Nayuki Holdings Limited
奈雪的茶控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 2150)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED JUNE 30, 2023

The Board hereby announces the unaudited consolidated interim results of the Group for the Reporting Period. The condensed consolidated financial statements of the Group for the Reporting Period have not yet been audited but have been reviewed by KPMG, the external auditor of the Company, in accordance with Hong Kong Standard on Review Engagements 2410 *"Review of Interim Financial Information Performed by the Independent Auditor of the Entity"* issued by the Hong Kong Institute of Certified Public Accountants.

MANAGEMENT DISCUSSION AND ANALYSIS

1. BUSINESS REVIEW

In the Reporting Period, the Group's revenue increased by 26.8% to RMB2,593.8 million from RMB2,044.9 million for the six months ended June 30, 2022. The adjusted net profit/(loss) turned from loss of RMB249.0 million for the six months ended June 30, 2022 to profit of RMB70.2 million for the Reporting Period.

In the Reporting Period, we recorded store-level operating profit of RMB472.5 million for *Nayuki* teahouses, representing an increase of 141.6% compared to the six months ended June 30, 2022. The store-level operating profit margin of *Nayuki* teahouses was 20.1% in the Reporting Period, representing an increase of 9.7 percentage points compared to the six months ended June 30, 2022. Net cash generated from operating activities of the Group increased by 296.1% from RMB102.9 million for the six months ended June 30, 2022 to RMB407.6 million for the Reporting Period.

Performance by sub-brands

For the Reporting Period, *Nayuki* teahouses contributed a vast majority of our revenue. In the foreseeable future, we expect that *Nayuki* teahouses will continue to be our key business. The following table sets out our performance by our sub-brands.

	For the six months ended June 30,					
	2023		2022		Change	
	RMB	***%***	*RMB*	*%*	*RMB*	*Percentage point(s)*
	(in thousands, except percentages)					
Nayuki	**2,354,040**	**90.8**	1,878,033	91.8	476,007	-1.0
Ready-to-drink beverages	**156,848**	**6.0**	85,359	4.2	71,489	1.8
Tai Gai	**33,196**	**1.3**	43,722	2.2	-10,526	-0.9
Others [(1)]	**49,762**	**1.9**	37,833	1.8	11,929	0.1
Total	**2,593,846**	**100.0**	2,044,947	100.0	548,899	N/A

	For the six months ended June 30, 2023		For the six months ended June 30, 2022	
	Store-level Operating Profit (2)	**Store-level Operating Profit Margin (2)**	Store-level Operating Profit (2)	Store-level Operating Profit Margin (2)
	RMB	**%**	*RMB*	%
	(in thousands, except percentages)			
Nayuki	**472,546**	**20.1**	195,561	10.4
Tai Gai	**-4,697**	**-14.1**	-4,067	-9.3

	For the six months ended June 30,	
	2023	2022
***Nayuki* teahouses**		
Average sales value per order *(RMB)*(3)	**32.4**	36.7
Average orders per teahouse per day(#)(4)	**363.4**	346.2

Notes:

(1) Including revenue derived from business lines other than *Nayuki* teahouses, Tai Gai teahouses and ready-to-drink beverages, which consist primarily of sales of retail products such as gift tea boxes, seasonal gift sets and other gifts.

(2) We define store-level operating profit as revenue deducting operational costs, comprising costs of materials, staff costs, depreciation of right-of-use assets, other rentals and related expenses, depreciation and amortization of other assets, utilities expenses and delivery expenses, incurred at the store level under each teahouse brand, while store-level operating profit margin is calculated by dividing store-level operating profit by revenue for the corresponding period.

(3) Calculated by the revenue generated by a *Nayuki* teahouse in certain period divided by the total number of orders placed by customers to such *Nayuki* teahouse in the same period.

(4) Calculated by the arithmetic average amount of valid orders per day of a *Nayuki* teahouse in certain period.

Performance by business lines

We intend to modernize China's long-lived tea-drinking culture and promote it to more customers by offering freshly-made tea drinks and baked products coupled with enjoyable customer experience. Moreover, in order to cater to the diversified demands of our customers, we have launched various retail products such as ready-to-drink beverages and snacks. The following table sets out our performance by business lines.

	For the six months ended June 30,					
	2023		2022		Change	
	RMB	***%***	*RMB*	*%*	*RMB*	*Percentage point(s)*
	(in thousands, except percentages)					
Freshly-made tea drinks	**1,904,535**	**73.5**	1,472,141	72.0	432,394	1.5
Baked products	**366,270**	**14.1**	380,610	18.6	-14,340	-4.5
Ready-to-drink beverages	**156,848**	**6.0**	85,359	4.2	71,489	1.8
Other products [(1)]	**166,193**	**6.4**	106,837	5.2	59,356	1.2
Total	**2,593,846**	**100.0**	2,044,947	100.0	548,899	N/A

Note:

(1) Primarily include retail products and gifts, such as gift tea boxes, snacks and seasonal gift sets.

Performance by income sources – *Nayuki* teahouses

The following table sets out the performance of *Nayuki* teahouses by income sources.

	For the six months ended June 30,					
	2023		2022		Change	
	RMB	***%***	*RMB*	*%*	*RMB*	*Percentage point(s)*
	(in thousands, except percentages)					
***Nayuki* teahouses**						
Order at store counter [(1)]	**354,189**	**15.0**	373,477	19.9	-19,288	-4.9
Pickup orders [(2)]	**966,656**	**41.1**	667,647	35.5	299,009	5.6
Delivery orders [(3)]	**1,033,195**	**43.9**	836,909	44.6	196,286	-0.7
Total	**2,354,040**	**100.0**	1,878,033	100.0	476,007	N/A

Notes:

(1) Representing revenue generated from customer orders placed on-site at *Nayuki* teahouses (excluding orders placed through our WeChat, Alipay or third-party platform mini programs and *Nayuki* app).

(2) Representing revenue generated from customer orders placed through our WeChat, Alipay or third-party platform mini programs and *Nayuki* app.

(3) Representing revenue generated from delivery orders that require delivery services. For the six months ended June 30, 2023, out of the revenue of the Group's *Nayuki* teahouses, approximately 37.0% was derived from revenue generated from delivery orders placed by third-party platforms; and approximately 6.9% was derived from revenue generated from delivery orders placed by the Group's self-operated platform.

***Nayuki* Membership Program**

As at June 30, 2023, the Company had registered members of approximately 66.4 million. The monthly active members[(1)] of the Company amounted to approximately 4.3 million, with a monthly repurchase rate[(2)] of approximately 23.0%.

Notes:

(1) Representing the average number of members who ordered our products at least once a month for the six months ended June 30, 2023;

(2) Representing the average proportion of active members who ordered our products at least twice a month for the six months ended June 30, 2023.

2. PERFORMANCE ANALYSIS OF *NAYUKI* SELF-OPERATED STORES

Number and distribution of stores

As of June 30, 2023, the Group had 1,194 *Nayuki* teahouses in 93 cities. In the first half of 2023, we recorded a net increase of 126 *Nayuki* teahouses. We insist on further expanding our teahouse network and increasing market penetration mainly in the existing Tier 1 cities, New Tier 1 cities and key Tier 2 cities, so as to cultivate and consolidate consumers' habits for high-end freshly-made tea drinks. The following table sets out the breakdown of the number of our *Nayuki* teahouses by geographic location.

	As at June 30, 2023	As at December 31, 2022
Number of Type-I Teahouses (#)		
Tier 1 cities	**329**	309
New Tier 1 cities	**329**	294
Tier 2 cities	**229**	213
Other cities [(1)]	**88**	80
Total	**975**	896

	As at June 30, 2023	As at December 31, 2022
Number of Type-II Teahouses (#)		
Tier 1 cities	**85**	64
New Tier 1 cities	**81**	63
Tier 2 cities	**37**	29
Other cities [(1)]	**16**	16
Total	**219**	172

Note: (1) Including (i) cities of other tiers across mainland China; and (ii) cities outside mainland China.

Certain additional key performance indicator data of our *Nayuki* teahouses by market and by nature of teahouses is shown below for the ease of Shareholders and potential investors to understand the performance of our *Nayuki* teahouses.

Performance by market

Benefiting from our strong brand influence, when tapping into a new market, *Nayuki* teahouses usually attract customer traffic from outside the peripheral communities and experienced "store opening customer traffic" and higher sales volume. However, as it is difficult to cultivate customers' consumption habits due to the relative sparsity of stores; therefore, until store density reaches a reasonable level, daily sales per teahouse will gradually decline. At the same time, as we continue to expand, newly-opened stores account for a larger proportion and it is necessary for existing stores in these markets to recruit and reserve talents for them, which will put pressure on the operating margins of existing stores.

With our accumulated operating hours and growing store density, customers' consumption habits will be gradually established in these markets. Coupled with gradual decline in the proportion of newly-opened stores, we expect that the average daily sales per teahouse of *Nayuki* teahouses in these markets will gradually stabilize and thus our store-level operating profit margin will gradually increase. Therefore, we believe that it is necessary to further increase our store density in the existing markets to accelerate market maturity.

