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## **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: 9869)**

### **PROFIT WARNING**

This announcement is made by Helens International Holdings Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors of the Company that, based on the preliminary review of the unaudited management accounts of the Group for the year ended December 31, 2021 and the information currently available to the Board, it is expected that (i) the revenue of the Group will be within a range from approximately RMB1,833 million to RMB1,853 million for the year ended December 31, 2021, representing an increase of approximately 124% to 127% as compared with the revenue of approximately RMB817.9 million for the year ended December 31, 2020, (ii) the Group will record a net loss for the year ended December 31, 2021 in a range of approximately RMB210 million to RMB230 million, as compared to the net profit of the Group for the year ended December 31, 2020 of approximately RMB70.1 million, and (iii) the adjusted net profit of the Group, which is a non-HKFRS measure, for the year ended December 31, 2021, will be within a range from approximately RMB91 million to RMB111 million, representing an increase of approximately 20% to 46% as compared with the adjusted net profit for the year ended December 31, 2020 of approximately RMB75.8 million.

The expected increase of the revenue and adjusted net profit in 2021 is primarily attributable to the expansion of our bar network. As of December 31, 2021, the total number of bars in our bar network increased to 782 from 351 in 2020, and further increased to 821 as of the date of this announcement, covering 26 provincial-level administrative regions and 146 cities.

The expected net loss in 2021 is primarily attributable to (i) the fair value changes of convertible preferred shares of approximately RMB198 million, being the difference between the carrying amount of these shares on the date of issuance, i.e., February 10, 2021, and their fair value as of the date on which the ordinary shares of the Company were listed on the Stock Exchange, i.e., September 10, 2021, (ii) the equity settled share-based payments of approximately RMB92 million incurred for the issuance of certain shares at par value on February 9, 2021, and (iii) the listing expenses, being approximately RMB31 million. For details of the convertible preferred shares and the equity settled share-based payments of the Company, please refer to the prospectus of the Company dated August 31, 2021 and the interim report of the Company for the six months ended June 30, 2021 dated September 29, 2021.

The Board wishes to highlight that “adjusted net profit” is not defined under the Hong Kong Financial Reporting Standards (“**HKFRS**”). It is defined by the Group as profit for the year adjusted by adding back listing expenses and equity settled share-based payments and excluding fair value changes of convertible preferred shares. The management of the Company believes that the presentation of such non-HKFRS measure when shown in conjunction with the corresponding HKFRS measures provides useful information to investors and management in facilitating a comparison of our operating performance from period to period by eliminating potential impacts of certain non-operational or non-recurring expenses that do not affect the ongoing operating performance of the Company, including the fair value changes of convertible preferred shares, equity settled share-based payments and listing expenses. Such non-HKFRS measure allows investors to consider metrics used by our management in evaluating our performance. In particular, changes in fair value of financial liabilities at fair value through profit or loss refer to redeemable preferred shares of the Company, which were converted into ordinary shares of the Company immediately prior to the listing of the shares of the Company and are not expected to recur after such conversion.

The use of the non-HKFRS measure has limitations as an analytical tool, and Shareholders and potential investors of the Company should not consider it in isolation from, or as a substitute for or superior to analysis of, our results of operations or financial condition as reported under HKFRS. In addition, such non-HKFRS measure may be defined differently from similar terms used by other companies and therefore may not be comparable to similar measures presented by other companies.

As of the date of this announcement, the Company is in the process of finalizing the consolidated annual results of the Group for the year ended December 31, 2021. The information contained in this announcement is based on a preliminary review of the unaudited consolidated management accounts of the Group and the information currently available to the Board, and is not based on any figure or information which has been audited or reviewed by the independent auditors of the Company or the audit committee of the Board. The actual results of the Group for the year ended December 31, 2021 may differ from the information contained in this announcement. Shareholders and potential investors are advised to read carefully the announcement of the annual results of the Group for the year ended December 31, 2021, which is expected to be released in March 2022.

**Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.**

By order of the Board  
**Helens International Holdings Company Limited**  
**Mr. Xu Bingzhong**  
*Chairman of the Board and Chief Executive Officer*

Hong Kong, February 23, 2022

*As at the date of this announcement, the executive Directors are Mr. Xu Bingzhong, Mr. Zhang Bo, Mr. Zhao Jun and Ms. Lei Xing, and the independent non-executive Directors are Mr. Li Dong, Mr. Wang Renrong and Mr. Wong Heung Ming Henry.*