehensive income							
Profit for the period	–	–	–	–	–	69,677	69,677
Other comprehensive income							
Currency translation differences	–	–	–	–	5,249	–	5,249
Total comprehensive income	–	–	–	–	5,249	69,677	74,926
Transaction with owners							
Dividend declared and paid	–	(397,474)	–	–	–	–	(397,474)
Total transaction with owners	–	(397,474)	–	–	–	–	(397,474)
Balance at 30 June 2024	1	2,309,219	595,974	23,766	15,696	(1,445,797)	1,498,859

The accompanying notes are an integral part of this interim financial information.

Interim Condensed Consolidated Statements of Cash Flows

	Note	Six months ended 30 June 2025 RMB'000	2024 RMB'000
Cash flows from operating activities			
Cash generated from operations		**78,342**	38,632
Income tax (paid)/refund		**(22)**	639
Net cash generated from operating activities		**78,320**	39,271
Cash flows from investing activities			
Purchase of property, plant and equipment	*11*	**(3,908)**	(5,778)
Purchase of financial assets at fair value through profit or loss	*13*	**(54,718)**	—
Withdrawal of bank deposits with original maturity over three months		**968,241**	651,608
Placement of bank deposits with original maturity over three months		**(415,439)**	(783,948)
Proceeds from disposal of property, plant and equipment		**579**	14,043
Interest received		**17,516**	35,495
Net cash generated from/(used in) investing activities		**512,271**	(88,580)
Cash flows from financing activities			
Proceeds from borrowings		**30,000**	—
Finance expenses paid		**(212)**	—
Repurchase of ordinary shares		**(15,222)**	—
Dividends paid		**(145,672)**	(397,474)
Restricted cash		**157**	166
Payment of listing expenses		**(1,463)**	(3,679)
Payment of principal element of lease liabilities	*19*	**(27,584)**	(41,442)
Payment of interest element of lease liabilities	*19*	**(3,548)**	(6,111)
Net cash used in financing activities		**(163,544)**	(448,540)
Net increase/(decrease) in cash and cash equivalent		**427,047**	(497,849)
Cash and cash equivalent at beginning of the period		**131,802**	625,612
Currency translation differences		**(18,920)**	20,961
Cash and cash equivalent at end of the period		**539,929**	148,724

The accompanying notes are an integral part of this interim financial information.

Notes to the Interim Condensed Consolidated Financial Statements

1 GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on January 16, 2018 as an exempted company with limited liability under the Companies Act (Cap. 22, Law 3 of 1961 as consolidated and revised) of the Cayman Islands. The address of its registered office is Palm Grove Unit 4, 265 Smith Road, George Town, P.O. Box 52A Edgewater Way, #1653, Grand Cayman KY1-9006, Cayman Islands.

The Company is an investment holding company and its subsidiaries comprising the Group principally engage in bar operations and franchise business in the People's Republic of China (the "**PRC**") and Hong Kong. The ultimate controlling shareholder is Mr. Xu Bingzhong ("**Mr. Xu**" or the "**Controlling Shareholder**") who has been controlling the group companies since their incorporation.

This interim condensed consolidated financial information for the six months ended 30 June 2025 ("**Interim Financial information**") is presented in Renminbi ("**RMB**"), unless otherwise stated, and was approved for issue by the Board of Directors of the Company on August 29, 2025.

2 BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

This Interim Financial Information has been prepared in accordance with the Hong Kong Accounting Standard ("**HKAS**") 34 "Interim Financial Reporting". The Interim Financial Information does not include all the notes of the type normally included in an annual financial report. Accordingly, this Interim Financial information should be read in conjunction with the annual report for the year ended 31 December 2024 ("**2024 Financial Statements**"), which have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by Hong Kong Institute of Certified Public Accountants ("**HKICPA**"), and any public announcements made by the Company during the interim reporting period.

The accounting policies applied are consistent with those of the 2024 Financial Statements, as described in those annual consolidated financial statements, except for the adoption of amended HKFRSs effective as of January 1, 2025. Income tax expense was recognised based on management's estimate of the annual income tax rate expected for the full financial year.