The following table sets out certain key performance indicators for stores in certain cities.

	As of and for the six month ended June 30, 2023		
	Number of stores [(1)] *(#)*	**Average daily sales per teahouse** *(RMB'000)*	**Store-level operating profit margin** [(2)] *(%)*
***Nayuki* teahouses**			
Shenzhen	**178**	**15.9**	**24.4**
Shanghai	**70**	**12.1**	**16.8**
Guangzhou	**80**	**12.0**	**20.5**
Wuhan	**65**	**11.0**	**21.6**
Xi'an	**42**	**13.8**	**27.1**
Beijing	**65**	**12.5**	**14.9**

The following table sets out certain key performance indicators for stores in different tiered cities.

	As of and for the six month ended June 30, 2023		
	Number of stores [1] ***(#)***	**Average daily sales per teahouse** ***(RMB'000)***	**Store-level operating profit margin** [2] ***(%)***
***Nayuki* teahouses**			
Tier 1 cities	**393**	**13.8**	**21.2**
New Tier 1 cities	**379**	**10.7**	**20.0**
Tier 2 cities	**256**	**10.7**	**20.3**
Other cities [3]	**98**	**10.8**	**21.7**

The following table sets out certain same-store key performance indicators of *Nayuki* teahouses in certain cities.

		For the six months ended June 30,			
		2023	2022	**2023**	2022
	Number of same stores [4] *(#)*	Average daily sales per teahouse *(RMB'000)*		Store-level operating profit margin [2] *(%)*	
***Nayuki* teahouses**					
Shenzhen	124	**17.7**	17.5	**24.8**	17.0
Shanghai	48	**12.7**	12.1	**15.6**	-11.1
Guangzhou	56	**12.8**	13.2	**20.2**	12.6
Wuhan	46	**12.0**	10.9	**21.8**	9.8
Xi'an	33	**15.0**	14.7	**27.2**	19.8
Beijing	44	**13.3**	12.2	**14.6**	1.7

Performance by store nature

The following table sets out certain key performance indicators of Type-I Teahouses and Type-II Teahouses.

	As of and for the six months ended June 30, 2023		
	Number of stores [(1)] ***(#)***	**Average daily sales per teahouse** ***(RMB'000)***	**Store-level operating profit margin** [(2)] ***(%)***
Type-I Teahouses	**934**	**12.3**	**20.4**
Type-II Teahouses	**192**	**9.3**	**22.0**

Notes:

(1) Only including stores that opened for at least 60 days as of June 30, 2023 and did not cease operation as of June 30, 2023. We are of view that stores opened for less than 60 days may be significantly affected by opening promotions, "store opening customer traffic" and other factors, which may lead to the overall data being unrepresentative and misleading to investors. Therefore, we have excluded those stores.

(2) Since there are one-off opening expenses, including but are not limited to, pre-operating labor costs for the teahouse and other expenses, to be included in the profit and loss for the month that the teahouse commences operation, it will be not meaningful for reference due to the fact that the store-level profit margin of such teahouses to be significantly affected by the opening expenses. To facilitate investors to have a better understanding and compare the daily profitability of teahouses in different types, the store-level operating profit margin listed in the table has excluded the impact of the one-off opening expenses mentioned above.

(3) Including (i) cities of other tiers across mainland China; and (ii) cities outside mainland China.

(4) Only including stores that operated for at least 60 days in the first half of 2022 and the first half of 2023 and did not cease operations as of June 30, 2023.

Unit economic model

The following table sets forth the changes in the unit economic model of the stores of *Nayuki* teahouses:

	For the six months ended June 30,	
	2023	2022
Raw material (%)	**29.6**	30.2
Labour (%)	**19.6**	26.0
Rent (%)	**14.4**	16.0
Delivery order fee (%)	**8.0**	8.5
Utilities expenses (%)	**2.7**	2.7
Other depreciation and amortization (%)	**5.6**	6.2
Store-level operating profit margin (%)	**20.1**	10.4

3. OUTLOOK

Since the second half of 2021, the domestic consumption environment has changed significantly, and the Group has made various efforts in cost control in order to consolidate and restore its profitability. In the first half of 2023, despite that there were still twists and turns on the road of consumption recovery after COVID-19, the Group had achieved the goals of stabilizing the labor cost ratio at the store level of *Nayuki* teahouses within 20%, maintaining the actual rental cost ratio at the store level within 15% and maintaining the store-level operating profit margin at around 20%; and had also achieved the goal of turnaround in profit at the level of the Group. With the continuous optimization on costs, the profitability of stores is expected to continue to improve.

On July 20, 2023, the Group announced the official initiation of the business partnership plan. The Group requires that the image, products, operation and other aspects of self-operated stores and franchised stores should be consistent. Therefore, from the consumer's aspects, there will be no difference between self-operated stores and franchised stores. At the same time, the opening up of partnership business in low-tier cities, where the Group seldom opened self-operated stores in the past, will help to increase the Group's market share and create reasonable returns for Shareholders. It is also of relevance that the Group expects to maintain the product price at a relatively low level on the basis of maintaining a stable gross profit margin in the future, so as to provide consumers with quality products with higher value-for-money, and at the same time to help franchised stores to occupy the market in low-tier city more quickly. It is expected that the first batch of *Nayuki* franchised stores will be opened in the second half of 2023. In the future, we expect to disclose the performance of franchised stores separately.

FINANCIAL REVIEW

Revenue

The Group generates substantially all of its revenue from sales of products offered by *Nayuki* teahouses. For the Reporting Period and for the six months ended June 30, 2022, *Nayuki* teahouses contributed approximately 90.8% and approximately 91.8% of the Group's total revenue, respectively. The remaining portion of revenue was mainly derived from the Group's ready-to-drink business and teahouses operated under the Group's sub-brand Tai Gai.

The Group recorded revenue of approximately RMB2,593.8 million for the Reporting Period (for the six months ended June 30, 2022: approximately RMB2,044.9 million), representing an increase of approximately 26.8% as compared with the six months ended June 30, 2022. The increase in revenue was mainly due to the on-going increase in number of operating stores of the Group and the relaxation of control measures on COVID-19 across the regions in the mainland China in the first half of 2023.

Other income

Other income of the Group consists primarily of (i) interest income from bank deposits, term deposits, rental deposits and other financial assets; and (ii) government grants, primarily representing subsidies and unconditional cash awards granted by local governments. Other income of the Group amounted to approximately RMB87.6 million for the Reporting Period (for the six months ended June 30, 2022: approximately RMB64.1 million). The increase in the Group's other income was primarily due to the increase in income from bank interest and interest income from other financial assets.

Expenses

Cost of materials

Cost of materials consists primarily of (i) cost of raw materials, including tea leaves, dairy products, seasonal fruits, juices, and other raw materials used for the preparation of our freshly-made tea drinks, baked goods and other products, and (ii) cost of packaging materials and consumables such as tea cups and paper bags.

Cost of materials of the Group amounted to approximately RMB825.5 million, representing approximately 31.8% of the total revenue for the Reporting Period, compared to approximately RMB648.4 million, or approximately 31.7% of the total revenue for the six months ended June 30, 2022. During the Reporting Period, our cost of materials increased by 27.3% as compared with the same period in 2022, which was substantially in line with our overall business growth. The proportion of cost of materials over the total revenue remained generally stable during the Reporting Period as compared with the same period in 2022.

Staff costs

Staff costs consist primarily of (i) salaries, wages and other benefits; (ii) contributions to defined contribution retirement plan; (iii) equity-settled share-based payment expenses; and (iv) outsourced staff costs.

Staff costs of the Group amounted to approximately RMB685.6 million, representing approximately 26.4% of the total revenue for the Reporting Period, compared to approximately RMB711.8 million, or approximately 34.8% of the total revenue for the six months ended June 30, 2022. The proportion of staff costs over the total revenue decreased for the Reporting Period, primarily due to the steady improvement of the Group's human resource efficiency. During the Reporting Period, staff costs classified by brands and business segments included: (i) store-level staff costs for *Nayuki*, which amounted to approximately RMB461.5 million, representing approximately 19.6% of revenue of *Nayuki*, (ii) store-level staff costs for Tai Gai, which amounted to approximately RMB12.6 million, representing approximately 38.0% of revenue of Tai Gai, (iii) staff costs for ready-to-drink business line, which amounted to approximately RMB36.2 million, representing approximately 23.1% of the revenue of our ready-to-drink business, and (iv) staff costs for headquarters and others, which amounted to approximately RMB175.3 million, representing approximately 6.8% of the Group’s total revenue.

Depreciation of right-of-use assets

Depreciation of right-of-use assets represents depreciation charges for the Group’s leases. Depreciation of right-of-use assets is recognized as using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use assets or the end of the lease term.

Depreciation of right-of-use assets of the Group amounted to approximately RMB200.4 million for the Reporting Period, representing approximately 7.7% of the Group's total revenue during such period (for the six months ended June 30, 2022: approximately RMB221.4 million, representing approximately 10.8% of the Group's total revenue during such period). The decrease in the Group's proportion of depreciation of right-of-use assets over the total revenue was primarily due to (i) the improvement of the Group's bargaining power for newly entered leases which resulted in a decrease in unit rental price of stores; and (ii) the decrease in the leased area of the newly opened *Nayuki* teahouses compared with that of regular *Nayuki* teahouses.

