AUNTEA JENNY
沪上阿姨

Auntea Jenny (Shanghai) Industrial Co., Ltd.
滬上阿姨(上海)實業股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 02589)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED JUNE 30, 2025

The board (the "**Board**") of directors (the "**Directors**") of Auntea Jenny (Shanghai) Industrial Co., Ltd. (the "**Company**") hereby announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively referred to as the "**Group**") for the six months ended June 30, 2025 (the "**Reporting Period**"), together with the comparative figures for the corresponding period of 2024:

FINANCIAL PERFORMANCE HIGHLIGHTS

	For the six months ended June 30,		
	2025	2024	Change
	RMB'000	*RMB'000*	(%)
	(unaudited)	(unaudited)	
Revenue	**1,818,461**	1,657,600	9.7%
Gross profit	**571,544**	517,889	10.4%
Profit for the period	**202,898**	167,791	20.9%
Profit for the period attributable to owners of the parent	**202,898**	167,791	20.9%
Adjusted profit for the period (a non-IFRS Accounting Standards measure)(1)	**243,730**	213,783	14.0%
Earnings per share *(RMB)*			
– Basic	**1.97**	1.65	19.4%
– Diluted	**1.97**	1.65	19.4%

Note:

(1) Adjusted profit for the period represents profit for the period plus share-based payment expenses and listing expenses. This measure is not prepared in accordance with International Financial Reporting Standards ("**IFRS accounting standards**"). For further details, please refer to the section headed "Management Discussion and Analysis – Non-IFRS accounting standards measures" in this announcement.

In this announcement, "we", "us" or "our" refers to the Company and (as otherwise required by the context) the Group. Unless otherwise defined herein, capitalized terms used in this announcement shall have the same meanings as those defined in the prospectus of the Company dated April 28, 2025 (the "**Prospectus**").

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2025

	Notes	**2025** ***RMB'000*** **(Unaudited)**	2024 *RMB'000* (Unaudited)
Revenue	*4*	**1,818,461**	1,657,600
Cost of sales		**(1,246,917)**	(1,139,711)
Gross profit		**571,544**	517,889
Other income and gains, net		**16,300**	22,227
Selling and marketing expenses		**(187,886)**	(197,573)
Administrative expenses		**(93,016)**	(87,462)
Research and development expenses		**(24,824)**	(25,101)
Finance costs		**(1,730)**	(2,782)
PROFIT BEFORE TAX	*5*	**280,388**	227,198
Income tax expense	*6*	**(77,490)**	(59,407)
PROFIT FOR THE PERIOD		**202,898**	167,791
Attributable to:			
Owners of the parent		**202,898**	167,791
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic *(RMB)*	*8*	**1.97**	1.65
Diluted *(RMB)*	*8*	**1.97**	1.65

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2025

	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
PROFIT FOR THE PERIOD	**202,898**	167,791
OTHER COMPREHENSIVE INCOME/(LOSS)		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences:		
Exchange differences on translation of foreign operations	**(8)**	(47)
Net other comprehensive loss that may be reclassified to profit or loss in subsequent periods:	**(8)**	(47)
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:		
Equity investments designated at fair value through other comprehensive income:		
Change in fair value	**4,336**	–
Income tax effect	**(1,084)**	–
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods:	**3,252**	–
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD, NET OF TAX	**3,244**	(47)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**206,142**	167,744
Attributable to:		
Owners of the parent	**206,142**	167,744

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
30 June 2025

	Notes	**30 June 2025** *RMB'000* **(Unaudited)**	31 December 2024 *RMB'000* (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		**35,020**	42,882
Right-of-use assets		**73,549**	94,012
Intangible assets		**13,434**	11,075
Financial investments at fair value through profit or loss		**3,500**	3,500
Equity investments designated at fair value through other comprehensive income		**89,336**	–
Deferred tax assets		**23,013**	25,791
Other non-current assets		**24,880**	20,820
Total non-current assets		**262,732**	198,080
CURRENT ASSETS			
Inventories		**168,925**	168,068
Trade receivables	*9*	**2,365**	1,471
Prepayments, other receivables and other assets		**172,273**	97,137
Financial assets at fair value through profit or loss		**782,125**	948,140
Restricted cash		**13,194**	80,000
Time deposits		**–**	20,228
Cash and cash equivalents		**987,471**	342,659
Total current assets		**2,126,353**	1,657,703
CURRENT LIABILITIES			
Trade payables	*10*	**254,433**	226,253
Other payables and accruals		**226,829**	213,016
Contract liabilities		**62,492**	56,826
Interest-bearing bank borrowings		**29,751**	29,923
Lease liabilities		**36,497**	41,631
Tax payable		**59,485**	48,464
Total current liabilities		**669,487**	616,113
NET CURRENT ASSETS		**1,456,866**	1,041,590
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,719,598**	1,239,670

