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DPC Dash Ltd
达势股份有限公司

(incorporated in the British Virgin Islands with limited liability)

(Stock code: 1405)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED JUNE 30, 2024

The board (the “**Board**”) of directors (the “**Directors**”) of DPC Dash Ltd (the “**Company**”, together with its subsidiaries, the “**Group**”) is pleased to announce the unaudited condensed consolidated interim results of the Group for the six months ended June 30, 2024 (the “**Reporting Period**”). The condensed interim consolidated financial information is unaudited but has been reviewed by the Company’s audit and risk committee and the Company’s auditors, PricewaterhouseCoopers, in accordance with International Standard on Review Engagements 2410 “Review of interim financial information performed by the independent auditor of the entity” issued by the International Auditing and Assurance Standards Board.

KEY HIGHLIGHTS

	Six months ended June 30,		
	2024 (RMB '000) (Unaudited)	2023 (RMB '000)	change (%)/ percentage points change
Revenue	2,041,461	1,376,370	48.3%
Store-level operating profit ⁽¹⁾	296,155	186,289	59.0%
Store-level operating profit margin ⁽²⁾	14.5%	13.5%	+1.0
Profit before income tax	40,894	28,096	45.6%
Profit for the period attributable to owners of the Company	10,907	8,751	24.6%
Basic Profit per share (RMB)	0.08	0.08	–
Diluted Profit per share (RMB)	0.08	0.07	14.3%
Non-IFRS Measures			
Store-level EBITDA ⁽³⁾	393,902	257,421	53.0%
Store-level EBITDA margin (%) ⁽⁴⁾	19.3%	18.7%	+0.6
Adjusted EBITDA ⁽⁵⁾	233,387	127,022	83.7%
Adjusted EBITDA margin (%) ⁽⁶⁾	11.4%	9.2%	+2.2
Adjusted Net Profit/(Loss) ⁽⁷⁾	50,890	(17,445)	N/A

Notes:

- (1) Store-level operating profit represents revenue less operational costs incurred at the store level, comprising salary-based expense, raw materials and consumables cost, depreciation of right-of-use assets, depreciation of plant and equipment, amortization of intangible assets, variable lease rental payment and short-term rental expenses, utilities expenses, advertising and promotion expenses, store operating and maintenance expenses and other expenses.
- (2) Store-level operating profit margin is calculated by dividing store-level operating profit by revenue for the same period.
- (3) “Store-level EBITDA” is defined as store-level operating profit for the period and adding back depreciation of plant and equipment and amortization of intangible assets in store-level.
- (4) “Store-level EBITDA margin” is calculated by dividing Store-level EBITDA by revenue for the same period.
- (5) “Adjusted EBITDA” is defined as Adjusted Net Profit/(Loss) for the period and adding back depreciation and amortization (excluding depreciation of right-of-use assets), income tax expense and interest income and expenses, net.
- (6) “Adjusted EBITDA margin” is calculated by dividing Adjusted EBITDA by revenue for the same period.
- (7) “Adjusted Net Profit/(Loss)” is defined as profit for the period and adding back fair value change of financial liabilities at fair value through profit or loss, share-based compensation and listing expenses.

Non-IFRS Measures

To supplement the Group’s consolidated financial statements that are presented in accordance with the International Financial Reporting Standards (“**IFRS**”), we also use Adjusted Net Profit/(Loss) (non-IFRS measure), Adjusted EBITDA (non-IFRS measure), Adjusted EBITDA margin (non-IFRS measure), Store-level EBITDA (non-IFRS measure) and Store-level EBITDA margin (non-IFRS measure) as additional financial measures, which are not required by, or presented in accordance with, IFRS. We believe that these non-IFRS measures facilitate comparisons of operating performance from period to period and company to company. We believe that these measures provide useful information to investors and others in understanding and evaluating our results of operations in the same manner as they help our management. However, our presentation of Adjusted Net Profit/(Loss) (non-IFRS measure), Adjusted EBITDA (non-IFRS measure), Adjusted EBITDA margin (non-IFRS measure), Store-level EBITDA (non-IFRS measure) and Store-level EBITDA margin (non-IFRS measure) may not be comparable to similarly titled measures presented by other companies. The use of such non-IFRS measures has limitations as an analytical tool, and you should not consider them in isolation from, or as substitute for analysis of, our results of operations or financial condition as reported under IFRS.

BUSINESS HIGHLIGHTS

We are pleased to announce the key operating metrics, as set forth below, in relation to the Group's business for the six months ended June 30, 2024 (as compared with the six months ended June 30, 2023 and December 31, 2023):

Store counts

	As of June 30, 2024	As of December 31, 2023	As of June 30, 2023
Beijing and Shanghai	363	351	331
New growth markets	551	417	341
Total	914	768	672

Number of cities entered

	As of June 30, 2024	As of December 31, 2023	As of June 30, 2023
Number of cities entered	33	29	20

Same-store Sales Growth ("SSSG")⁽¹⁾

	Six months ended June 30, 2024	Six months ended June 30, 2023
SSSG	3.6%	8.8%

Loyalty membership numbers

	As of June 30, 2024	As of December 31, 2023	As of June 30, 2023
Loyalty membership numbers (million)	19.4	14.6	10.9

Note:

- (1) SSSG compares the sales generated by same stores during the relevant period year-on-year: the SSSG for the six months ended June 30, 2024 compares the same-store sales of the six months ended June 30, 2024 and that of the six months ended June 30, 2023. The SSSG for the six months ended June 30, 2023 compares the same-store sales of the six months ended June 30, 2023 and that of the six months ended June 30, 2022.

MANAGEMENT DISCUSSION AND ANALYSIS

We are Domino's Pizza's exclusive master franchisee in the China mainland, the Hong Kong Special Administrative Region of China and the Macau Special Administrative Region of China. As of June 30, 2024, we directly operated 914 stores across 33 cities in the China mainland. Our global franchisor, Domino's Pizza, Inc., is one of the world's largest pizza companies, with more than 20,900 stores in over 90 markets around the world at the end of the Reporting Period.

Business Review for the Six Months Ended June 30, 2024

During the first six months of 2024, our business continued to grow at an outstanding pace. Our sales achieved, number of new stores opened and number of new cities entered all hit record high.