Other rentals and related expenses

Our other rentals and related expenses mainly include: (i) short-term leases that have a lease term of 12 months or less and leases of low-value assets; and (ii) variable lease payments which subject to some specified event or condition.

Other rentals and related expenses of the Group amounted to approximately RMB162.4 million for the Reporting Period, representing approximately 6.3% of the Group's total revenue during such period (for the six months ended June 30, 2022: approximately RMB102.4 million, representing approximately 5.0% of the Group's total revenue during such period). The increase in the Group's other rentals and related expenses and its proportion to the total revenue was primarily due to the increase in the Group's proportion of newly entered leases with variable lease payments.

Depreciation and amortization of other assets

Depreciation and amortization of other assets represent depreciation charges for property and equipment and depreciation expense for leasehold improvements. Depreciation and amortization of other assets of the Group amounted to approximately RMB142.9 million for the Reporting Period, representing approximately 5.5% of the Group's total revenue during such period (for the six months ended June 30, 2022: approximately RMB126.2 million, representing approximately 6.2% of the Group's total revenue during such period).

Advertising and promotion expenses

Advertising and promotion expenses primarily represent expenses incurred in connection with our marketing, branding and promotion activities. Advertising and promotion expenses of the Group amounted to approximately RMB74.1 million for the Reporting Period, representing approximately 2.9% of the Group's total revenue during such period (for the six months ended June 30, 2022: approximately RMB75.2 million, representing approximately 3.7% of the Group's total revenue during such period).

Delivery service fees

Delivery service fees represent fees paid by the Group to third-party delivery service providers. Delivery service fees of the Group amounted to approximately RMB191.2 million for the Reporting Period, representing approximately 7.4% of the Group's total revenue during the Reporting Period (for the six months ended June 30, 2022: approximately RMB163.1 million, representing approximately 8.0% of the Group's total revenue during such period).

Utilities expenses

Utilities expenses consist primarily of expenses in relation to electricity utilities, and to a lesser extent, gas and water utilities that are attributable to the operation of the Group's teahouses. Utilities expenses of the Group amounted to approximately RMB66.7 million for the Reporting Period, representing approximately 2.6% of the Group's total revenue during such period (for the six months ended June 30, 2022: approximately RMB53.2 million, representing approximately 2.6% of the Group's total revenue during such period).

Logistic and storage fees

Logistic and storage fees represent fees paid by the Group to third-party service providers for raw materials transportation and warehousing services. Logistic and storage fees of the Group amounted to approximately RMB68.6 million for the Reporting Period, representing approximately 2.6% of the Group's total revenue during such period (for the six months ended June 30, 2022: approximately RMB58.7 million, representing approximately 2.9% of the Group's total revenue during such period).

Finance costs

Finance costs consist primarily of interests on lease liabilities and provisions. Finance costs of the Group amounted to approximately RMB34.0 million for the Reporting Period, representing approximately 1.3% of the Group's total revenue during such period (for the six months ended June 30, 2022: approximately RMB44.3 million, representing approximately 2.2% of the Group's total revenue during such period).

Other expenses

Other expenses consist primarily of (i) administrative expenses incurred during our ordinary course of business, such as telecommunication expenses and maintenance expenses; (ii) travelling and business development expenses incurred by our employees; (iii) other-party service fees representing costs associated with third-party management consulting and other professional services; (iv) impairment losses; and (v) others, such as insurance fees and other taxes and surcharges. Other expenses of the Group amounted to approximately RMB117.3 million for the Reporting Period, representing approximately 4.5% of the Group's total revenue during such period (for the six months ended June 30, 2022: approximately RMB104.1 million, representing approximately 5.1% of the Group's total revenue during such period). The following table sets forth the components of our other expenses in absolute amounts and as percentages of total revenue for the periods indicated.

	For the six months ended June 30,			
	2023		2022	
	RMB	*%*	*RMB*	*%*
	(in thousands, except percentages)			
Administrative expenses	**68,786**	**2.7**	50,954	2.5
Travelling and business development expenses	**18,554**	**0.7**	14,523	0.7
Other-party service fees	**9,588**	**0.4**	9,775	0.5
Impairment losses	**5,746**	**0.2**	6,662	0.3
Others	**14,657**	**0.6**	22,158	1.1
	117,331	**4.5**	104,072	5.1

Income Tax

The income tax expenses of the Group amounted to approximately RMB13.7 million for the Reporting Period. The income tax expenses of the Group for the six months ended June 30, 2022 amounted to approximately RMB2.9 million.

Non-IFRS Measures

To supplement the Group's combined financial statements that are presented in accordance with IFRS, the Group also uses adjusted net profit/(loss) (non-IFRS measure) as an additional financial measure, which is not required by, or presented in accordance with, IFRS. The Group believes that this non-IFRS measure facilitates comparisons of operating performance from period to period and company to company by eliminating potential impact of items that our management does not consider to be indicative of the Group's operating performance. The Group believes that this measure provides useful information to Shareholders, investors and others in understanding and evaluating the Group's combined results of operations in the same manner as it helps the Group's management. However, the Group's presentation of adjusted net profit/(loss) (non-IFRS measure) may not be comparable to similarly titled measures presented by other companies. The use of this non-IFRS measure has limitations as an analytical tool, and the investors should not consider them in isolation from, or as a substitute for analysis of, the Group's results of operations or financial condition as reported under IFRS.

	For the six months ended June 30,	
	2023	2022
	(RMB in thousands)	
Reconciliation of net profit/(loss) and adjusted net profit/(loss) (non-IFRS measure)		
Net profit/(loss) for the period	**64,846**	(256,875)
Add:		
Equity-settled share-based payment expenses[(1)]	**5,307**	7,866
Adjusted net profit/(loss) (non-IFRS measure)	**70,153**	(249,009)
Adjusted net profit/(loss) margin (non-IFRS measure)[(2)]	**2.7%**	(12.2)%

Notes:

(1) Equity-settled share-based payment expenses consist of Options and RSUs granted under the 2020 Share Option Plan and 2020 Share Incentive Plan, which is non-cash and non-operational in nature, and is not directly correlated with the Group's business performance in a given period.

(2) Calculated using adjusted net profit/(loss) (non-IFRS measure) divided by revenue for a given period.

Cash, Bank Deposits and Borrowings

As of June 30, 2023, the total cash and cash equivalents of the Group amounted to approximately RMB671.0 million (as of December 31, 2022: approximately RMB1,387.5 million), and the total term deposits and certificates of deposit of the Group amounted to RMB2,472.5 million (as of December 31, 2022: approximately RMB2,088.8 million), primarily denominated in RMB, HKD and USD. As of June 30, 2023, the Group did not have any interest-bearing borrowings (as of December 31, 2022: nil).

Right-of-Use Assets

The Group's right-of-use assets primarily represent the leases for our teahouses, office at headquarters and warehouses. As of June 30, 2023, the right-of-use assets of the Group amounted to approximately RMB1,403.5 million (as of December 31, 2022: approximately RMB1,273.3 million). The balance of the Group's right-of-use assets was consistent with the growth trend of the number of stores.

Property and Equipment

The Group's property and equipment consist primarily of leasehold improvements, kitchen equipment, furniture equipment, electronic equipment and others, as well as construction in progress. As of June 30, 2023, the property and equipment of the Group amounted to approximately RMB1,062.2 million (as of December 31, 2022: approximately RMB1,024.1 million). The increase in the Group's property and equipment was primarily due to the increase in the number of stores of the Group.

Inventories

The Group's inventories consist primarily of raw materials and packaging materials. As of June 30, 2023, the inventories of the Group amounted to approximately RMB134.4 million (as of December 31, 2022: approximately RMB126.3 million).

The Group's inventories turnover days decreased from 45.1 days for six months ended June 30, 2022 to 28.6 days for the Reporting Period mainly due to the elimination of the impacts of COVID-19 pandemic to a large extent.

Trade and Other Receivables, and Prepayments

The Group's trade receivables consist primarily of receivables due from third parties in connection with the sales of products. The Group's other receivables and prepayments consist primarily of input value-added tax recoverable in connection with purchase of raw materials, rental deposits within one year and prepayments to suppliers. Trade and other receivables of the Group increased from approximately RMB376.5 million as of December 31, 2022 to approximately RMB419.5 million as of June 30, 2023, primarily due to the increased in interest receivables incurred from term deposits and certificates of deposit.

Trade and Other Payables

The Group's trade payables consist primarily of trade payables to the Group's raw materials suppliers. The Group also recorded other payables and accrued charges in connection with various aspects of its operations, including (i) payroll and welfare payables to employees; (ii) payables for purchase of property and equipment; (iii) accrued charges, which are mainly utilities; and (iv) others. Trade and other payables of the Group increased from approximately RMB478.5 million as of December 31, 2022 to approximately RMB495.4 million as of June 30, 2023.