	Notes	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
NON-CURRENT LIABILITIES			
Contract liabilities		**4,408**	1,106
Lease liabilities		**33,947**	54,457
Deferred tax liabilities		**15**	21
Total non-current liabilities		**38,370**	55,584
Net assets		**1,681,228**	1,184,086
EQUITY			
Equity attributable to owners of the parent			
Share capital		**105,203**	102,430
Reserves		**1,576,025**	1,081,656
Total equity		**1,681,228**	1,184,086

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Auntea Jenny (Shanghai) Industrial Co., Ltd. (the "**Company**") was registered in the People's Republic of China (the "**PRC**") as a limited liability company on 18 November 2013. In November 2023, the Company was converted into a joint stock company with limited liability with registered capital of RMB100,000,000. The registered office of the Company is located at Room 124, Floor 1, No. 28, Shenpujing Road, Zhujing Town, Jinshan District, Shanghai.

The Company and its subsidiaries (collectively referred to as the "**Group**") were involved in the operation of a franchised tea drink retailing network and the sale of tea drink related products in the PRC.

The Company was listed on the Main Board of The Stock Exchange of Hong Kong on 8 May 2025.

2.1 BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2025 has been prepared in accordance with IAS 34 *Interim Financial Reporting*. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the historical financial information for the years ended 31 December 2022, 2023 and 2024 (the "**Historical Financial Information**") as disclosed in Appendix I to the prospectus issued by the Company. The interim condensed consolidated financial information is presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

2.2 CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Historical Financial Information as disclosed in Appendix I to the prospectus issued by the Company, except for the adoption of the following amended IFRS Accounting Standard for the first time for the current period's financial information.

Amendments to IAS 21	*Lack of Exchangeability*

The nature and impact of the amended IFRS Accounting Standard are described below:

Amendments to IAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted with and the functional currencies of group entities for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the interim condensed consolidated financial information.

3. OPERATING SEGMENT INFORMATION

No operating segment information is presented as the Group's revenue and reported results during the six months ended 30 June 2025 and 2024, and the Group's total assets as at 30 June 2025 and 31 December 2024 were derived from one single operating segment.

Geographical information

As the majority of the Group's revenues were generated in the PRC and the majority of the Group's non-current assets were in the PRC during the six months ended 30 June 2025 and 2024, no further geographical segments are presented.

Information about major customers

No sales to a single customer accounted for more than 10% of the Group's total revenue during the six months ended 30 June 2025 and 2024.

4. REVENUE

An analysis of revenue from contracts with customers is as follows:

(i) Disaggregated revenue information

	For the six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue from self-operated stores	**23,697**	26,394
Revenue from franchisees:		
Sales of goods to franchisees	**1,471,208**	1,335,347
Franchising services	**282,978**	275,951
Others	**40,578**	19,908
Total	**1,818,461**	1,657,600

(ii) Timing of revenue recognition

	For the six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
At a point in time	**1,531,496**	1,381,146
Over time	**286,965**	276,454
Total	**1,818,461**	1,657,600

5. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	For the six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Cost of inventories sold*	**1,058,855**	989,931
Depreciation of property, plant and equipment	**10,758**	12,684
Depreciation of right-of-use assets	**21,725**	29,531
Amortisation of intangible assets	**1,380**	1,445
Lease payments not included in the measurement of lease liabilities	**639**	704
Employee benefit expenses (including directors' and supervisors' remuneration):		
Wages, salaries and allowances	**168,360**	153,102
Pension scheme contributions and other social welfare	**28,751**	27,460
Share-based payment expenses	**29,184**	28,598
Total	**226,295**	209,160
Impairment of property, plant and equipment**	**1,337**	–
Marketing and promotion expenses	**71,821**	70,942
Transportation expenses	**70,719**	59,649
Service fees	**34,294**	25,212
Outsourced labor expenses	**620**	1,466
Listing expenses	**11,837**	17,394
Interest income	**(2,002)**	(4,466)
Interest on interest-bearing bank borrowings	**291**	92
Interest on lease liabilities	**1,439**	2,690

* The cost of inventories sold amount excludes depreciation and impairment of property, plant and equipment, depreciation of right-of-use assets, amortisation of intangible assets, employee benefit expenses, lease expenses and transportation expenses which are included in the cost of sales in the interim condensed consolidated statements of profit or loss.