We generated a total revenue of RMB2,041.5 million during the Reporting Period, representing a 48.3% year-over-year growth as compared with the revenue of RMB1,376.4 million during the same period of 2023. Revenue growth was observed across all markets as we further penetrate in existing cities as well as expand into new cities. The revenue generated from our new growth markets accounted for 61% of our total revenue during the first six months of 2024, making our new growth markets the main growth driver for our Company. The strong revenue growth was not only built on the continued overall strong performance of existing stores in new growth markets, but also the good performance in the new cities we expanded, including the eight cities we expanded to at the end of last year as well as the four new cities during the first half of 2024, namely Jiangmen, Taizhou, Jinhua and Huizhou. Of the 42 stores we opened in these twelve cities, 18 stores have paid back. Overall, the average payback period of these stores is expected to be within 9 months. We believe the consistent success in all of these newly entered growth markets is a strong testimony of Domino's Pizza's brand strength and brand momentum in China.

During the first six months of 2024, we had a net store opening of 146 stores. As of June 30, 2024, the store counts of our new growth markets have surpassed more than half of our total store network. In addition, we continue the momentum in taking more top ranking spots in the First-30-Day-Sales records within the Domino's Pizza global system. As of July 31, 2024, we've taken 28 spots out of the global top 30. Our loyalty membership number increased from 10.9 million as of June 30, 2023 to 19.4 million as of June 30, 2024 and revenue contributed by our loyalty members as a percentage of total revenue increased from 58.5% in the six months ended June 30, 2023 to 63.6% in the six months ended June 30, 2024. We currently only operate in 33 cities in China as of June 30, 2024. We believe we will be able to continue to successfully roll out our Domino's Pizza stores into new cities in China and bring our products accessible to more customers in China and further strengthen our brand national awareness.

Built on the strong revenue, our operational efficiency has also improved at both store-level and corporate-level, leading to improved profitability performance at both store and corporate-level. Our Store-level EBITDA increased by 53.0% year-over-year from RMB257.4 million in the first half of 2023 to RMB393.9 million for the Reporting Period, and the Store-level EBITDA margin improved to 19.3% for the Reporting Period as compared with 18.7% for the same period of 2023. Our store-level operating profit increased by 59.0% year-over-year from RMB186.3 million in the first half of 2023 to RMB296.2 million for the Reporting Period. The store-level operating profit margin improved to 14.5% for the Reporting Period as compared with 13.5% for the same period of 2023. The Group's Adjusted EBITDA increased by 83.7% from RMB127.0 million in the first half of 2023 year-over-year to RMB233.4 million for the Reporting Period. Accordingly, our Adjusted Net Profit/(Loss) turned positive from Adjusted Net Loss of RMB17.4 million in the first half of 2023 to Adjusted Net Profit of RMB50.9 million for the Reporting Period. Furthermore, our reported net profit after tax reached RMB10.9 million, a 24.6% year-over-year growth comparing to a report net profit after tax of RMB8.8 million during the first half of 2023 (with such RMB8.8 million Net Profit being positively impacted by the fair value gain of approximately RMB119.3 million on the convertible senior ordinary shares).

Business Outlook

We plan to open approximately 240 stores in 2024. During the first half of 2024, we have a net opening of 146 new stores. As of August 20, 2024, we have opened additional 31 stores, with 29 stores under construction and 21 stores signed, well on track to deliver the 2024 full year opening target.

Looking forward, with further strengthened brand name and rising brand momentum, we will continue to execute our go-deeper and go-broader network expansion strategy, entering more new cities while further penetrating our existing markets. We would also look to further improve the cost efficiency as we continue to scale up and our stores continue to ramp up.

Events after the Reporting Period

There has been no material event that is required to be disclosed by the Company after the Reporting Period.

Financial Review

1. Revenue

Our revenue increased by 48.3% from RMB1,376.4 million for the six months ended June 30, 2023 to RMB2,041.5 million for the six months ended June 30, 2024, mainly attributable to (a) the increase in our average daily sales per store and (b) the increased number of stores in operation during the respective periods.

Our average daily sales per store increased by 10.1% from RMB12,275 for the six months ended June 30, 2023 to RMB13,515 for the six months ended June 30, 2024, mainly driven by the increases in average daily orders per store, which grew from 140 for the six months ended June 30, 2023 to 162 for the six months ended June 30, 2024, partially offset by a slight decrease in average sales value per order. The strong growth in the order volumes is not only driven by the growth in our existing market stores as we continue our penetration and brand strengthening, but also in particular by the strong performance of the new stores in the new markets we entered over the past 24 months, which demonstrates a strong brand momentum as we continue to expand our footprint to other major cities in China. In the newly entered markets, our revenue mainly generated from dine-in and carry out. The high dine-in and carry-out volumes in the stores in our newly entered markets as new customers try out the Domino's Pizza brand and our products have made us voluntarily suspended delivery service temporarily. We will gradually open up the delivery service when the time is appropriate. In the context of this voluntary choice, as we speed up our store openings and entered more new cities, the percentage of delivery services decreased from 63.6% of total revenue for the six months ended June 30, 2023 to 46.4% for the six months ended June 30, 2024. The overall lower delivery percentage also partly led to the decrease in average sales value per order from RMB87.6 in the first half of 2023 to RMB83.6 in the first half of 2024.

The increase in revenue was coupled with an increasing number of stores in operation. We added 84 net new stores during the first six months of 2023 and brought the total store counts to 672 as of June 30, 2023, while we added 146 net new stores during the first six months of 2024 leading to a total store count of 914 as of June 30, 2024.

Underlying our revenue growth was our continued menu development, timely delivery, excellent product taste and improved brand recognition, which enabled us to achieve continued positive SSSG of 3.6% for the Group for the six months period of 2024, on top of 8.8% of SSSG for the first six months of 2023 while 8.9% of SSSG for the twelve months period of 2023.

The following table sets forth average daily sales per store during the six months ended June 30, 2023 and 2024.

	Six months ended June 30,	
	2024	2023
Average daily sales per store⁽¹⁾ (RMB)	13,515	12,275

Note:

- (1) Calculated by dividing the revenues generated from the relevant store for a particular period by the aggregate number of days of operation of such store during the same period.

2. *Raw materials and consumables cost*

For the six months ended June 30, 2024, the raw materials and consumables cost of the Group amounted to RMB557.8 million, representing an increase of RMB177.4 million or 46.6% as compared with RMB380.4 million for the corresponding period in 2023 and 27.3% and 27.6% of our total revenue in the corresponding periods, respectively. The increase was primarily due to our revenue growth, which has increased our need for raw materials and consumables. As a percentage of revenue, our raw materials and consumables cost remained relatively stable for the six months ended June 30, 2023 and 2024.

3. *Staff compensation expenses*

For the six months ended June 30, 2024, the staff compensation expenses of the Group amounted to RMB711.9 million, representing an increase of RMB166.1 million or 30.4% as compared with RMB545.8 million for the corresponding period in 2023.

The following table sets forth a breakdown of our staff compensation expenses at the store level and the corporate-level for the periods indicated.