Gearing Ratio

As of June 30, 2023, our gearing ratio, which is calculated as total debt divided by total assets, was 32.0%, as compared with 31.3% as of December 31, 2022.

Treasury Policy

The Group adopts a prudent financial management approach for its treasury policy to ensure that the Group's liquidity structure comprising assets, liabilities and other commitments is able to always meet its capital requirements.

Liquidity and Financial Resources

Taking into account the financial resources available to the Group, including cash and cash equivalents on hand, cash generated from operations and available facilities of the Company, and the net proceeds from the listing, and after diligent and careful investigation, the Directors are of the view that the Group has sufficient working capital required for the Group's operations at present.

As of June 30, 2023, the Group had total cash and cash equivalents of approximately RMB671.0 million (as of December 31, 2022: approximately RMB1,387.5 million). In the Reporting Period, the Group mainly used cash for store operation and deposited part of idle cash into banks for term deposits and certificates of deposit (as of June 30, 2023, the total term deposits and certificates of deposit of the Group amounted to approximately RMB2,472.5 million (as of December 31, 2022: approximately RMB2,088.8 million)).

The current ratio as of June 30, 2023 was approximately 2.78 times (as of December 31, 2022: approximately 3.30 times).

FOREIGN CURRENCY RISK

For the Reporting Period, the Group mainly operated in China and the majority of the transactions were settled in RMB. As of June 30, 2023, apart from cash and cash equivalents and term deposits denominated in foreign currency, the Group did not have any significant foreign exchange risk in its business operations. During the Reporting Period, several forward foreign exchange contracts entered by the Group in prior years have all been knocked out. As of June 30, 2023, the Group did not engage in any foreign exchange hedging activities. The Group will continue to monitor foreign exchange changes to best preserve the Group's cash value.

CONTINGENT LIABILITIES

As of June 30, 2023, the Group did not have any significant contingent liabilities.

CAPITAL EXPENDITURES

Our capital expenditures amounted to approximately RMB196.4 million for the Reporting Period, which were incurred primarily in connection with payment for purchase of equipment and leasehold improvements.

CHARGE ON ASSETS

As of June 30, 2023, the Group did not pledge any group assets.

SIGNIFICANT INVESTMENT

As of June 30, 2023, save for the "Material Acquisitions and Disposals of Subsidiaries, Associates and Affiliated Companies" in this announcement, there was no significant investment held by the Group.

FUTURE PLAN FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

As of June 30, 2023, save for the "Material Acquisitions and Disposals of Subsidiaries, Associates and Affiliated Companies" in this announcement and the "Future Plans and Use of Proceeds" disclosed in the Prospectus, the Group did not have any future plan for material investments or capital assets.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND AFFILIATED COMPANIES

References are made to the announcements of the Company dated December 5, 2022, December 19, 2022, January 6, 2023 and June 2, 2023 in relation to the Group's investment in Shanghai Chatian (the "**Investment**").

Shanghai Chatian is a company established in the PRC with limited liability and is the operator of the "LELECHA" brand. Founded in 2016, "LELECHA" is one of the leading brands in freshly-made tea industry in the PRC, focusing on offering freshly-made tea drinks and bakery goods with signature products such as Dirty Milk Tea series (髒髒茶系列) and Dirty Bakery series (髒髒包系列), which gained widespread popularity among the customers. The Directors are of the view that the Investment will further enhance the brand diversity of the Group, reduce the Group's costs in store expansion and operation, and optimize the competitive environment of the freshly-made tea industry in the PRC. After taking into account of its terms and conditions, the Directors are further of the view that the Investment is determined on normal commercial terms, is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

On March 1, 2023, the Group received the "Decision on No Further Examination in relation to Concentration of Business Operators and Anti-monopoly Examination" (《經營者集中反壟斷審查不實施進一步審查決定書》) issued by the State Administration for Market Regulation of the PRC (國家市場監督管理總局) with respect to the Investment. Further, on June 2, 2023 (after trading hours), all the completion conditions of the Investment have been satisfied or waived (if applicable) and the consideration of the Investment has been settled in full.

Save as mentioned above, the Group did not have any other material acquisitions or disposals of subsidiaries, associates and joint ventures during the Reporting Period.

EMPLOYEES AND REMUNERATION POLICIES

As of June 30, 2023, the Group had a total of 6,559 full-time employees, among which 1,570 employees worked at the Group's headquarters and regional offices, and the remaining employees were in-store staff. The Group values its employees and is committed to growing with employees. The Group has launched an employee retention initiative, under which the Group incorporates employee retention rate as one of the key criteria that used to assess its teahouse performance. The Group is also committed to establishing a competitive and fair remuneration and benefits environment for its employees. Remuneration is determined with reference to the qualification, experience and work performance, whereas the payment of discretionary bonus is generally subject to work performance, the financial performance of the Group in that particular year and general market conditions. To effectively motivate the Group's business development team through remuneration incentives and ensure that our employees receive competitive remuneration packages, the Group continually refines its remuneration and incentive policies through market researches and comparisons with its competitors. As required by the PRC laws and regulations, the Group participates in various employee social security plans for its employees that are organized by municipal and provincial governments, including basic pension, unemployment insurance, maternity insurance, work-related injury insurance, medical insurance and housing fund.

The Group also shares its success with employees by offering them a variety of incentives and financial rewards to keep them motivated. To recognize and reward, among others, the Group's employees, directors and senior management for their contributions to the Group, to attract suitable personnel and to provide incentives to them to remain with and further contribute to the Group, the Group has adopted the 2020 Share Option Plan and the 2020 Share Incentive Plan.

In addition, the Group places strong emphasis on providing trainings to its employees in order to enhance their professional skills, understanding of industry and work place safety standards, and appreciation of the Group's value, especially the Group's unwavering commitment to food safety and product quality as well as satisfying customer services. The Group designs and offers different training programs for employees at various positions. For example, the Group requires every newly recruited employee at operational functions to attend a one-month in-store training as the Group strives for consistency and high quality of its product delivery and customer services. In addition, the Group pairs its new in-store staff with seniors, who are responsible for guiding them through the probation period. The Group has also established a vanguard program to foster and maintain a local talent pool and offers a promotion path for excellent employees to become future teahouse managers.

USE OF NET PROCEEDS FROM GLOBAL OFFERING

The Shares were listed on the Stock Exchange on June 30, 2021. The net proceeds raised from the Company's global offering (the "**Global Offering**"), after deduction of the underwriting fees and commissions and other estimated expenses payable by the Company in connection with the Global Offering, were approximately HK$4,842.4 million. As of the date of this announcement, there was no change in the intended use of net proceeds and the expected timeline as previously disclosed in the section headed "Future Plans and Use of proceeds" in the Prospectus. The net proceeds received by the Company from the Global Offering will be used for the following purposes:

- approximately 70.0%, or HK$3,389.8 million, will be used over the next three years to expand the Group's teahouse network and deepen the Group's market penetration;

- approximately 10.0%, or HK$484.2 million, will be used over the next three years to further improve the Group's overall operations through enhancing technology capabilities, with a goal to improve operational efficiency;

- approximately 10.0%, or HK$484.2 million, will be used over the next three years to strengthen the Group's supply chain and product distribution capabilities, with a goal to support our expanding scale; and

- the remaining approximately 10.0%, or HK$484.2 million, will be used for working capital and general corporate purposes.

The following table sets forth a summary of the utilization of the net proceeds from the Global Offering as of June 30, 2023:

Purpose	Percentage to total amount	Net proceeds incurred from the Global Offering *HK$ (million)*	Actual use of proceeds up to June 30, 2023 *HK$ (million)*	Unutilized amount as of June 30, 2023 *HK$ (million)*	Expected timeline of full utilization of the remaining proceeds
Expand the Group's teahouse network and deepen the Group's market penetration	70.0%	3,389.8	1,368.5	2,021.3	June 2024
Further improve the Group's overall operations	10.0%	484.2	333.3	150.9	June 2024
Strengthen the Group's supply chain and product distribution capabilities	10.0%	484.2	316.9	167.3	June 2024
Fund the Group's working capital and general corporate purposes	10.0%	484.2	250.4	233.8	June 2024
Total	**100.0%**	**4,842.4**	**2,269.1**	**2,573.3**	

EVENTS AFTER THE REPORTING PERIOD

There has been no important events subsequent to the Reporting Period and up to the date of this announcement, which would affect the Group's business operations in material aspects.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

for the six months ended June 30, 2023 – unaudited
(Expressed in Renminbi)

	Note	**Six months ended June 30,** **2023** ***RMB'000***	2022 *RMB'000*
Revenue	*3*	**2,593,846**	2,044,947
Other income	*5*	**87,601**	64,064
Cost of materials		**(825,490)**	(648,365)
Staff costs		**(685,571)**	(711,758)
Depreciation of right-of-use assets	*6(b)*	**(200,384)**	(221,371)
Other rentals and related expenses	*6(b)*	**(162,445)**	(102,380)
Depreciation and amortization of other assets	*6(b)*	**(142,948)**	(126,155)
Advertising and promotion expenses		**(74,054)**	(75,197)
Delivery service fees		**(191,197)**	(163,115)
Utilities expenses		**(66,722)**	(53,186)
Logistic and storage fees		**(68,589)**	(58,656)
Other expenses		**(117,331)**	(104,073)
Other net losses	*6(c)*	**(25,694)**	(38,080)
Finance costs	*6(a)*	**(34,003)**	(44,302)
Share of losses of associates		**55**	–
Fair value changes of financial assets at fair value through profit or loss ("**FVTPL**")		**(8,517)**	(527)
Fair value changes of financial liabilities at FVTPL		**–**	(15,862)
Profit/(loss) before taxation		**78,557**	(254,016)
Income tax	*7*	**(13,711)**	(2,859)
Profit/(loss) for the period		**64,846**	(256,875)
Attributable to:			
Equity shareholders of the Company		**66,098**	(254,215)
Non-controlling interests		**(1,252)**	(2,660)
Profit/(loss) for the period		**64,846**	(256,875)
Earnings/(loss) per share			
Basic and diluted (RMB)	*8*	**0.04**	(0.15)

There are no dividends payable to equity shareholders of the Company attributable to the profit for the period as disclosed in note 18(a).