2 BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

New or revised standards, amendments and interpretations not yet adopted

Standards, amendments and interpretations that have been issued but not yet effective and not been early adopted by the Group as of 30 June 2025 are as follows:

		Effective for annual periods beginning on or after
HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments (amendments)	1 January 2026
HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	Annual Improvements to HKFRS Accounting Standards — Volume 11	1 January 2026
HKFRS 9 and HKFRS 7	Amendments to the Contracts Referencing Nature — dependent Electricity (amendments)	1 January 2026
HKFRS 18	Presentation and Disclosure in Financial Statements (new standard)	1 January 2027
HKFRS 19	Subsidiaries without Public Accountability: Disclosures (new standard)	1 January 2027
HK Int 5	Hong Kong Interpretation 5 Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause (amendments)	1 January 2027
HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (amendments)	To be determined

The Group will adopt the above new or revised standards, amendments and interpretations to existing standards as and when they become effective. Management has performed a preliminary assessment and does not anticipate any significant impact on the Group's financial position and results of operations upon adopting these standards, amendments and interpretations to the existing HKFRSs.

3 REVENUE AND SEGMENT INFORMATION

The Company is an investment holding company and its subsidiaries now comprising the Group are principally engaged in bar operations and franchise business.

The chief operating decision-maker ("**CODM**") has been identified as the directors of the Company. The directors review the Group's internal reporting in order to assess performance and allocate resources. The directors have determined the operating segment based on these reports.

The directors consider the Group's operation from a business perspective and determine that the Group is managed as one single reportable operating segment.

During the six months ended 30 June 2025 and 2024, all of the Group's revenues are from contracts with customers.

3 REVENUE AND SEGMENT INFORMATION (CONTINUED)

(a) Disaggregation of revenue

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

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
Revenue from:		
— Bar operations	**183,126**	310,934
— Franchisee	**108,019**	130,360
	291,145	441,294
Disaggregated by timing of revenue recognition:		
— Point in time	**275,989**	397,173
— Over time	**15,156**	44,121
	291,145	441,294

No customers contributed over 10% of the total revenue of the Group for the six months ended 30 June 2025 and 2024.

(b) Segment revenue by customers' geographical location

The Group's revenue by geographical location, which is determined by the operation's locations, is as follows:

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
Mainland China	**278,309**	433,762
Outside of Mainland China	**12,836**	7,532
	291,145	441,294

(c) Non-current assets by geographical location

As of 30 June 2025 and 31 December 2024, most of the Group's non-current assets (other than intangible assets and deferred tax assets) were located in the PRC.

4 OTHER EXPENSES

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
Logistics, warehousing and repair costs	**12,260**	15,594
Service fees to third-party platform service providers	**3,067**	2,841
Office expenses	**1,420**	2,127
Cleaning and garbage handling fees	**559**	961
Telecommunications	**647**	606
Others	**2,137**	7,913
	20,090	30,042

5 OTHER INCOME

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
Government grants	**105**	237
Rental income *(Note 12)*	**576**	—
	681	237

6 OTHER (LOSSES)/GAINS, NET

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
Gain/(loss) on disposal of plant and equipment *(a)*	**456**	(10,498)
Loss on rental deposits *(a)*	**(655)**	(4,725)
Penalties and compensation for early termination of leases *(a)*	**(446)**	(2,661)
Gain on termination of leases *(a)*	**4,192**	9,435
Exchange (loss)/gain	**(8,043)**	16,238
Fair value changes of financial assets at fair value through profit or loss	**335**	—
	(4,161)	7,789

(a) Due to the Group's strategic consideration of bars' optimization and adjustments including the closure of certain bars, the Group incurred net losses arising from the aggregation of gain/(loss) on disposal of plant and equipment, loss on rental deposits, penalties and compensation for early termination, and gain on termination of leases during the six months ended 30 June 2025 and 2024.

7 FINANCE INCOME AND COSTS

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
Finance income		
Interest income on bank deposits	**19,189**	29,797
Finance costs		
Interest expenses on lease liabilities *(Note 19(c))*	**(3,548)**	(6,111)
Interest expenses on borrowings	**(212)**	—
	(3,760)	(6,111)

8 INCOME TAX (EXPENSES)/CREDIT

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
Current income tax credit	**—**	632
Deferred income tax expense	**(1,568)**	(414)
Income tax (expenses)/credit	**(1,568)**	218

9 EARNINGS PER SHARE

(a) Basic

The basic earnings per share is calculated by dividing the earning attributable to owners of the Company by the weighted average number of ordinary shares in issue during the six months ended 30 June 2025 and 2024.