	Six months ended June 30,			
	2024		2023	
	<i>RMB</i>	<i>% of total revenue</i>	<i>RMB</i>	<i>% of total revenue</i>
	<i>(in RMB thousands, except for percentage data)</i>			
Cash-based compensation expenses for store-level staff	558,845	27.4	369,887	26.9
Cash-based compensation expenses for corporate-level staff	113,084	5.5	102,193	7.4
Share-based compensation	39,983	2.0	73,692	5.4
Total staff compensation expenses	<u>711,912</u>	<u>34.9</u>	<u>545,772</u>	<u>39.7</u>

The increase of cash-based compensation expenses for store-level staff was primarily due to the increase in the number of our store level employees arising from the expansion of our store network and the increase of sales order volume. As a percentage of revenue, our cash-based compensation expenses for store-level staff increased from 26.9% for the six months ended June 30, 2023 to 27.4% for the same period in 2024 primarily attributable to the increase in the number of store-level employees per store. In the first half of 2024, as we speed up our store openings and open more stores in the recently entered new markets, we recruited more store-level staff for training in advance in order to better serve the customer and familiar with new markets. This leads to the increase in the average number of store-level staff per store.

The increase of cash-based compensation expenses for corporate-level staff was primarily due to (i) an increase in headcount to support our rapid expansion; and (ii) the merit-based increase in salary. As a percentage of revenue, our cash-based compensation expenses for corporate-level staff decreased from 7.4% for the six months ended June 30, 2023 to 5.5% for the same period in 2024 primarily as our corporate-level staff accumulate more experience and become well-equipped to support the operations of a larger number of stores. The declining proportion of cash-based compensation expenses for corporate-level staff also reflects the continued benefit of scale of economy on cost efficiency at Group headquarter.

The decrease of share-based compensation was mainly driven by the decrease in share options granted and lower percentage portion of the granted option fair value charged to our income statement during the Reporting Period as compared to previous corresponding six months in 2023.

4. *Rental expenses*

Our rental expenses include depreciation of right-of-use assets and variable lease rental payment, short-term rental and other related expenses. The Group's depreciation of right-of-use assets represents the depreciation of capitalized lease incurred by long-term leased properties in accordance with IFRS 16. For the six months ended June 30, 2024, our rental expenses amounted to RMB201.7 million, representing an increase of RMB62.3 million or 44.7% as compared with RMB139.4 million for the corresponding period in 2023. The increase was primarily due to the expansion of our store network from a total of 672 store as of June 30, 2023 to a total of 914 stores as of June 30, 2024. Our rental expenses as a percentage of revenue decreased from 10.1% for the six months ended June 30, 2023 to 9.9% for the same period in 2024 was primarily due to the strong growth of our revenue and our continued efforts in rental cost control with the strengthened negotiating power on the enhanced brand recognition.

5. *Depreciation of plant and equipment*

For the six months ended June 30, 2024, the depreciation of plant and equipment of the Group amounted to RMB98.6 million, representing an increase of RMB26.4 million or 36.5% as compared with RMB72.2 million for the corresponding period in 2023. The increase was primarily due to increased equipment needs in conjunction with the expansion of our store network, resulting in the corresponding increase in depreciation expenses. Our depreciation of plant and equipment as a percentage of total revenue decreased from 5.2% for the six months ended June 30, 2023 to 4.8% for the same period in 2024 mainly due to the strong growth of our revenue.

6. *Amortization of intangible assets*

For the six months ended June 30, 2024, the amortization of intangible assets of the Group amounted to RMB26.9 million, representing an increase of RMB1.4 million or 5.4% as compared with RMB25.5 million for the corresponding period in 2023. The increase was primarily driven by the acquisition of software and the addition in store franchise fees in line with the expansion of our store network. Our amortization of intangible assets as a percentage of total revenue decreased from 1.9% for the six months ended June 30, 2023 to 1.3% for the same period in 2024, primarily due to the strong growth of our revenue achieved in the Reporting Period.

7. *Utilities expenses*

For the six months ended June 30, 2024, the utilities expenses of the Group amounted to RMB71.9 million, representing an increase of RMB22.6 million or 46.0% as compared with RMB49.3 million for the corresponding period in 2023. The increase was mainly attributable to the expansion of our store network which demanded additional usage of utilities. Our utilities expenses as a percentage of total revenue decreased from 3.6% for the six months ended June 30, 2023 to 3.5% for the same period in 2024 mainly due to the strong growth of our revenue.

8. *Advertising and promotion expenses*

For the six months ended June 30, 2024, the advertising and promotion expenses of the Group amounted to RMB109.3 million, representing an increase of RMB28.2 million or 34.8% as compared with RMB81.1 million for the corresponding period in 2023. The increase was mainly driven by the spending in advertising and promotion to grow our revenue. Our advertising and promotion expenses as a percentage of total revenue decreased from 5.9% for the six months ended June 30, 2023 to 5.4% for the same period in 2024 mainly because our brand marketing activities was able to be more selected and cost-effective as our brand strengthens through the growth of our store network and remarkable performance in newly entered markets.

9. *Store operation and maintenance expenses*

For the six months ended June 30, 2024, the store operation and maintenance expenses of the Group amounted to RMB128.9 million, representing an increase of RMB44.0 million or 51.7% as compared with RMB84.9 million for the corresponding period in 2023. The increase was primarily due to the expansion of our store network. Our store operation and maintenance expenses as a percentage of total revenue remained relatively stable during the Reporting Period as compared with the six months ended June 30, 2023.

10. *Other expenses*

Our other expenses consist of (a) telecommunication and information technology related expenses, (b) travelling and related expenses, (c) professional service expenses, (d) auditor's remuneration, (e) listing expenses and (f) others, including training fee, business meal, stamp duty tax and other office expenses.

For the six months ended June 30, 2024, the other expenses of the Group amounted to RMB66.9 million, representing a decrease of RMB0.9 million or 1.2% as compared with RMB67.8 million for the corresponding period in 2023. The decrease was primarily due to RMB19.4 million decrease in listing expenses, which was partially offset by increase in travelling and related expenses, telecommunication and information technology related expenses and professional service expenses along with our network expansion. Our other expenses as a percentage of total revenue decreased from 4.9% for the six months ended June 30, 2023 to 3.3% for the same period in 2024, primarily because no listing expenses incurred after the listing of the Company's shares (the "**Listing**") on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

11. Finance costs, net

For the six months ended June 30, 2024, the net finance costs of the Group amounted to RMB27.9 million, representing a decrease of RMB1.4 million or 4.8% as compared with RMB29.3 million for the corresponding period in 2023. The decrease was primarily due to a RMB5.9 million increase in interest income driven by our better management of bank deposits and was partially offset by a RMB5.4 million increase in interest expenses on lease liabilities recognized in accordance with IFRS 16 associated with our increasing number of leases as a result of the expansion of our store network.