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the six months ended June 30, 2023 – unaudited
(Expressed in Renminbi)

	Six months ended June 30,	
	2023	2022
	RMB'000	*RMB'000*
Profit/(loss) for the period	**64,846**	(256,875)
Other comprehensive income for the period (after tax and reclassification adjustments)		
Item that will not be reclassified to profit or loss:		
– Currency translation differences	**95,712**	173,157
Item that may be reclassified subsequently to profit or loss:		
– Currency translation differences	**619**	(7,358)
Other comprehensive income for the period	**96,331**	165,799
Total comprehensive income for the period	**161,177**	(91,076)
Attributable to:		
Equity shareholders of the Company	**162,429**	(88,416)
Non-controlling interests	**(1,252)**	(2,660)
Total comprehensive income for the period	**161,177**	(91,076)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
at June 30, 2023 – unaudited
(Expressed in Renminbi)

	Note	**At June 30, 2023** ***RMB'000***	At December 31, 2022 *RMB'000*
Non-current assets			
Property and equipment	*9*	**1,062,241**	1,024,087
Right-of-use assets	*9*	**1,403,515**	1,273,285
Interests in associates	*10*	**601,835**	24,292
Intangible assets		**206**	290
Deferred tax assets		**76,329**	81,464
Rental deposits		**168,849**	163,930
Term deposits	*15*	**57,806**	–
Other non-current assets	*11*	**612,856**	402,673
		3,983,637	2,970,021
Current assets			
Financial assets at FVTPL	*12*	**41,133**	159,597
Inventories	*13*	**134,369**	126,284
Trade and other receivables	*14*	**314,072**	284,901
Prepayments	*14*	**105,384**	91,561
Restricted bank deposits	*15*	**11,164**	995
Cash and cash equivalents	*15*	**671,001**	1,387,495
Term deposits	*15*	**1,904,709**	1,818,846
Other current assets	*11*	**100,000**	100,000
		3,281,832	3,969,679
Current liabilities			
Trade and other payables	*16*	**495,414**	478,514
Contract liabilities		**206,476**	217,667
Financial liabilities at FVTPL		**–**	3,121
Lease liabilities		**448,586**	472,805
Provisions		**741**	1,282
Current taxation		**29,614**	29,180
		1,180,831	1,202,569
Net current assets		**2,101,001**	2,767,110
Total assets less current liabilities		**6,084,638**	5,737,131

	Note	At June 30, 2023 RMB'000	At December 31, 2022 RMB'000
Non-current liabilities			
Lease liabilities		**1,115,743**	949,493
Provisions		**22,293**	20,634
Deferred tax liabilities		**9,534**	1,420
		1,147,570	971,547
NET ASSETS		**4,937,068**	4,765,584
CAPITAL AND RESERVES			
Share capital	*18(b)*	**558**	558
Reserves		**4,938,909**	4,771,173
Total equity attributable to equity shareholders of the Company		**4,939,467**	4,771,731
Non-controlling interests		**(2,399)**	(6,147)
TOTAL EQUITY		**4,937,068**	4,765,584

NOTES TO THE UNAUDITED INTERIM FINANCIAL INFORMATION

(Expressed in Renminbi unless otherwise indicated)

1 BASIS OF PREPARATION

This unaudited interim financial information was extracted from the interim financial report of Nayuki Holdings Limited (the "**Company**") and its subsidiaries (together the "**Group**") for the six months ended June 30, 2023.

The interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"), including compliance with International Accounting Standard ("**IAS**") 34, Interim financial reporting, issued by the International Accounting Standards Board ("**IASB**"). It was authorized for issue on August 29, 2023.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2022 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2023 annual financial statements. Details of any changes in accounting policies are set out in note 2(a).

The preparation of an interim financial report in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

The interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2022 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with International Financial Reporting Standards ("**IFRSs**").

The interim financial report is unaudited, but has been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**").

2 CHANGES IN ACCOUNTING POLICIES

(a) New and amended IFRSs

The Group has applied the following amendment to IFRSs issued by the IASB to this interim financial report for the current accounting period:

- IFRS 17, *Insurance contracts*
- Amendments to IAS 8, *Accounting policies, changes in accounting estimates and errors: Definition of accounting estimates*

- Amendments to IAS 12, *Income taxes: Deferred tax related to assets and liabilities arising from a single transaction*

- Amendments to IAS 12, *Income taxes: International tax reform – Pillar Two model rules*

Except for the Amendments to IAS 12, *Income taxes: Deferred tax related to assets and liabilities arising from a single transaction*, none of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented in these financial statements. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period. Impacts of the adoption of the new and amended IFRSs are discussed below:

Amendments to IAS 12, *Income taxes: Deferred tax related to assets and liabilities arising from a single transaction*

The amendments narrow the scope of the initial recognition exemption such that it does not apply to transactions that give rise to equal and offsetting temporary differences on initial recognition such as leases and decommissioning liabilities. For leases and decommissioning liabilities, the associated deferred tax assets and liabilities are required to be recognized from the beginning of the earliest comparative period presented, with any cumulative effect recognized as an adjustment to retained earnings or other components of equity at that date. For all other transactions, the amendments are applied to those transactions that occur after the beginning of the earliest period presented.

Prior to the amendments, the Group did not apply the initial recognition exemption to lease transactions and had recognized the related deferred tax, except that the Group previously determined the temporary difference arising from a right-of-use asset and the related lease liability on a net basis on the basis they arise from a single transaction. Following the amendments, the Group has determined the temporary differences in relation to right-of-use assets and lease liabilities separately. The change primarily impacts disclosures of components of deferred tax assets and liabilities in the annual financial statements, but does not impact the overall deferred tax balances presented in the consolidated statement of financial position as the related deferred tax balances qualify for offsetting under IAS 12.

(b) New HKICPA guidance on the accounting implications of the abolition of the MPF-LSP offsetting mechanism

In June 2022, the Government of the Hong Kong Special Administrative Region of the People's Republic of China (the "**Government**") gazetted the Hong Kong Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 (the "**Amendment Ordinance**"), which will eventually abolish the statutory right of an employer to reduce its long service payment ("**LSP**") and severance payment payable to a Hong Kong employee by drawing on its mandatory contributions to the mandatory provident fund ("**MPF**") scheme (also known as the "**offsetting mechanism**"). The Government has subsequently announced that the Amendment Ordinance will come into effect from May 1, 2025 (the "**Transition Date**"). Separately, the Government is also expected to introduce a subsidy scheme to assist employers after the abolition.

In July 2023, the HKICPA published "Accounting implications of the abolition of the MPF-LSP offsetting mechanism in Hong Kong" that provides guidance on the accounting considerations relating to the offsetting mechanism and the abolition of the mechanism.

The impact of the change is not reasonably estimable at the time this interim financial report is authorized for issue, as the Group has yet to fully complete its assessment of the impact of the HKICPA guidance. The Group expects to adopt this guidance with retrospective application in its annual financial statements for the year ending December 31, 2023.

3 REVENUE AND SEGMENT REPORTING

The Group principally generates its revenue from (i) the sales of freshly-made tea drinks, baked goods and other products through its operating teahouses and online food delivery applications; and (ii) the sales of ready-to-drink beverage.

(a) Disaggregation of revenue

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

	Six months ended June 30,	
	2023	2022
	RMB'000	*RMB'000*
Revenue from contracts with customers within the scope of IFRS 15		
Disaggregated by major products		
– Sales of freshly-made tea drinks	**1,904,535**	1,472,141
– Sales of ready-to-drink beverage	**156,848**	85,359
– Sales of baked goods and other products	**532,463**	487,447
	2,593,846	2,044,947
Disaggregated by timing of revenue recognition		
– A point in time	**2,590,044**	2,040,504
– Over time	**3,802**	4,443
	2,593,846	2,044,947

For the six months ended June 30, 2023, the Group did not have any customer with which transactions have exceeded 10% of the Group's total revenue (six months ended June 30, 2022: nil).