** The amount is included in cost of sales in the interim condensed consolidated statements of profit or loss.

6. INCOME TAX EXPENSE

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

Under the Law of the PRC on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, the EIT rate of the Group's PRC subsidiaries is 25% unless subject to tax exemption set out below.

One of the Group's PRC subsidiaries is engaged in businesses in the "Encouraged Industries in the Western Region" and eligible for the preferential EIT rate of 15%.

One of the Group's PRC subsidiaries is accredited as "High and New Technology Enterprises" and was entitled to a preferential income tax rate of 15% during the six months ended 30 June 2025.

Certain of the Group's PRC subsidiaries are qualified as small and micro enterprises and were entitled to a preferential EIT rate of 5% for the taxable income below RMB3 million during the six months ended 30 June 2025 and 2024.

	For the six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Current income tax	**75,802**	59,844
Deferred tax	**1,688**	(437)
Tax charge for the period	**77,490**	59,407

7. DIVIDEND

No dividend has been paid or declared by the Company and its subsidiaries during the six months ended 30 June 2025.

On 13 May 2024, the Company declared a dividend of RMB158,766,500 to its shareholders. Such dividend was fully paid on 20 May 2024.

On 27 August 2025, the Board recommended the distribution of an interim dividend of RMB71,117,242, which is subject to the approval of the Company's shareholders at the forthcoming extraordinary general meeting.

8. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amounts is based on the profit for the period attributable to owners of the parent, and the weighted average numbers of ordinary shares outstanding during the six months ended 30 June 2025 and 2024.

(a) Basic

	For the six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
Profit attributable to owners of the parent *(RMB'000)*	**202,898**	167,791
Weighted average number of ordinary shares used in the basic earnings per share calculation	**103,188,037**	101,895,934
Basic earnings per share *(RMB)*	**1.97**	1.65

(b) Diluted

Diluted earnings per share amounts presented are the same as the basic earnings per share amounts as there were no potentially dilutive ordinary shares outstanding during the six months ended 30 June 2025 and 2024.

9. TRADE RECEIVABLES

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

	30 June 2025 *RMB'000* **(Unaudited)**	31 December 2024 *RMB'000* (Audited)
Within 1 month	**936**	714
Over 1 month	**1,429**	757
Total	**2,365**	1,471

The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

10. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the reporting period, based on the transaction date, is as follows:

	30 June 2025 *RMB'000* **(Unaudited)**	31 December 2024 *RMB'000* (Audited)
Within 1 month	**235,270**	203,450
1 to 3 months	**15,935**	21,562
3 to 6 months	**2,380**	1,089
Over 6 months	**848**	152
Total	**254,433**	226,253

The trade payables are non-interest-bearing and are normally settled on terms of typically 30 days.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Overview

We are a fast-growing multi-brand freshly-made beverage company that precisely meets consumer demands through our diverse brand portfolio. We operate a franchise-focused business model. Our mutually beneficial franchise system is the foundation for our long-term and stable cooperation with franchisees. We strategically focus on the lower-tier markets and have achieved a strong market presence in the lower-tier markets in China in terms of total store count among mid-priced freshly-made tea shop brands.

Our brands

Auntea Jenny (滬上阿姨) is our principal brand concept launched in 2013, under which we offer a wide range of products including fresh fruit tea, fruit and veggie tea, milk tea with toppings, light milk tea, yogurt shakes and snack packs. We aim to bring freshly-made products with affordable prices to consumers across China, particularly those in third and lower-tier cities. The price range for key products under this brand concept is typically RMB7 to RMB22 per item.

Fallstea (茶瀑布) is a brand concept launched in 2023 as Version Lite. Since March 2024, it has been promoted with an eye-catching logo, an upgraded store design and new marketing initiatives to further capture demand in lower-tier markets. Products offered under this brand concept are primarily light milk tea, milk tea with toppings, fruit tea and ice cream. Compared to *Auntea Jenny*, *Fallstea* offers greater flexibility in pricing and store location selection. The price range for key products under this brand concept is typically RMB2 to RMB12 per item, which is lower than that of our other brands.