	Six months ended 30 June	
	2025	2024
Earnings for the period attributable to owners of the Company *(RMB'000)*	**50,331**	69,677
Weighted average number of ordinary shares in issue *(Thousand)* *(Note 18)*	**1,261,145**	1,265,478
Basic earnings per share *(RMB)*	**0.040**	0.055

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all potential ordinary shares.

There were no dilutive potential ordinary shares during the six months ended 30 June 2025 and 2024. Therefore, diluted earnings per share for the six months ended 30 June 2025 and 2024 are the same as basic earnings per share.

10 DIVIDENDS AND SUBSEQUENT EVENTS

During the six months ended 30 June 2025, the Company declared and paid dividends of approximately RMB145,672,000 to its shareholders.

On 29 August 2025, the Board of Directors approved the proposed interim dividend (RMB0.1051 per ordinary share) for the six months ended 30 June 2025.

11 PROPERTY, PLANT AND EQUIPMENT

	Building	Office equipment	Computer equipment	Furniture and fixture	Motor and Vehicle	Leasehold improvement	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As of 31 December 2024							
Cost	177,491	6	400	132,004	4,641	122,776	437,318
Accumulated depreciation	(14,226)	(6)	(291)	(50,785)	(1,146)	(59,772)	(126,226)
Exchange adjustments	—	—	—	7	—	5	12
Impairment loss	(36,392)	—	(14)	(23,026)	—	(33,761)	(93,193)
Net book amount	126,873	—	95	58,200	3,495	29,248	217,911
Six months ended 30 June 2025							
Opening net book amount	**126,873**	**—**	**95**	**58,200**	**3,495**	**29,248**	**217,911**
Additions	**—**	**—**	**—**	**2,749**	**—**	**1,159**	**3,908**
Transfer to investment property *(Note 12)*	**(18,870)**	**—**	**—**	**(6,758)**	**—**	**—**	**(25,628)**
Depreciation	**(1,916)**	**—**	**(33)**	**(6,380)**	**(174)**	**(7,402)**	**(15,905)**
Disposal	**—**	**—**	**(61)**	**—**	**—**	**(62)**	**(123)**
Exchange adjustments	**—**	**—**	**—**	**5**	**—**	**(201)**	**(196)**
Closing net book amount	**106,087**	**—**	**1**	**47,816**	**3,321**	**22,742**	**179,967**
As of 30 June 2025							
Cost	**150,859**	**6**	**341**	**120,239**	**4,641**	**123,889**	**399,975**
Accumulated depreciation	**(13,840)**	**(6)**	**(325)**	**(52,011)**	**(1,320)**	**(66,904)**	**(134,406)**
Exchange adjustments	**—**	**—**	**—**	**5**	**—**	**(201)**	**(196)**
Impairment loss	**(30,932)**	**—**	**(15)**	**(20,417)**	**—**	**(34,042)**	**(85,406)**
Net book amount	**106,087**	**—**	**1**	**47,816**	**3,321**	**22,742**	**179,967**

12 INVESTMENT PROPERTIES

	RMB'000
At 31 December 2024	
Cost	50,662
Accumulated depreciation	(8,195)
Impairment losses	(9,466)
Net book amount	33,001
Six months ended 30 June 2025	
Opening net book amount	**33,001**
Transfer from property, plant and equipment *(Note 11)*	**25,628**
Depreciation	**(1,698)**
Closing net book amount	**56,931**
As of 30 June 2025	
Cost	**90,828**
Accumulated depreciation	**(16,926)**
Impairment losses	**(16,971)**
Net book amount	**56,931**

The following amounts have been recognised in the consolidated income statement of comprehensive income for the investment properties:

	As of 30 June 2025 ***RMB'000***
Rental income from operating leases *(Note 5)*	**576**
Direct operating expenses from property that generated rental income	**(51)**
	525

13 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The movement of the financial assets at FVPL is set out below:

	As of 30 June 2025
	RMB'000
At the beginning of the period	**—**
Additions	**54,718**
Changes in fair value through profit or loss	**335**
Currency translation differences	**(4)**
At the end of the period	**55,049**

As of 30 June 2025, the financial assets at fair value through profit or loss is measured at level 2.