(b) Segment reporting

The Group manages its businesses by business lines. In view of the increased scale and business activities of ready-to-drink beverage business, and to help investors better understand the Group's revenue structure and margin trends, a new segment named "Ready-to-drink beverage business" has been separated since 2023, both in the internal reports to the most senior executive management and in the consolidated financial statements of the Group. The comparative figures in the consolidated financial statement and the note have been restated to conform with the new presentation. The Board believes that the above changes in segment information better reflect current market trends, as well as resource allocation and future business development of the Group.

In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has identified two reportable segments. No operating segments have been aggregated to form the following reportable segments.

- Freshly-made tea drinks business: this segment mainly offers freshly-made tea drinks, baked goods and other products through operating teahouses and online food delivery applications.

- Ready-to-drink beverage business: this segment mainly offers ready-to-drink beverage through distribution network.

(i) Segment results

The Group's most senior executive management assess the performance of the operating segments mainly based on segment revenue and operating profit of each operating segment. Logistic and storage fees and other expenses are common costs incurred for these operating segments as a whole and therefore, they are not included in the measure of the segments' performance which is used by the Group's most senior executive management as a basis for the purpose of resource allocation and performance assessment. Other income, other net losses, finance costs, share of losses of associates, fair value changes of financial assets at FVTPL and fair value changes of financial liabilities at FVTPL are not allocated to individual operating segment, either. In particular, advertising and promotions expenses relating to the ready-to-drink beverage business are allocated to segment performance of ready-to-drink beverage business.

The revenues from external customers reported to the Group's most senior executive management are measured in a manner consistent with that applied in the consolidated statement of profit or loss.

Other information, together with the segment information, provided to the Group's most senior executive management, is measured in a manner consistent with that applied in this interim financial report. There was no segment assets or segment liabilities information provided to the Group's most senior executive management.

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and performance assessment for the period is set out below.

	Freshly-made tea drinks business		Ready-to-drink beverage business		Total	
For the six months ended June 30,	**2023**	2022	**2023**	2022	**2023**	2022
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*
Reportable segment revenues	**2,436,998**	1,959,588	**156,848**	85,359	**2,593,846**	2,044,947
Reportable segment operating profit/(loss)	**492,953**	210,108	**11,628**	(17,112)	**504,581**	192,996

(ii) *Reconciliations of reportable segment profit or loss*

	Six months ended June 30,	
	2023	2022
	RMB'000	*RMB'000*
Reportable segment operating profit	**504,581**	192,996
Other income	**87,601**	64,064
Advertising and promotion expenses	**(63,054)**	(50,672)
Logistic and storage fees	**(68,589)**	(58,656)
Other expenses	**(117,331)**	(104,073)
Other net losses	**(25,694)**	(38,080)
Finance costs	**(34,003)**	(44,302)
Share of losses of associates	**55**	–
Fair value changes of financial assets at FVTPL	**(8,517)**	(527)
Fair value changes of financial liabilities at FVTPL	**–**	(15,862)
Unallocated head office and corporate expenses	**(196,492)**	(198,904)
Consolidated profit/(loss) before taxation	**78,557**	(254,016)

(iii) *Geographic information*

As substantially all of the Group's operations and assets are in the People's Republic of China ("**PRC**"), no geographic information is presented.

4 SEASONALITY OF OPERATIONS

The Group's freshly-made tea drinks business and ready-to-drink beverage business operations are subject to seasonal factors. The Group generally experience fewer purchase orders during cold seasons in the beginning and end of the first and fourth quarters of the year, respectively. The Group achieve higher purchase orders during the warm seasons in the second and third quarters of the year from time to time and during public holidays such as the national day celebration holidays in the PRC. The fluctuation in customer traffic resulted from these seasonal factors during these periods may have an impact on the Group's revenue. For the twelve months ended June 30, 2023, the Group reported revenue of RMB4,840,485,000 (twelve months ended June 30, 2022: RMB4,215,638,000).

5 OTHER INCOME

	Six months ended June 30,	
	2023	2022
	RMB'000	*RMB'000*
Interest income on:		
– bank deposits	**15,311**	15,249
– term deposits	**43,604**	–
– rental deposits	**3,131**	3,428
– other financial assets	**6,624**	–
Government grants *(note (i))*	**3,028**	45,387
Additional deduction of input VAT *(note (ii))*	**15,903**	–
	87,601	64,064

Notes:

(i) Government grants mainly represented unconditional cash awards granted by the government authorities in the PRC.

(ii) The amount represented 10% additional deduction of input VAT granted by the government authorities in the PRC upon satisfaction of certain applicable regulatory criteria.

6 PROFIT/(LOSS) BEFORE TAXATION

Profit/(loss) before taxation is arrived at after charging/(crediting):

	Six months ended June 30,	
	2023	2022
	RMB'000	*RMB'000*
(a) Finance costs		
Interest on lease liabilities	**33,445**	43,671
Interest on provisions	**558**	631
	34,003	44,302

	Six months ended June 30,	
	2023	2022
	RMB'000	*RMB'000*
(b) Other items		
Amortization	**84**	84
Depreciation		
– property and equipment	**142,864**	126,071
– right-of-use assets	**200,384**	221,371
	343,248	347,442
Impairment losses on non-financial assets		
– property and equipment	**2,676**	2,920
– right-of-use assets	**2,201**	2,919
	4,877	5,839
Other rentals and related expenses	**162,445**	102,380
Cost of inventories *(note (i))*	**825,490**	648,365
Write-down of inventories	**869**	823

Note (i): Cost of inventories mainly represented raw materials and consumables consumed during the sales of freshly-made tea drinks, baked goods, ready-to-drink beverage and other products.

	Six months ended June 30,	
	2023	2022
	RMB'000	*RMB'000*
(c) Other net losses		
Losses on disposal of non-current assets	**18,306**	13,539
Losses on stores closures	**4,955**	2,109
Net gains on reassessment of right-of-use assets and lease liabilities	**(3,025)**	(139)
Gain on forward foreign exchange contracts	**(6,531)**	–
Loss on foreign currency exchange	**8,191**	21,402
Others	**3,798**	1,169
	25,694	38,080

7 INCOME TAX

	Six months ended June 30,	
	2023	2022
	RMB'000	*RMB'000*
Current tax	**462**	4,920
Deferred tax	**13,249**	(2,061)
	13,711	2,859

Notes:

(i) Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands ("**BVI**"), the Group is not subject to any income tax in the Cayman Islands and the BVI.

(ii) The provision for Hong Kong Profits Tax is subject to Hong Kong's two-tiered profits tax regime, under which the tax rate is 8.25% for assessable profits on the first HKD2 million and 16.5% for any assessable profits in excess of HKD2 million. The Group's subsidiaries in Hong Kong did not have any assessable profits for all the reporting periods presented.

(iii) Taxable income for the Group's subsidiaries in the PRC is subject to PRC income tax rate of 25% for all the reporting periods presented, unless otherwise specified below.

Certain subsidiaries of the Group fulfilled the criteria required for preferential income tax rate granted to small and low profit-making enterprise in the PRC, and were entitled to a preferential income tax rate of 5% and 10% on taxable income for the first RMB1,000,000 and the subsequent RMB1,000,000 to RMB3,000,000 respectively, for all the reporting periods presented.

(iv) The subsidiaries in the United States of America and Japan of the Group did not have any assessable profits for all the reporting periods presented.

8 EARNINGS/(LOSS) PER SHARE

(a) Basic earnings/(loss) per share

The calculation of basic earnings/(loss) per share is based on the profit attributable to ordinary equity shareholders of the Company of RMB66,098,000 (six months ended June 30, 2022: loss of RMB254,215,000) and the weighted average of 1,715,126,147 ordinary shares (2022: 1,715,126,147 ordinary shares) in issue during the interim period.

(b) Diluted earnings/(loss) per share

There were no diluted potential ordinary shares for the six months ended June 30, 2023 and 2022. Accordingly, diluted earnings/(loss) per share for the six months ended June 30, 2023 and 2022 are same as basic earnings/(loss) per share.

9 PROPERTY AND EQUIPMENT AND RIGHT-OF-USE ASSETS

(a) Right-of-use assets

During the six months ended June 30, 2023, the Group entered into a number of lease agreements for use of teahouses and offices, and therefore recognized the additions to right-of-use assets of RMB351,616,000 (six months ended June 30, 2022: RMB239,289,000).

The leases of teahouses contain variable lease payment terms that are based on sales generated from the teahouses and minimum monthly lease payment terms that are fixed. These payment terms are common in PRC where the Group operates. During the six months ended June 30, 2022, the Group received rent concessions in the form of a discount on fixed payments during the period of severe social distancing and travel restriction measures introduced to contain the spread of COVID-19. The amount of fixed and variable lease payments for the interim reporting period is summarized below:

	Six months ended June 30, 2023			
	Fixed payments *RMB'000*	**Variable payments** *RMB'000*	**COVID-19 rent concessions** *RMB'000*	**Total payments** *RMB'000*
Leased assets	**217,993**	**135,798**	**–**	**353,791**

	Six months ended June 30, 2022			
	Fixed payments *RMB'000*	Variable payments *RMB'000*	COVID-19 rent concessions *RMB'000*	Total payments *RMB'000*
Leased assets	247,660	94,589	(3,221)	339,028

The Group applied the practical expedient in paragraph 46A of IFRS 16 to all eligible rent concessions received by the Group during the six months ended June 30, 2022.