Jenny x Coffee (滬咖), launched in 2022, is typically embedded in our *Auntea Jenny* stores. We offer various types of coffee under *Jenny x Coffee*. The price range for key products is typically RMB13 to RMB23 per item.

Store network

As of June 30, 2025, our store network of 9,436 stores, of which 24 were self-operated and 9,412 were franchised, covered all four centrally administered municipalities and over 300 cities in five autonomous regions and 22 provinces in China. Our store network spans from Mohe in Heilongjiang province in northern China to Sanya in Hainan Province in southern China.

Set forth below is a breakdown of stores in our network by city tier as of June 30, 2025:

	For the six months ended June 30,			
	2025		2024	
	Number of stores	***%***	*Number of stores*	*%*
First-tier cities	**714**	**7.6%**	638	7.6%
New first-tier cities	**1,899**	**20.1%**	1,795	21.3%
Second-tier cities	**1,998**	**21.2%**	1,762	20.9%
Third and lower-tier cities	**4,824**	**51.1%**	4,241	50.3%
Overseas(1)	**1**	**0.0%**	1	0.0%
Total	**9,436**	**100.0%**	8,437	100.0%

Notes:

(1) In February 2024, we launched our first overseas self-operated *Auntea Jenny* store in Kuala Lumpur, Malaysia.

(2) The percentages may not add up to the total due to rounding.

The freshly-made tea shop market in third and lower-tier cities in China is the largest and is expected to be the fastest-growing segment from 2023 to 2028 in terms of gross merchandise value, with significant potential for future growth according to the CIC Report. We place great emphasis on the third and lower-tier cities and have advantages in terms of store coverage and supply chain network. As of June 30, 2025, our stores in third and lower-tier cities accounted for 51.1%, representing a 0.8 percentage point increase period on period.

Our franchise model

The core of our business model is cooperation with entrepreneurial franchisees who are committed to our concept and highly motivated to grow our brand and store network. We have a mutually beneficial franchise model which features low initial investment and provides comprehensive franchise support. Under our franchise arrangement, our franchisees are responsible for operating the stores including leasing the stores, managing the daily operation of the stores and hiring staff. Through our highly standardised and digitalised store management system, we provide comprehensive and lifecycle support, including site selection planning and evaluation, store opening support, digitalized operation support, supervision and training support to franchisees, enabling franchisees to overcome operational challenges and enhance profitability. In addition, we continuously enhance store profitability through consumer insights-driven product innovation, robust nationwide supply chain, and diverse premium offerings. Our sustainable store network expansion is backed by a comprehensive franchisee support platform, proven track record of success in the lower-tier markets and mutually beneficial franchise model. As at June 30, 2025, our franchise network comprised 5,706 franchisees operating 9,412 stores.

The table below sets forth the movement of the number of our franchisees for all brands for the periods indicated:

	For the six months ended June 30, 2025	2024
Number of franchisees at the beginning of the period	**5,455**	4,576
Number of franchisees onboarded during the period	**782**	766
Number of franchisees who ceased store operations during the period	**(531)**	(412)
Number of franchisees at the end of the period	**5,706**	4,930

The table below sets forth the movement of our franchised store count for all brands for the periods indicated.

	For the six months ended June 30, 2025	2024
Franchised store count at the beginning of the period	**9,152**	7,756
Number of franchised stores opened during the period	**905**	1,184
Number of franchised stores closed during the period	**(645)**	(531)
Franchised store count at the end of the period	**9,412**	8,409

PRODUCT DEVELOPMENT

We have established an integrated product development system and are committed to developing distinctive products and refining our existing products to exceed our customers' expectations and to attract new customers. Our products are continuously upgraded based on fresh seasonal ingredients, prevailing trends and the changing tastes of consumers. In addition to staple items such as Mango Pomelo Sago (楊枝甘露) and Thick Taro Paste Tapioca Pearl Milk Tea (厚芋泥波波奶茶) that prove popular throughout the year, we also offer seasonal products that cater to consumers' seasonal preferences and regional products that suit the local consumer taste. In addition, we have enriched our product matrix to include snacks and other products to provide consumers with more varieties and cover a wider range of consumption scenarios.