	Six months ended June 30,	
	2024	2023
	<i>(in RMB thousands)</i>	
Interest income on cash at bank	11,768	5,903
Interest expenses	(38,746)	(33,243)
– Bank borrowings	(4,651)	(4,827)
– Lease liabilities	(33,315)	(27,925)
– Long-term payables	(780)	(491)
Net foreign exchange losses on financing activities	<u>(919)</u>	<u>(1,958)</u>
	<u>(27,897)</u>	<u>(29,298)</u>

12. Fair value change of financial liabilities at fair value through profit or loss

Fair value changes of convertible senior ordinary shares for the six months ended June 30, 2024 and 2023 were nil and RMB119.3 million gain, respectively.

13. Taxation

Income tax expense of the Group increased from RMB19.3 million for the six months ended June 30, 2023 to RMB30.0 million for the six months ended June 30, 2024.

14. Profit for the period

As a result of the foregoing, the Group recorded a net profit of RMB10.9 million for the six months ended June 30, 2024, as compared to a net profit of RMB8.8 million for the six months ended June 30, 2023.

15. *Non-IFRS Measures — Adjusted Net Profit/(Loss), Adjusted EBITDA, Store-level EBITDA and Store-level EBITDA margin*

To supplement the Group's consolidated financial statements that are presented in accordance with the IFRS, we also use Adjusted Net Profit/(Loss) (non-IFRS measure), Adjusted EBITDA (non-IFRS measure), Adjusted EBITDA margin (non-IFRS measure), Store-level EBITDA (non-IFRS measure) and Store-level EBITDA margin (non-IFRS measure) as additional financial measures, which are not required by, or presented in accordance with, IFRS. We believe that these non-IFRS measures facilitate comparisons of operating performance from period to period and company to company. We believe that these measures provide useful information to investors and others in understanding and evaluating our results of operations in the same manner as they help our management. However, our presentation of Adjusted Net Profit/(Loss) (non-IFRS measure), Adjusted EBITDA (non-IFRS measure), Adjusted EBITDA margin (non-IFRS measure), Store-level EBITDA (non-IFRS measure) and Store-level EBITDA margin (non-IFRS measure) may not be comparable to similarly titled measures presented by other companies. The use of such non-IFRS measures has limitations as an analytical tool, and you should not consider them in isolation from, or as substitute for analysis of, our results of operations or financial condition as reported under IFRS.

“Store-level EBITDA” is defined as store-level operating profit for the period and adding back depreciation of plant and equipment and amortization of intangible assets in store-level.

“Store-level EBITDA margin” is calculated by dividing Store-level EBITDA by revenue for the same period.

“Adjusted Net Profit/(Loss)” is defined as profit for the period and adding back fair value change of financial liabilities at fair value through profit or loss, share-based compensation and listing expenses.

“Adjusted EBITDA” is defined as Adjusted Net Profit/(Loss) for the period and adding back depreciation and amortization (excluding depreciation of right-of-use assets), income tax expense and interest income and expenses, net.

“Adjusted EBITDA margin” is calculated by dividing Adjusted EBITDA by revenue for the same period.

The following table sets forth the reconciliation of our non-IFRS financial measures for the six months ended June 30, 2024 and 2023 to the nearest measure prepared in accordance with IFRS.

	For the six months ended June 30,	
	2024	2023
	RMB '000	RMB '000
	(Unaudited)	(Unaudited)
Reconciliation of net profit and adjusted net profit/(loss) and adjusted EBITDA		
Profit for the period	10,907	8,751
Add:		
Fair value change of financial liabilities at fair value through profit or loss	–	(119,331)
Share-based compensation		
– Directors' compensation, stock appreciation rights and RSUs	39,983	73,692
Listing expenses	–	19,443
	<u>–</u>	<u>19,443</u>
Adjusted Net Profit/(Loss)	<u>50,890</u>	<u>(17,445)</u>
Add:		
Depreciation and amortization	125,532	97,782
Income tax expenses	29,987	19,345
Interest income and expenses, net	26,978	27,340
	<u>26,978</u>	<u>27,340</u>
Adjusted EBITDA	<u>233,387</u>	<u>127,022</u>
Adjusted EBITDA margin	<u>11.4%</u>	<u>9.2%</u>

	For the six months ended June 30,	
	2024	2023
	RMB '000	RMB '000
	(Unaudited)	(Unaudited)
Reconciliation of store-level operating profit and Store-level EBITDA		
Store-level operating profit	296,155	186,289
Add:		
Depreciation of plant and equipment – store level ⁽¹⁾	96,559	70,289
Amortization of intangible assets – store level ⁽²⁾	1,188	843
	<hr/>	<hr/>
Store-level EBITDA	393,902	257,421
	<hr/> <hr/>	<hr/> <hr/>
Store-level EBITDA margin	19.3%	18.7%
	<hr/> <hr/>	<hr/> <hr/>

Notes:

- (1) Depreciation of plant and equipment – store level is calculated based on depreciation of plant and equipment incurred at our stores and central kitchens.
- (2) Amortization of intangible assets – store level is calculated based on amortization of store franchise fees.

16. Liquidity and Source of Funding and Borrowing

As at June 30, 2024, the Group's cash and bank balances increased by 6.9% from RMB1,019.2 million as at December 31, 2023 to RMB1,089.3 million, among which the Group had cash and cash equivalents of RMB1,089.1 million (December 31, 2023: RMB587.0 million), short-term time deposits with original maturities over three months of nil (December 31, 2023: RMB431.9 million) and restricted cash of RMB0.2 million (December 31, 2023: RMB0.3 million). The increase primarily resulted from the cash inflow generated from operating activities.

As at June 30, 2024, the Group had total cash and bank balances of RMB1,089.3 million (December 31, 2023: RMB1,019.2 million), among which RMB33.6 million (December 31, 2023: RMB29.9 million) were denominated in Hong Kong dollar, RMB787.3 million (December 31, 2023: RMB741.5 million) were denominated in RMB and RMB268.3 million (December 31, 2023: RMB247.8 million) were denominated in US dollar.

Our net cash generated in operating activities was RMB376.8 million for the Reporting Period, compared to RMB174.8 million for the six months ended June 30, 2023.

