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, 2022 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 RMB1,549.3 million to RMB1,589.3 million for the year ended December 31, 2022, representing a decrease of approximately 13% to 16% as compared with the revenue of approximately RMB1,835.6 million for the year ended December 31, 2021; (ii) the Group will record a net loss for the year ended December 31, 2022 in a range of approximately RMB1,313.4 million to RMB1,673.4 million, as compared to the net loss of the Group for the year ended December 31, 2021 of approximately RMB230.0 million; and (iii) the adjusted net loss of the Group, which is a non-HKFRS measure, for the year ended December 31, 2022, will be within a range from approximately RMB209.5 million to RMB269.5 million, as compared with the adjusted net profit of the Group for the year ended December 31, 2021 of approximately RMB100.2 million.

The expected net loss in 2022 is primarily attributable to (i) in 2022, the continued and repeated COVID-19 pandemic had an impact on our business operation. In order to incentivize employees to work hard for the future development of the Company, the Company granted certain restricted share units to generate equity-settled share-based payments of approximately RMB503.2 million, and the grants were under the post-IPO restricted share unit scheme of the Company and did not involve the issue of new shares; (ii) against the backdrop of the ongoing impact of the COVID-19 pandemic, the loss on disposal of assets and impairment loss ("**one-off loss**") due to the adjustment and closure of more than 200 bars and the decline in operating results of other bars in 2022 amounted to approximately RMB600.7 million to RMB900.7 million in total; and (iii) the repeated impact of the COVID-19 pandemic in many parts of China on the operations of our bars.

The Board wishes to highlight that "adjusted net profit/(loss)" 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, equity-settled share-based payments, the one-off loss due to the impact of COVID-19 pandemic, 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, listing expenses and the one-off loss due to the impact of COVID-19 pandemic. 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 still in the process of finalizing the consolidated annual results of the Group for the year ended December 31, 2022. 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, 2022 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, 2022, which is expected to be released in March 2023.

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 28, 2023

As at the date of this announcement, the executive Directors are Mr. Xu Bingzhong, Ms. Lei Xing, Ms. Cai Wenjun and Ms. Yu Zhen, and the independent non-executive Directors are Mr. Li Dong, Mr. Wang Renrong and Mr. Wong Heung Ming Henry.