(b) Acquisitions and disposals of owned assets

During the six months ended June 30, 2023, the Group acquired items of leasehold improvements and other equipment with a cost of RMB204,251,000 (six months ended June 30, 2022: RMB331,673,000). Items of leasehold improvements and other equipment with a net book value of RMB20,610,000 were disposed of during the six months ended June 30, 2023 (six months ended June 30, 2022: RMB30,111,000), resulting in a loss on disposal of RMB18,306,000 (six months ended June 30, 2022: RMB13,539,000).

(c) Impairment loss

The recoverable amount of each teahouse (cash generating unit ("**CGU**")) with indication of impairment is estimated at the end of each reporting period. As at the end of each reporting period, in view of the unfavorable future prospects and poor performance of certain teahouses, there were indications that the CGUs may suffer an impairment loss. The management of the Group has conducted impairment testing for teahouses with impairment indications. The recoverable amount of each CGU is determined based on value-in-use calculations by preparing cash flow projections of the relevant CGU derived from the most recent financial forecast approved by the management covering the remaining lease term. An impairment loss of RMB4,877,000 was recognized in "Other expenses" (six months ended June 30, 2022: RMB5,839,000).

10 INTERESTS IN ASSOCIATES

The following list contains the particulars of associates, all of which are unlisted corporate entities whose quoted market price is not available:

			Proportion of ownership interest		
Name of associate	**Place of incorporation and business**	**Registered share capital**	**Group's effective interest**	**Held by a subsidiary**	**Principal activity**
Shanghai Chatian Catering Management Co., Ltd. (上海茶田餐飲管理有限公司, "Shanghai Chatian") *(notes (i)(ii)(iii))*	the PRC	RMB57,797,321	43.64%	43.64%	Sales of freshly-made tea drinks, baked goods and other products
Shanghai Ultimate Food Co., Ltd. (上海澳帝美食品有限公司) *(notes (i)(iii))*	the PRC	RMB2,545,000	21.4%	21.4%	Sales of coffee and other products
Shanghai Jiu Wen Qian Food & Beverage Management Co., Ltd. (上海九文錢餐飲管理有限公司) *(notes (i)(iii))*	the PRC	RMB1,248,477	19.9%	19.9%	Sales of fresh fruit tea drinks and other products
Shenzhen Xing Fu Kai Brand Management Co., Ltd. (深圳市幸福開品牌管理有限公司) *(notes (i)(iii))*	the PRC	RMB1,176,500	15.0%	15.0%	Sales of coffee and other products

Notes:

(i) The official name of these entities is in Chinese. The English translation of the name is for identification only.

(ii) During the six months period ended June 30, 2023, through acquired interest in Lelecha Group Inc., a Cayman Islands registered company, the Group had an effective interest of 43.64% in Shanghai Chatian.

(iii) Based on the investment agreement, the Group has the right to appoint certain number of the board members which allow the Group to exercise significant influence over the investee's operational and financial directions.

All of the above associates are accounted for using the equity method in the consolidated financial statements.

11 OTHER CURRENT ASSETS AND OTHER NON-CURRENT ASSETS

	At June 30, 2023	At December 31, 2022
	RMB'000	*RMB'000*
Current		
Certificates of deposit	**100,000**	100,000
Non-current		
Certificates of deposit	**410,000**	170,000
Prepayments for purchase of property	**187,261**	204,115
Prepayments for purchase of equipment	**10,712**	26,892
Others	**4,883**	1,666
	612,856	402,673

12 FINANCIAL ASSETS AT FVTPL

	At June 30, 2023	At December 31, 2022
	RMB'000	*RMB'000*
Financial assets designated at FVTPL		
– Listed equity investment *(note (i))*	**34,680**	43,200
– Unlisted equity investment *(note (ii))*	**6,000**	6,000
– Wealth management products *(note (iii))*	**453**	110,397
	41,133	159,597

Notes:

(i) The Group held equity interest in Tianye Innovation Corporation (田野創新股份有限公司) ("**Tianye**"), which has successfully listed on Beijing Stock Exchange on February 2, 2023. Fair value of Tianye is measured by referencing to the stock price.

(ii) The Group held unlisted equity investment engaged in sales of baked goods. Fair value of the unlisted equity investment is measured by referencing to the latest equity transactions. Otherwise, the costs are used as approximation of fair value if there is no significant change observed.

(iii) Wealth management products are issued by a financial institution in mainland China with a floating return which will be paid together with the principal with the maturity date within 1 year.

13 INVENTORIES

Inventories in the consolidated statement of financial position comprise:

	At June 30, 2023 *RMB'000*	At December 31, 2022 *RMB'000*
Raw materials	**83,750**	72,976
Ready-to-drink beverage	**4,177**	3,193
Packaging supplies and others	**46,442**	50,115
	134,369	126,284

14 TRADE AND OTHER RECEIVABLES, AND PREPAYMENTS

	At June 30, 2023 *RMB'000*	At December 31, 2022 *RMB'000*
Trade and other receivables		
– Trade receivables	**12,790**	3,178
– Input valued-added tax recoverable	**193,890**	158,805
– Income tax recoverable	**1,780**	1,770
– Amounts due from related parties	**28**	13
– Loan to an ongoing investment *(note (i))*	**–**	50,000
– Interest receivables	**66,040**	28,694
– Other receivables	**39,544**	42,441
	314,072	284,901
Prepayments	**105,384**	91,561

Note (i): Loan to an ongoing investment is related to a loan made to a newly recognized associate of the Group for working capital purpose. The loan had been fully settled upon the completion of the acquisition transaction.

All of the current portion of trade and other receivables are expected to be recovered or recognized as expense within one year.

Ageing analysis

As of the end of the reporting period, the ageing analysis of trade receivables based on the invoice date and net of loss allowance, is as follows:

	At June 30, 2023	At December 31, 2022
	RMB'000	*RMB'000*
Within 1 month	**3,472**	1,233
1 to 3 months	**8,945**	1,845
3 to 6 months	**258**	100
Over 6 months	**115**	–
	12,790	3,178

Trade receivables are due within 30 to 90 days from the date of billing.

15 CASH AND CASH EQUIVALENTS

	At June 30, 2023	At December 31, 2022
	RMB'000	*RMB'000*
Cash at bank and on hand	**3,154,680**	3,477,336
Less: restricted bank deposits	**(11,164)**	(995)
Less: term deposits – current	**(1,904,709)**	(1,818,846)
Less: term deposits – non-current	**(57,806)**	–
Less: certificates of deposit – current *(note 11)*	**(100,000)**	(100,000)
Less: certificates of deposit – non-current *(note 11)*	**(410,000)**	(170,000)
Cash and cash equivalents	**671,001**	1,387,495

Note (i): As at June 30, 2023, cash and cash equivalents placed with banks in Mainland China amounted to RMB613,846,000 (December 31, 2022: RMB785,359,000). Remittance of funds out of Mainland China is subject to relevant rules and regulations of foreign exchange control promulgated by the PRC government.

16 TRADE AND OTHER PAYABLES

	At June 30, 2023 RMB'000	At December 31, 2022 RMB'000
Trade payables	**195,492**	169,875
Other payables and accrued charges	**299,922**	307,482
Amounts due to related parties	**–**	1,157
	495,414	478,514

As of the end of the reporting period, the ageing analysis of trade payables based on the invoice date, is as follows:

	At June 30, 2023 RMB'000	At December 31, 2022 RMB'000
Within 1 year	**194,290**	168,648
More than 1 year	**1,202**	1,227
	195,492	169,875

17 EQUITY-SETTLED SHARE-BASED PAYMENTS

The table below sets forth share-based payments expenses for share options and RSUs during the reporting period:

	Six months ended June 30,	
	2023	2022
	RMB'000	*RMB'000*
Share Option Plan (a)	**1,696**	4,278
RSUs (b)	**3,611**	3,588
	5,307	7,866

The Group has the following share-based payment arrangements:

(a) Share Option Plan (equity-settled)

The Group granted share-based awards to qualified directors and employees pursuant to the Share Option Plan, which was adopted in May 2020 and governed by the contractual terms of the awards. The qualified participants of the Share Option Plan are required to satisfy certain vesting service and non-market performance conditions for the entitlements. In accordance with the Share Option Plan agreements, the holders of vested options are entitled to purchase the Company's shares at fixed prices predetermined as at each vesting date.

The Group recognizes share-based payment expenses in its consolidated statement of profit or loss based on awards ultimately expected to vest.

Options granted typically expire in 10 years from the respective grant dates. The options may be exercised at any time after they have vested subject to the terms of the award agreement and are exercisable for a maximum period of 10 years after the date of grant.

600,070 of share options were exercised during the six months ended June 30, 2023 (six months ended 30 June, 2022: 901,240).