14 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	As of 30 June 2025	As of 31 December 2024
	RMB'000	*RMB'000*
Non-current portion		
Rental and other deposits	**9,908**	13,805
Prepayment made to a related party *(Note 23)*	**5,888**	7,455
Other prepayments *(b)*	**12,641**	16,728
	28,437	37,988
Current portion		
Rental and other deposits	**7,437**	4,112
Prepayments	**11,933**	12,505
Other tax receivable	**25,725**	28,782
Other prepayments *(b)*	**6,890**	6,248
Others	**11,996**	9,603
	63,981	61,250

(a) As of 30 June 2025 and 31 December 2024, the carrying amounts of deposits and other receivables approximated their fair values and were primarily denominated in RMB.

(b) Other prepayments represent subsidies to certain franchisees for initial capital expenditures to the franchisees. These subsidies are amortised on a straight-line basis over the franchise period which aligns with the franchisee's access to the franchise rights. The amortisation was recognised as a reduction of service fees charged to franchises.

15 INVENTORIES

	As of 30 June 2025 *RMB'000*	As of 31 December 2024 *RMB'000*
Food ingredients, beverages and consumables	**21,260**	20,122

The cost of inventories recognised as expenses and included in the interim consolidated statement of comprehensive income during the six months ended 30 June 2025 amounted to approximately RMB116,074,000 (30 June 2024: RMB159,342,000).

No write-downs of inventories to net realisable value were charged to the interim condensed consolidated statement of comprehensive income during the periods ended 30 June 2025 and 2024, respectively.

16 TRADE RECEIVABLES

	As of 30 June 2025 *RMB'000*	As of 31 December 2024 *RMB'000*
Trade receivables	**40,667**	45,355
Less: loss allowance	**(16,929)**	(16,948)
	23,738	28,407

Trade receivables mainly arose from sales of goods and provision of franchising services to franchisees, and the credit terms of 360 days are granted for these receivables.

As of 30 June 2025 and 31 December 2024, the ageing analysis of the trade receivables based on recognition date were as follows:

	As of 30 June 2025 *RMB'000*	As of 31 December 2024 *RMB'000*
Within one year	**40,667**	44,319
1–2 years	**—**	1,036
	40,667	45,355

17 CASH AND BANK BALANCES

	As of 30 June 2025 *RMB'000*	As of 31 December 2024 *RMB'000*
Cash and cash equivalents	**539,929**	131,802
Term deposit with original maturity over three months	**120,703**	671,832
Restricted cash	**2,633**	2,790
	663,265	806,424
Maximum exposure to credit risk (excluding cash on hand)	**662,869**	805,951

As of 30 June 2025 and 31 December 2024, the carrying amounts of cash and bank balances approximated their fair values.

18 SHARE CAPITAL

Authorised

	Number of ordinary shares	Nominal value of ordinary shares *USD*
As of 30 June 2025 and 31 December 2024	500,000,000,000,000	50,000

Issued

	Number of ordinary shares	Nominal value of ordinary shares* *USD*	Share capital *RMB*
As of 1 January 2025	1,260,816,267	0.101	1
As of 30 June 2025	1,260,816,267	0.101	1

* The values of ordinary shares are rounded to the nearest thousandth.

19 LEASES

(a) The Group's leasing activities

The Group leases various properties and the rental contracts are typically made for fixed periods of 5 to 8 years.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes. None of the Group's leases contain variable lease payment terms that are linked to sales generated from the leased premises.

Certain of the Group's leases contain extension options to allow the Group to notify and negotiate with the lessors on renewal of leases a few months in advance before the expiry of leases. Termination options are also included in a number of the Group's property leases and exercisable by the Group. Options which are reasonably certain to be exercised are taken into account when determining lease terms and measuring lease liabilities.

