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Helens International Holdings Company Limited

海倫司國際控股有限公司

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

(Stock Code: 9869)

PROFIT 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 six months ended June 30, 2024 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 RMB430 million to RMB450 million for the six months ended June 30, 2024, representing a decrease of approximately 36.6% to 39.4% as compared to the revenue of the Group for the six months ended June 30, 2023; (ii) the Group will record a net profit for the six months ended June 30, 2024 within a range of approximately RMB67.0 million to RMB74.0 million, as compared to the net profit of the Group for the six months ended June 30, 2023 of approximately RMB157.5 million; and (iii) the adjusted net profit of the Group, which is a non-HKFRS measure, for the six months ended June 30, 2024, will be within a range of approximately RMB87.2 million to RMB95.2 million, as compared with the adjusted net profit of the Group for the six months ended June 30, 2023 of approximately RMB187.7 million (calculated as set out below in this announcement).

The decrease in net profit in the first half of 2024 is mainly attributable to the following reasons: (i) the business of the Group saw significant post-COVID-19 recovery in the first half of 2023, resulting in a relatively high base result, while in the first half of 2024, consumer consuming habits is impacted by the increased uncertainties for global economic recovery prospect and the complex and changing external environment, resulting in worsen performance; and (ii) the listing expenses amounted to approximately RMB12.2 million from the secondary listing on the Singapore Exchange.

In the first half of 2024, in order to adapt to changes in external environment, the Group will continue to focus on our platform-based transformation strategy. Through accelerating the deployment of and optimising our store network through the “HiBeer Partnership” programme, the total number of stores in our store network has increased from 479 in the beginning of 2024 to 574 as of the end of July 2024.

In July 2024, in order to better respond to the development of the new era, the Group further launched “Community Space”, a compound business model with high penetration and vitality. As a business terminal penetrating into thousands of communities, “Community Space” will rely on the dual platforms of the Group’s product supply chain and space creation to connect people, stores and communities in the community, achieving multiple revenue-generating activities, such as in-store sales, takeaway to home, new alcoholic drinks retailing, new commercial space, etc., so as to constantly contribute value to the new life of consumers.

The Board wishes to highlight that “adjusted net profit” is not defined under the Hong Kong Financial Reporting Standards (“**HKFRSs**”). It is defined by the Group as profit for the year adjusted by adding back secondary listing expenses and losses from bars optimisation 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, for the six months ended June 30, 2024, the amount of secondary listing expenses will be RMB12.2 million and the amount of losses from bars optimisation and adjustment will be within a range of approximately RMB8.0 million to RMB9.0 million, as compared with the amount of losses from bars optimisation and adjustment for the six months ended June 30, 2023 of RMB30.2 million. 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 secondary listing expenses and losses from bars optimisation 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 as an analytical tool has limitations, 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 HKFRSs. 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 finalising the consolidated interim results of the Group for the six months ended June 30, 2024. 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 six months ended June 30, 2024 may differ from the information contained in this announcement. Shareholders and potential investors are advised to read carefully the announcement of the interim results of the Group for the six months ended June 30, 2024, which is expected to be released in August 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, August 2, 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.