As at June 30, 2024, the current assets of the Group amounted to RMB1,312.9 million, including RMB1,089.3 million in cash and bank balances and RMB223.6 million in other current assets. The current liabilities of the Group amounted to RMB1,294.3 million, of which RMB675.1 million was accruals and other payables, RMB262.2 million was lease liabilities, RMB172.5 million was trade payables and RMB184.5 million was other current liabilities. As at June 30, 2024, the current ratio of the Group, which is equivalent to the current assets divided by the current liabilities, was 1.01 (December 31, 2023: 1.19).

As at June 30, 2024, the Group's total borrowings were RMB200.0 million (December 31, 2023: RMB200.0 million), out of which RMB100.0 million should be repayable on March 28, 2025 and the remaining RMB100.0 million should be repayable on December 7, 2025. The borrowings were all denominated in RMB and fully guaranteed by a subsidiary of the Group. As at June 30, 2024, all the bank borrowings bear interests at a floating interest rate.

17. 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.

18. Gearing Ratio

As at June 30, 2024, the gearing ratio of the Group, which was calculated as total interest-bearing bank loans divided by total equity, was approximately 9.3%, representing an decrease of 0.2 percentage points as compared with 9.5% as at December 31, 2023. The decrease was primarily due to the improved profitability performance of the Group.

19. Significant Investments

The Group did not make or hold any significant investments (including any investment in an investee company with a value of 5% or more of the Group's total assets as of June 30, 2024) during the six months ended June 30, 2024.

20. Material Acquisitions and Disposals

The Group did not have any material acquisitions or disposals of subsidiaries, associates or joint ventures during the six months ended June 30, 2024.

21. Pledge of Assets

As at June 30, 2024, the Group had no pledge of assets.

22. Contingent Liabilities

The Group had no contingent liabilities as at June 30, 2024.

23. Foreign Exchange Exposure

During the six months ended June 30, 2024, the Group mainly operated in China and the majority of the transactions were settled in Renminbi ("RMB"), the Company's primary subsidiaries' functional currency. As at June 30, 2024, except for the bank deposits denominated in foreign currencies, the Group did not have significant foreign currency exposure from its operations. During the Reporting Period, the Group has not entered into any derivative instruments to hedge its foreign exchange exposures, but will closely monitor the exposure and will take measures when necessary to make sure the foreign exchange risks are manageable.

24. Employees and Remuneration

As at June 30, 2024, the Group had 8,107 full-time employees (December 31, 2023: 6,536). Substantially all of our employees are based in China, primarily in Beijing, Shanghai, Guangzhou, Shenzhen and other cities in which we have operations. The following table sets forth the numbers of our full-time employees categorized by function as at June 30, 2024:

Function	Number of employees	% of total
Store development and operation ⁽¹⁾	7,722	95.3%
Sales, marketing and product development	41	0.5%
Supply chain, central kitchens and quality control	190	2.3%
General administration and others	154	1.9%
Total	8,107	100.0%

Note:

- (1) Comprises (i) full-time store development and operation employees at the corporate-level and (ii) full-time employees at our stores who may also act as delivery riders when needed.

Besides our full-time employees, we also had a total of 18,447 part-time employees as at June 30, 2024 (December 31, 2023: 15,635). These part-time employees primarily work as riders and in-store assistants.

For the six months ended June 30, 2024, the Group has incurred a total staff costs (inclusive of Directors' remuneration, salaries, wages, allowance and benefits and share based compensations) of RMB711.9 million (June 30, 2023: RMB545.8 million).

During the Reporting Period, the Group did not experience any significant labour disputes or any difficulty in recruiting employees.

We believe in the importance of attraction, recruitment and retention of quality talents in achieving the Group's success. We seek to offer attractive remuneration to employees, who earn both a basic salary and discretionary bonuses. For store management teams, their discretionary bonus is tied to the performance of the store. For riders, we provide incentive bonuses that are payable for, among others, the numbers of orders delivered and working during peak hours or in poor weather. Our riders are covered by group commercial insurance, which insures our riders for personal injuries and additional medical care to help protect against the risk of personal injuries.

Our training department oversees the training of our employees. We provide all of our restaurant employees, including store management teams, store assistants with consistent, systematic training to ensure that through the training employees have the operational, management and business skills needed to meet our safety standards and deliver outstanding customer service.

In addition, we conduct standardized trainings with our riders, and distribute to our delivery riders a Delivery Safety Work Manual before they take the first trips. We also provide our riders with training to help them navigate urban traffic and make deliveries safely.

Compensation of key executives of the Group is determined by the Company's remuneration committee which reviews and recommends to the Board the executives' compensation based on the Group's performance and the executives' respective contributions to the Group. The Company also has also adopted various equity-based incentive plans and cash-based incentive plans. Please refer to the section headed "Share Incentive Plans" in the 2023 annual report of the Company dated April 29, 2024.

25. Future Plans for Material Investments and Capital Assets

As of June 30, 2024, save as disclosed in this report under the heading "Management Discussion and Analysis – Business Outlook", the Group did not have other plans for material investments and capital assets.

INTERIM DIVIDEND

The Board did not recommend the distribution of an interim dividend for the six months ended June 30, 2024.

CORPORATE GOVERNANCE AND OTHER INFORMATION

The Board is committed to achieving high corporate governance standards. The Board believes that high corporate governance standards are essential in providing a framework for the Group to safeguard the interests of shareholders and to enhance corporate value and accountability.

Compliance with the Code on Corporate Governance Practices

The Company has adopted the principles and code provisions of the Corporate Governance Code (the “**CG Code**”) as set out in Part 2 of the Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) as the basis of the Company’s corporate governance practices, and the CG Code has been applicable to the Company with effect from March 28, 2023 (the “**Listing Date**”).

During the Reporting Period, the Company has complied with all applicable code provisions set out in the CG Code contained in Appendix C1 to the Listing Rules.

The Company will continue to regularly review and monitor its corporate governance practices to ensure compliance with the CG Code, and maintain a high standard of corporate governance practices of the Company.

Compliance with the Model Code for Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as its own securities dealing code to regulate all dealings by Directors and relevant employees of securities in the Company and other matters covered by the Model Code with effect from the Listing Date.

Specific enquiry has been made of all the Directors and the relevant employees and they have confirmed that they have complied with the Model Code during the six months ended June 30, 2024. No incident of non-compliance of the Model Code was noted by the Company during the six months ended June 30, 2024.

Audit and Risk Committee

The Company has established an audit and risk committee with written terms of reference in accordance with the Listing Rules. The audit and risk committee comprises two non-executive directors and three independent non-executive Directors, namely, Mr. Zohar Ziv, Mr. Matthew James Ridgwell, Mr. David Brian Barr, Mr. Samuel Chun Kong Shih and Ms. Lihong Wang. Ms. Lihong Wang is the chairman of the audit and risk committee.