A summary of activities of the service-based share options is presented as follows:

	Number of share options	**Weighted average exercise price** *RMB*	**Weighted average remaining contractual term** *Year*
Outstanding as at January 1, 2022	27,318,682	0.73	8.6
Exercised during the period	(901,240)	0.73	–
Forfeited during the period	(474,960)	0.73	–
Outstanding as at June 30, 2022	25,942,482	0.73	8.1
Exercisable as at June 30, 2022	4,284,082	–	–
Exercised during the period	(1,480,120)		
Forfeited during the period	(1,526,115)	0.73	–
Outstanding as at December 31, 2022	22,936,247	0.73	7.6
Exercisable as at December 31, 2022	8,521,662	–	–
Exercised during the period	(600,070)	0.73	–
Forfeited during the period	(524,375)	0.73	–
Outstanding as at June 30, 2023	21,811,802	0.73	7.1
Exercisable as at June 30, 2023	7,918,337		

(b) **RSUs (equity-settled)**

The RSUs granted would vest in tranches from the grant date over a certain service period, on specific service condition that the employees remain in service and scheduled to be vested over one to four years without any performance condition requirements. Based on the vesting schedules of the Group's plan, the first tranche shall be vested upon the first anniversary dates of the grants, and the remaining of the awards shall be vested on straight-line basis at the anniversary years over a period of the remaining three years.

Movements in the number of RSUs granted and the respective weighted average grant date fair value are as follows:

	Number of RSUs	Weighted average grant date fair value per RSU *RMB*	Weighted average remaining vesting periods *Year*
Outstanding as at January 1, 2022	6,411,300	4.52	3.0
Exercised during the period	(1,199,375)	2.84	
Forfeited during the period	(310,250)	14.34	
Outstanding as at June 30, 2022	4,901,675	4.31	2.5
Granted during the period	79,000	4.99	
Exercised during the period	(760,575)	3.69	
Forfeited during the period	(67,000)	8.66	
Outstanding as at December 31, 2022	(4,153,100)	4.37	2.0
Exercised during the period	(1,040,340)	2.59	
Forfeited during the period	(30,700)	2.04	
Outstanding as at June 30, 2023	3,082,060	5.00	1.7

18 CAPITAL, RESERVES, DIVIDENDS AND NON-CONTROLLING INTERESTS

(a) **Dividends**

No interim dividends have been declared or paid by the Company during the six months ended June 30, 2023 (six months ended June 30, 2022: nil).

(b) **Share capital**

The Company was incorporated as an exempted company with limited liability in the Cayman Islands on September 5, 2019 with authorized share capital of USD250,000 divided into 5,000,000,000 shares with a par value of USD0.00005 each.

OTHER INFORMATION

INTERIM DIVIDEND

The Board does not recommend the payment of any interim dividend for the six months ended June 30, 2023 (for the six months ended June 30, 2022: nil).

PURCHASE, SALE OR REDEMPTION OF THE SECURITIES OF THE COMPANY

During the Reporting Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the securities of the Company.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company's corporate governance practices are based on the principles and code provisions as set out in the Corporate Governance Code contained in Appendix 14 to the Listing Rules (the "**CG Code**"). During the Reporting Period, save as disclosed below, the Company has complied with all the applicable code provisions as set out in the CG Code.

Pursuant to code provision C.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. During the Reporting Period and as of the date of this announcement, Mr. Zhao is currently the Chairman of the Board and Chief Executive Officer of the Company.

Mr. Zhao served as a director of Shenzhen Pindao Food & Beverage Management Co., Ltd. (深圳市品道餐飲管理有限公司) from February 2017 to October 2020 and has been acting as a Director of the Company since June 2020. He is the founder of the Group and has extensive experience in the business operations and management of the Group. Our Directors believe that it is beneficial to the business operations and management of the Group that Mr. Zhao serves as both the Chairman of the Board and the Chief Executive Officer of the Company. This structure will enable the Company to make and implement decisions promptly and effectively. Our Directors consider that the balance of power and authority will not be impaired due to this arrangement. In addition, all major decisions are made in consultation with members of the Board, including the relevant Board committees, and three independent non-executive Directors.

Following the resignation of Mr. Chen Qunsheng as an independent non-executive Director, a member of the Audit Committee, a member of the Nomination Committee and a member of the Remuneration Committee with effect from April 30, 2023, the Company only had two independent non-executive Directors. The number of independent non-executive Directors was less than the requirements under Rules 3.10(1) and 3.10A of the Listing Rules, and the composition of the Audit Committee, Remuneration Committee and Nomination Committee did not comply with the requirements under Rules 3.21, 3.25 and 3.27A of the Listing Rules.

Mr. Xie Yongming has been appointed as an independent non-executive Director, a member of the Audit Committee, a member of the Nomination Committee and a member of the Remuneration Committee with effect from July 28, 2023. Following the appointment of Mr. Xie as an independent non-executive Director and a member of the Audit Committee, Nomination Committee and Remuneration Committee, the Company has fully complied with the requirements under Rules 3.10(1), 3.10A, 3.21, 3.25 and 3.27A of the Listing Rules.

The Board will review the corporate governance structure and practices from time to time and shall make necessary arrangements when the Board considers appropriate.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED COMPANIES

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 to the Listing Rules as its code of conduct regarding securities transactions by the Directors. Upon specific enquiry, all Directors confirmed that they had complied with the requirements as set out in the Model Code during the Reporting Period.

AUDIT COMMITTEE

The Audit Committee consists of three independent non-executive Directors, namely Ms. Zhang Rui (Chairperson), Mr. Liu Yiwei, and Mr. Xie Yongming. The Group's interim results for the Reporting Period have been reviewed by all members of the Audit Committee and they were of the opinion that the Group's unaudited interim results were prepared in accordance with applicable accounting standards.

In addition, the Company's independent auditor, KPMG, has performed an independent review of the Group's interim financial report for the Reporting Period in accordance with Hong Kong Standard on Review Engagements 2410 "*Review of Interim Financial Information performed by the Independent Auditor of the Entity*" issued by the Hong Kong Institute of Certified Public Accountants.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This announcement is published on the websites of the Company (www.naixuecha.com) and the Stock Exchange (www.hkexnews.hk). The interim report of the Company for the Reporting Period will be dispatched to the Shareholders and published on the above websites in due course.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings.

"2020 Share Incentive Plan"	the share incentive plan of the Company approved and adopted on May 15, 2020
"2020 Share Option Plan"	the share option plan of the Company approved and adopted on May 15, 2020
"associate(s)"	has the meaning ascribed to it under the Listing Rules
"Audit Committee"	the audit committee of the Board
"Board"	the board of Directors of the Company
"Company"	Nayuki Holdings Limited (奈雪的茶控股有限公司) (formerly known as Pindao Holdings Limited (品道控股有限公司)), an exempted company with limited liability incorporated in the Cayman Islands on September 5, 2019, whose Shares were listed and traded on the Stock Exchange (Stock code: 2150)
"Controlling Shareholders"	has the meaning ascribed to it under the Listing Rules and, in the context of this results announcement, means Mr. Zhao Lin, Ms. Peng Xin, Linxin Group Limited, Linxin International Limited, Linxin Holdings Limited and Crystal Tide Profits Limited

"Director(s)"	member(s) of the board of directors of the Company, including all executive, non-executive and independent non-executive directors
"Global Offering"	the Hong Kong Public Offering and the International Offering
"Group," "our Group," "the Group," "we" or "us"	the Company and our subsidiaries (or the Company and any one or more of our subsidiaries, as the context may require)
"HK$" or "HKD"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC
"IFRS"	International Financial Reporting Standards, amendments, and interpretations, as issued from time to time by the IASB
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
"Mr. Zhao"	Zhao Lin, the Chairman of the Board and the Chief Executive Officer of the Company
"Nomination Committee"	the nomination committee of the Board
"Option(s)"	share option(s) granted pursuant to the 2020 Share Option Plan
"PRC" or "China" or the "People's Republic of China"	the People's Republic of China and, except where the context otherwise requires, references in this announcement to the PRC or China do not apply to Hong Kong, Macau Special Administrative Region and Taiwan Province

"Prospectus"	the prospectus of the Company dated June 18, 2021
"Remuneration Committee"	the remuneration committee of the Board
"Reporting Period"	the six months ended June 30, 2023
"RMB"	Renminbi, the lawful currency of the PRC
"RSU(s)"	restricted share unit(s) granted pursuant to the 2020 Share Incentive Plan
"Shanghai Chatian"	Shanghai Chatian Catering Management Co., Ltd. (上海茶田餐飲管理有限公司), a company with limited liability established and existing under the laws of the PRC
"Shareholders"	holders of the Shares
"Shares"	shares of the Company of nominal value of US$0.00005 each
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"USD"	United States dollars, the lawful currency for the United States
"%"	per cent

By order of the Board
Nayuki Holdings Limited
ZHAO Lin
Chairman

Shenzhen, China, August 29, 2023

As at the date of this announcement, the Board comprises Mr. ZHAO Lin, Ms. PENG Xin and Mr. DENG Bin as executive directors; Mr. PAN Pan and Mr. WONG Tak-wai as non-executive directors; and Mr. LIU Yiwei, Ms. ZHANG Rui and Mr. XIE Yongming as independent non-executive directors.