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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)

POSITIVE PROFIT ALERT

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, 2023 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 RMB1.17 billion to RMB1.22 billion for the year ended December 31, 2023, representing a decrease from the revenue of approximately RMB1.56 billion of the Group for the year ended December 31, 2022, which is mainly due to the Company’s strategic transformation to a platform-based company and asset-light model by proactively adjusting its Self-operated bars network and vigorously developing its “HiBeer Partnership” bars network in order to adapt to changes in the economic environment; (ii) the Group will record a profit for the year attributable to owners of the Company for the year ended December 31, 2023 in a range of approximately RMB0.16 billion to RMB0.21 billion, as compared to the loss for the year attributable to owners of the Company for the year ended December 31, 2022 of approximately RMB1.60 billion; and (iii) the adjusted net profit of the Group, which is a non-HKFRS measure, for the year ended December 31, 2023, will be within a range from approximately RMB0.27 billion to RMB0.30 billion, as compared with the adjusted net loss of the Group for the year ended December 31, 2022 of approximately RMB0.24 billion.

The expected net profit for 2023 is mainly attributable to the gradual rebound of customer flow in our bars as the dynamic-zero COVID-19 measures were lifted, the improvement in operating performance of our stores and the optimization of efficiency as a result of refined management.

The Board believes that the rapid and smooth progress of the “HiBeer Partnership” programme under the strategic transformation to a platform-based company not only reflects our broad market demand and the industry-leading position of our brand, but also demonstrates that the new single-store model is a good fit with the market environment. Since its launch in June 2023 and up to the date of this announcement, a total of more than 180 “HiBeer Partnership” bars have been opened, covering a total of 133 cities from first-tier cities to county-level cities, and will accelerate its expansion in 2024. For relevant details on this programme, please refer to the 2023 Interim Report of the Company.

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/(loss) for the year adjusted by adding back equity-settled share-based payments, and losses from bars optimization and adjustment (which comprise impairment losses of plant and equipment and right-of-use assets, loss on disposal of plant and equipment, loss on forfeiture of rental deposits, penalties and compensations for early termination and gain on termination of leases). In particular, the amount of equity-settled share-based payments for the year ended December 31, 2023 will be nil, and the amount of losses from bars optimization and adjustment will be within a range from approximately RMB0.09 billion to RMB0.13 billion, as compared with the amount of equity-settled share-based payments and losses from bars optimization and adjustment for the year ended December 31, 2022 of approximately RMB0.50 billion and RMB0.86 billion, respectively. 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 equity-settled share-based payments, and losses from bars optimization and adjustment. Such non-HKFRS measure allows investors to consider metrics used by our management in evaluating our performance.

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, 2023. 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, 2023 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, 2023, which is expected to be released in March 2024.

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, 1 March, 2024

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