The audit and risk committee has reviewed the unaudited condensed interim consolidated financial information of the Group for the six months ended June 30, 2024 and has met with the independent auditors, PricewaterhouseCoopers, who have reviewed the condensed interim consolidated financial information in accordance with International Standard on Review Engagements 2410. The audit and risk committee has also discussed matters with respect to the accounting policies and practices adopted by the Company and internal control with senior management members of the Group.

Other Board Committees

In addition to the audit and risk committee, the Company has also established a nomination committee and a remuneration committee.

Purchase, Sale or Redemption of the Company's Listed Securities

During the Reporting Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's securities (including sale of treasury shares) listed on the Stock Exchange. As of June 30, 2024, the Company did not hold any treasury shares.

Material Litigation

The Company was not involved in any material litigation or arbitration during the six months ended June 30, 2024. The Directors are also not aware of any material litigation or claims that are pending or threatened against the Group during the six months ended June 30, 2024.

Use of Proceeds

The Company's shares were listed on the Main Board of Stock Exchange on March 28, 2023 and the net proceeds raised during the Global Offering (as defined in the prospectus of the Company dated March 16, 2023 (the "Prospectus")) were approximately HK\$499.9 million (including the additional proceeds received upon the partial exercise of the Over-allotment Option (as defined in the Prospectus)) (equivalent to approximately RMB437.8 million).

As of June 30, 2024, HK\$156.2 million of the net proceeds of the completion of the Global Offering had been utilized and HK\$343.7 million remained unutilized. In the Prospectus, it was disclosed that we intended to use approximately 90% of the net proceeds from the Global Offering to expand our store network over 2023 and 2024, and the remaining approximately 10% for general corporate purposes. There is no change in the intended use of net proceeds as disclosed in the Prospectus except that, in respect of using approximately 90% of the net proceeds to expand our store network, we intend to use the said amount over 2024 and 2025 instead of over 2023 and 2024. This is because we funded our capital expenditures, mainly in our store expansion, firstly via the capital we raised before the Global Offering and the cash we generated from our operating activities. As such, the Company expects to fully utilize the net proceeds in accordance with the said plans by December 31, 2025.

	% of use of proceeds	Net proceeds (HK\$ million)	Utilization during the Reporting Period (HK\$ million)	Unutilized amount as of June 30, 2024 (HK\$ million)	Expected timeline of full utilization of the unutilized proceeds
Expanding our store network	90%	450.0	112.4	337.6	By December 31, 2025
General corporate purposes	10%	49.9	43.8	6.1	By December 31, 2025
Total	100%	499.9	156.2	343.7	

The unutilized net proceeds from the Global Offering were deposited with licensed banks or financial institutions in Hong Kong for short-term deposits.

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Six months ended June 30,	
	<i>Notes</i>	2024	2023
		RMB'000	RMB'000
		(Unaudited)	(Unaudited)
Revenue	4	2,041,461	1,376,370
Raw materials and consumables cost		(557,811)	(380,446)
Staff compensation expenses	6	(711,912)	(545,772)
Depreciation of right-of-use assets		(145,686)	(108,385)
Depreciation of plant and equipment		(98,612)	(72,241)
Amortization of intangible assets		(26,920)	(25,541)
Utilities expenses		(71,931)	(49,272)
Advertising and promotion expenses		(109,318)	(81,077)
Store operation and maintenance expenses		(128,881)	(84,940)
Variable lease rental payment, short-term rental and other related expenses		(56,054)	(30,993)
Other expenses	5	(66,935)	(67,772)
Fair value change of financial liabilities at fair value through profit or loss (“FVPL”)		–	119,331
Other income		9,036	12,716
Other losses, net		(7,646)	(4,584)
Finance costs, net		(27,897)	(29,298)
Profit before income tax		40,894	28,096
Income tax expense	7	(29,987)	(19,345)
Profit for the period attributable to equity holders of the Company		10,907	8,751
Other comprehensive income:			
<i>Item that may be subsequently reclassified to profit or loss</i>			
Currency translation differences		(1,993)	(11,878)
<i>Item that may not be subsequently reclassified to profit or loss</i>			
Currency translation differences		5,909	55,597
Other comprehensive income for the period, net of tax		3,916	43,719
Total comprehensive income for the period attributable to equity holders of the Company		14,823	52,470
Earnings per share for profit attributable to equity holders of the Company			
– Basic earnings per share (RMB)	8	0.08	0.08
– Diluted earnings per share (RMB)	8	0.08	0.07

CONDENSED INTERIM CONSOLIDATED BALANCE SHEET

	<i>Notes</i>	As at June 30, 2024 RMB'000 (Unaudited)	As at December 31, 2023 RMB'000
ASSETS			
Non-current assets			
Plant and equipment		717,850	625,547
Right-of-use assets		1,130,658	967,277
Intangible assets		1,216,260	1,228,638
Prepayment and deposits		66,349	56,320
Deferred income tax assets		77,812	52,972
		<u>3,208,929</u>	<u>2,930,754</u>
Current assets			
Inventories		76,893	73,331
Trade receivables	10	11,386	9,752
Prepayment, deposits and other receivables		135,337	112,675
Cash and bank balances		1,089,266	1,019,243
		<u>1,312,882</u>	<u>1,215,001</u>
Total assets		<u>4,521,811</u>	<u>4,145,755</u>
EQUITY			
Equity attributable to equity holders of the Company			
Share capital		881,739	879,043
Share premium		2,276,180	2,254,958
Other reserves		110,104	89,110
Accumulated losses		(1,111,342)	(1,122,249)
Shares held for restricted share units (“RSUs”)		(497)	(1,731)
Total equity		<u>2,156,184</u>	<u>2,099,131</u>

	<i>Notes</i>	As at June 30, 2024 <i>RMB'000</i> (Unaudited)	As at December 31, 2023 <i>RMB'000</i>
LIABILITIES			
Non-current liabilities			
Borrowings		100,000	200,000
Lease liabilities		943,007	808,780
Other payables		28,273	20,757
		<u>1,071,280</u>	<u>1,029,537</u>
Current liabilities			
Borrowings		100,000	–
Lease liabilities		262,221	229,399
Trade payables	<i>11</i>	172,540	153,904
Contract liabilities		54,164	44,911
Accruals and other payables	<i>12</i>	675,087	571,107
Current income tax liabilities		30,335	17,766
		<u>1,294,347</u>	<u>1,017,087</u>
Total liabilities		<u>2,365,627</u>	<u>2,046,624</u>
Total equity and liabilities		<u>4,521,811</u>	<u>4,145,755</u>
Net current assets		<u>18,535</u>	<u>197,914</u>