(b) Amounts recognised in the interim condensed consolidated statements of financial position

The interim condensed consolidated statements of financial position included the following amounts relating to leases:

	As of 30 June 2025	As of 31 December 2024
	RMB'000	*RMB'000*
Right-of-use assets-properties		
Opening net book amount	**95,676**	182,779
Additions	**12,361**	55,263
Depreciation charge	**(16,713)**	(60,786)
Impairment losses	**—**	(23,833)
Exchange difference	**654**	24
Derecognition from termination of leases	**(248)**	(57,771)
Closing net book amount	**91,730**	95,676
Lease liabilities		
Non-current portion	**72,798**	93,847
Current portion	**52,971**	51,585
	125,769	145,432

As of 30 June 2025 and 31 December 2024, the carrying amounts of the Group's right-of-use assets and lease liabilities were primarily denominated in RMB.

19 LEASES (CONTINUED)

(c) Amounts recognised in the interim condensed consolidated statement of comprehensive income

The interim condensed consolidated statement of comprehensive income included the following amounts relating to leases:

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
Depreciation charge of right-of-use assets	**16,713**	31,672
Finance costs on lease liabilities *(Note 7)*	**3,548**	6,111

(d) Amounts recognised in the interim condensed consolidated statements of cash flows

During the six months ended 30 June 2025 and 2024, the total cash outflows for leases were as follows:

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
Cash outflows from operating activities		
Payments for short-term leases in respect of staff quarters	**2,845**	6,349
Cash outflows from financing activities		
Payment of principal element of lease liabilities	**27,584**	41,442
Payment of interest element of lease liabilities	**3,548**	6,111

20 TRADE PAYABLES

	As of 30 June 2025	As of 31 December 2024
	RMB'000	*RMB'000*
Trade payables	**25,847**	28,744

20 TRADE PAYABLES (CONTINUED)

As of 30 June 2025 and 31 December 2024, the aging analysis of trade payables, based on invoice date, were as follows:

	As of 30 June 2025 *RMB'000*	As of 31 December 2024 *RMB'000*
0–90 days	**25,847**	28,744

21 OTHER PAYABLES AND ACCRUALS

	As of 30 June 2025 *RMB'000*	As of 31 December 2024 *RMB'000*
Non-current portion		
Refundable deposits from franchisees	**21,742**	18,048
	21,742	18,048
Current portion		
Salary, staff welfare payables and manpower service	**7,148**	8,897
Others	**2,007**	3,751
	9,155	12,648

As of 30 June 2025 and 31 December 2024, the carrying amounts of other payables and accruals approximated their fair values.

22 BORROWINGS

	As of 30 June 2025 *RMB'000*	As of 31 December 2024 *RMB'000*
Secured with guarantee *(a)*	**30,000**	—

(a) As of 30 June 2025, RMB30,000,000 of borrowings were secured by certain buildings and guaranteed by certain subsidiaries of the Group. The interest rate of these borrowings was 3.10% per annum.

23 RELATED PARTY TRANSACTIONS

Related parties are those parties that have the ability to control, jointly control or exert significant influence over the other party in holding power over the investee; exposure, or rights, to variable returns from its involvement with the investee; and the ability to use its power over the investee to affect the amounts of the investor's returns. Parties are also considered to be related if they are subject to common control or joint control. Related parties may be individuals or other entities.

The Controlling Shareholder is disclosed in Note 1.

Major related parties that had transactions with the Group during the six months ended 30 June 2025 and 2024 were as follows:

Name of the related parties	**Relationship with the Group**
Mr. Xu	Controlling Shareholder
Shenzhen Jiangzhu Technology Co., Ltd	A company owned indirectly as to 25% by Mr. Xu
ZCYF (HK) LIMITED	A company owned indirectly as to 25% by Mr. Xu

(a) Transactions with related parties

Save as disclosed elsewhere in the interim condensed consolidated financial statements, during the six months ended 30 June 2025 and 2024, the following transactions were carried out with related parties at terms mutually agreed by both parties:

(i) Transactions with related parties

	Six months ended 30 June	
	2025	2024
Purchase of plant and equipment	**2,094**	1,027

(ii) Balances with related parties

	As of 30 June 2025	As of 31 December 2024
	RMB'000	*RMB'000*
Trade nature		
Amount due from a related party *(Note 14)*		
— Shenzhen Jiangzhu Technology Co., Ltd	**5,888**	7,455