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	Six months ended June 30,	
<i>Notes</i>	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Cash flows from operating activities		
Cash generated from operations	419,067	201,149
Income tax paid	<u>(42,258)</u>	<u>(26,391)</u>
Net cash generated from operating activities	<u>376,809</u>	<u>174,758</u>
Cash flows from investing activities		
Purchase of plant and equipment	(126,574)	(96,069)
Purchase of intangible assets	(20,865)	(13,657)
Interest received	14,045	5,903
Proceeds from disposal of plant and equipment	20	–
Decrease in short-term time deposits with original maturities over three months	<u>432,444</u>	<u>–</u>
Net cash generated from/(used in) investing activities	<u>299,070</u>	<u>(103,823)</u>
Cash flows from financing activities		
Rental deposit payment	(11,778)	(8,721)
Payment of principal element of lease liabilities	(128,762)	(96,906)
Payment of interest element of lease liabilities	(33,315)	(27,925)
Interests paid	(4,677)	(4,853)
Proceeds from issuance of new shares	–	548,921
Proceeds from exercise of share options	3,439	–
Payment of listing expense	<u>–</u>	<u>(23,977)</u>
Net cash (used in)/generated from financing activities	<u>(175,093)</u>	<u>386,539</u>
Net increase in cash and cash equivalents	500,786	457,474
Cash and cash equivalents at beginning of the period	587,038	544,247
Exchange difference on cash and cash equivalents	<u>1,242</u>	<u>27,170</u>
Cash and cash equivalents at end of the period	1,089,066	1,028,891
Cash at bank and in hand at end of the period	1,089,266	1,029,091
Less: restricted cash at end of the period	<u>(200)</u>	<u>(200)</u>

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

1 General information

DPC Dash Ltd (the “**Company**”) (previously named Dash Brands Ltd.) is a limited liability company incorporated in British Virgin Islands on April 30, 2008. The address of its registered office is Kingston Chambers, P.O.Box 173 Road Town, Tortola, British Virgin Islands.

The Company, an investment holding company, and its subsidiaries (collectively, the “**Group**”) are principally engaged in the operation of fast-food restaurant chains in the People’s Republic of China (the “**PRC**”).

Dash DPZ China Limited (“**DPZ China**”), a wholly-owned subsidiary of the Company, held 100% equity interests in Pizzavest China Ltd., which was Domino’s Pizza’s master franchisee in Mainland China, the Hong Kong Special Administrative Region of China and the Macau Special Administrative Region of China.

The master franchise agreement with Domino’s Pizza International Franchising Inc. (“**DPIF**”) provides the Group with the exclusive right to develop and operate Domino’s Pizza stores and to use and license Domino’s system and the associated trademarks in the operation of the pizza stores in Mainland China, the Hong Kong Special Administrative Region of China and the Macau Special Administrative Region of China. The term of the master franchise agreement continues until June 1, 2027 and is renewable for two additional 10-year terms, subject to the fulfilment of certain conditions.

The Company’s shares have been listed on the Main Board of the Stock Exchange of Hong Kong Limited (the “**Listing**”) since March 28, 2023.

The condensed interim consolidated financial information is presented in thousands of Renminbi (“**RMB’000**”), unless otherwise stated. This condensed interim consolidated financial information was approved for issue by the Board of Directors on August 28, 2024.

2 Basis of preparation

This condensed interim consolidated financial information for the six months ended June 30, 2024 has been prepared in accordance with International Accounting Standard (“**IAS**”) 34 Interim Financial Reporting. The condensed interim consolidated financial information should be read in conjunction with the consolidated financial statements for the year ended December 31, 2023, which have been prepared in accordance with International Financial Reporting Standards (“**IFRSs**”) and any public announcements made by DPC Dash Ltd during the interim reporting period.

3 New standards and interpretations

Except as described below, the accounting policies applied are consistent with those of the consolidated financial statements for the year ended December 31, 2023.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total earnings.

(a) *New and amended standards adopted by the Group*

A number of amended standards became applicable for the current reporting period. The Group did not have to change its accounting policies as a result of adopting these standards.

		Effective for annual periods beginning on or after
IAS 1 (Amendments)	Non-current Liabilities with Covenants	January 1, 2024
IAS 1 (Amendments)	Classification of Liabilities as Current or Non-current	January 1, 2024
IFRS 16 (Amendments)	Leases Liability in a Sale and Leaseback	January 1, 2024
IAS 7 and IFRS 7 (Amendments)	Supplier Finance Arrangements	January 1, 2024

(b) *New standards and amendments to standards and interpretations not yet adopted*

The following new standards, new interpretations and amendments to standards and interpretations have been issued but are not effective for the financial year beginning January 1, 2024 and have not been early adopted by the Group in preparing this condensed interim consolidated financial information.

		Effective for annual periods beginning on or after
IAS 21 (Amendments)	Lack of Exchangeability	January 1, 2025
IFRS 10 and IAS 28 (Amendments)	Sales or Contribution Assets between an Investor and its Associate or Joint Venture	To be determined

The Group has already commenced an assessment of the impact of these new or amended standards. According to the preliminary assessment made by the directors of the Company (the “**Directors**”), no significant impact on the financial performance and position of the Group is expected when they become effective.

4 Revenue and segment information

The Group is the exclusive master franchisee of Domino's Pizza in Mainland China, the Hong Kong Special Administrative Region of China and the Macau Special Administrative Region of China.

The chief operating decision-maker ("CODM") has been identified as the directors of the Company. The directors review the Group's internal reporting in order to assess performance and allocate resources. The directors have determined the operating segment based on these internal reports.

The directors consider the Group's operation from a business perspective and determine that the Group is managed as one single reportable operating segment.

During the six months ended June 30, 2024, all the Group's revenue are generated from Mainland China.

	Six months ended June 30,	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue from sales of goods and services recognized – at a point in time	2,041,461	1,376,370

(a) *Contract liabilities*

The Group has recognized the following revenue-related contract liabilities:

	As at June 30, 2024	As at December 31, 2023
	RMB'000	RMB'000
	(Unaudited)	
Contract liabilities	54,164	44,911

(i) *Revenue recognized in relation to contract liabilities*

	Six months ended June 30,	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue recognized that was included in the balance of contract liabilities at the beginning of the period	22,320	15,457

Each order with customers is considered as a contract. All contracts entered by the Group are for periods of one year or less. The Group has applied the practical expedient as permitted by IFRS 15 and the transaction price allocated to the remaining performance obligations is not disclosed.

(b) *Non-current assets by geographical location*

As at June 30, 2024, most of the Group's non-current assets were located in Mainland China.

5 Other expenses

	Six months ended June 30,	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Professional service expenses	11,382	8,974
Auditor's remuneration	2,899	2,703
Telecommunication and information technology related expenses	21,490	15,862
Travelling and related expenses	18,760	11,805
Listing expenses	–	19,443
Others	12,404	8,985
	<u>66,935</u>	<u>67,772</u>

6 Staff compensation expenses (including director service emolument)

	Six months ended June 30,	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Salaries, wages and bonuses	571,831	411,029
Contributions to pension plan	46,373	27,809
Housing fund, medical insurance and other social insurances	46,252	29,683
Other benefits	7,473	3,559
	<u>671,929</u>	<u>472,080</u>
Total salary-based expenses		
	<u>39,983</u>	<u>73,692</u>
Share-based compensation		
Total staff compensation expenses	<u>711,912</u>	<u>545,772</u>

7 Income tax expense

	Six months ended June 30,	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Current income tax		
– Mainland China corporate income tax	54,827	18,710
Deferred income tax	(24,840)	635
	<u>29,987</u>	<u>19,345</u>
Income tax expense		

(i) *British Virgin Islands profits tax*

The Company is incorporated in the British Virgin Islands as a company with limited liability under the British Virgin Islands Business Companies Act and, accordingly, is currently exempted from payment of British Virgin Islands income tax.

(ii) Hong Kong profits tax

The Hong Kong profits tax rate applicable to the Group is 16.5%. No Hong Kong profits tax has been provided, as the Group have no assessable profit earned or derived in Hong Kong for the six months ended June 30, 2024 (for the six months ended June 30, 2023: 16.5%).

(iii) Cayman Islands profits tax

The Company's subsidiary is incorporated in the Cayman Islands as an exempted company with limited liability and, accordingly, is exempted from payment of the Cayman Islands income tax.

(iv) Mainland China corporate income tax ("CIT")

CIT is provided on the taxable income of entities within the Group incorporated in Mainland China. Except as disclosed below, the corporate income tax rate applicable to the subsidiaries incorporated in Mainland China is 25% for the six months ended June 30, 2024 (for the six months ended June 30, 2023: 25%). Certain subsidiaries of the Group are qualified as small and micro businesses and enjoy preferential income tax rate as approved by the local tax authorities with effect from the respective dates of their establishment. The tax rate is 5% on taxable income for the six months ended June 30, 2024 (for the six months ended June 30, 2023: 5%).

8 Earnings per share

(a) Basic

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares (excluding RSUs not yet vested) in issue during the respective periods.

	Six months ended June 30,	
	2024	2023
	(Unaudited)	(Unaudited)
Profit attributable to equity holders of the Company (<i>RMB'000</i>)	10,907	8,751
Weighted average number of ordinary shares in issue (<i>thousands</i>)	130,153	113,462
Basic earnings per share (<i>RMB</i>)	0.08	0.08

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company's potentially dilutive ordinary shares comprised of share options and RSUs not yet vested.

	Six months ended June 30,	
	2024	2023
	(Unaudited)	(Unaudited)
Profit attributable to equity holders of the Company (<i>RMB'000</i>)	10,907	8,751
Weighted average number of ordinary shares in issue (<i>thousands</i>)	130,153	113,462
Adjustments for share options and RSUs (<i>thousands</i>)	974	11,107
Weighted average number of ordinary shares for diluted earnings per share (<i>thousands</i>)	131,127	124,569
Diluted earnings per share (<i>RMB</i>)	0.08	0.07

9 Dividends

No dividend had been declared or paid by the Company during the six months ended June 30, 2024 (for the six months ended June 30, 2023: nil).

10 Trade receivables

	As at June 30, 2024 <i>RMB'000</i> (Unaudited)	As at December 31, 2023 <i>RMB'000</i>
Trade receivables due from third parties	11,622	9,954
Less: allowance for impairment of trade receivables	<u>(236)</u>	<u>(202)</u>
	<u>11,386</u>	<u>9,752</u>

Aging of trade receivables, based on invoice date, was as follows:

	As at June 30, 2024 <i>RMB'000</i> (Unaudited)	As at December 31, 2023 <i>RMB'000</i>
Within 30 days	<u>11,622</u>	<u>9,954</u>

The carrying amounts of trade receivables approximated their fair values as at the balance sheet date due to their short-term maturities, and these balances were all denominated in RMB.

11 Trade payables

The aging analysis of trade payables, based on invoice date, was as follows:

	As at June 30, 2024 <i>RMB'000</i> (Unaudited)	As at December 31, 2023 <i>RMB'000</i>
– Within 3 months	172,346	153,720
– Between 4 months to 6 months	21	–
– Over 6 months	<u>173</u>	<u>184</u>
	<u>172,540</u>	<u>153,904</u>

The carrying amounts of trade payables approximated their fair values as at the balance sheet date due to their short-term maturities, and these balances were all denominated in RMB.

12 Accruals and other payables

	As at June 30, 2024 <i>RMB'000</i> (Unaudited)	As at December 31, 2023 <i>RMB'000</i>
Non-current		
Provision for restoration costs	<u>28,273</u>	<u>20,757</u>
	<u>28,273</u>	<u>20,757</u>
Current		
Salary and welfare payables ⁽ⁱ⁾	186,454	219,141
Payables for plant and equipment and intangible assets	166,615	104,443
Accrued expenses ⁽ⁱⁱ⁾	277,386	216,431
Others	<u>44,632</u>	<u>31,092</u>
	<u>675,087</u>	<u>571,107</u>
Total accruals and other payables	<u>703,360</u>	<u>591,864</u>

(i) Salary and welfare payables include unpaid IPO Bonus amounted to RMB7,385,000 as at June 30, 2024 (As at December 31, 2023: RMB33,646,000).

(ii) Accrued expenses primarily include accrued advertising and promotion expenses, accrued information technology expenses, accrued professional service expenses, accrued utilities expenses, accrued store operation expenses and accrued royalty expenses.

The carrying amounts of accruals and other payables approximated their fair values.

PUBLICATION OF THE INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement is published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.dpcdash.com. The interim report of the Group for the six months ended June 30, 2024 will be published on the aforesaid websites and will be dispatched to the Company's shareholders in due course in accordance with the Listing Rules.

By order of the Board
DPC Dash Ltd
Frank Paul KRASOVEC
Chairman

Hong Kong, August 28, 2024

As of the date of this announcement, the Board comprises Ms. Yi WANG as executive Director, Mr. Frank Paul KRASOVEC, Mr. James Leslie MARSHALL, Mr. Zohar ZIV, Mr. Matthew James RIDGWELL and Mr. Arthur Patrick D'ELIA as non-executive Directors and Mr. David Brian BARR, Mr. Samuel Chun Kong SHIH and Ms. Lihong WANG as independent non-executive Directors.