In the first half of 2025, we launched 136 new products under the theme of "healthier and tastier." Among them, the Fruit & Veggie Tea series, featuring aesthetic appeal, refreshing taste and elevated dietary fibre content, has been well recognized by consumers. This series not only meets consumers' demand for healthy beverages but also strengthens their perception of our brand as health-oriented.

SUPPLY CHAIN MANAGEMENT

Procurement and logistics

Fresh and quality ingredients not only ensure the taste of the products but also form the cornerstone of a trusted brand. We believe the freshness and timely delivery of quality ingredients are fundamental for offering high quality freshly-made beverages throughout an expansive store network. Therefore, we require members of our store network to procure ingredients mostly from our centralized procurement platform which sources ingredients from selected suppliers and our own production facility. In addition, we have established a nationwide supply chain infrastructure supported by robust management systems, to fulfill the daily operational needs of our existing store operations and rapid network expansion. As of June 30, 2025, our supply chain network includes (i) 13 logistics centers, (ii) four equipment warehouses, (iii) seven fresh produce warehouses, and (iv) 14 frontline cold-chain storage warehouses.

Production

We currently have one production facility in the PRC in Haiyan, Zhejiang province ("**Haiyan Facility**"). Our Haiyan Facility commenced commercial production in 2022, with an aggregate area of over 10,000 sq.m. Our Haiyan Facility is able to produce and process certain ingredients used in the preparation of our beverages, primarily including tapioca pearls, taro balls, taro paste and tea leaves. As of June 30, 2025, the theoretical annualized production capacity at our Haiyan Facility was 2,640.0 tonnes for tapioca pearls, 1,320.0 tonnes for taro balls, 2,640.0 tonnes for taro paste and 1,584.0 tonnes for tea leaves.

MARKETING AND PROMOTION

Our marketing and promotional efforts are designed to strengthen our brand image and recognition, attract new customers and promote customer loyalty. To achieve our target, we deployed various marketing initiatives, including (1) *Social media.* We have established Xiaohongshu, Douyin, Kuaishou, Weixin and Weibo accounts to interact with our customers and the public. We also conduct a variety of marketing activities on social media platforms to enhance our brand recognition and attract customers; and (2) *IP marketing.* We evolve our brand image and brand theme in accordance with prevailing market trends and aesthetic preferences to enhance customers' perception over our brand. We also actively pursue crossover collaborations to broaden our reach and appeal to a diverse audience, effectively boosting our brand visibility and driving our product sales.

In the first half of 2025, we continued to enhance our brand image and recognition through digital marketing, celebrity endorsements, and IP collaborations, achieving significant results in driving sales of new products. In particular, the "Midnight Rose (暗夜玫瑰)" series launched in March 2025 garnered approximately 300 million online impressions. Within the first week of its release, sales surpassed 2.1 million cups. In May 2025, we engaged Ju Jingyi as our brand ambassador. From the official announcement of her endorsement to the launch of her promoted "Daily Fibre+ (每日纖維+)" Fruit & Veggie Tea series, the campaign generated more than 300 million online impressions. The series received overwhelming response and achieved first-day sales of approximately 850,000 cups and first-week sales of 3,000,000 cups.

We foster consumer loyalty through our membership program, where consumers can register and access through our various online platforms such as Weixin Mini Program, Alipay Mini Program and Douyin. As of June 30, 2025, our Weixin Mini Program had 131.4 million registered members, with an average of 15.8 million quarterly active members and a quarterly repurchase rate of 40.6%.

Outlook

In the second half of 2025, we will further penetrate existing markets and grow our offline store network and online sales channel. We will continue to adhere to our philosophy of "building mutually beneficial partnership with franchisees" to further refine our franchisee management system and improve the profitability of franchised stores with higher quality products and services, reduce the payback period to attract and retain more high-calibre franchise partners. For online sales channels, we will further strengthen our cooperation with third-party online platforms, explore more ways of digital operations to optimize our product offerings and marketing strategies.

We will further enhance our research and development capabilities. We will continue to track consumer and industry trends closely and create hit products by leveraging our deep understanding in consumer preferences and comprehensive methodology.

We will further strengthen our supply chain capabilities. We will strengthen our cooperation with high-quality domestic and international suppliers, constantly explore new sources of supply and increase our bargaining power with suppliers. We will expand and enhance the efficiency of our cold-chain logistics network based on the density of stores and store opening plans, as well as our existing logistics warehouse layout.

We will further enhance digitalization to increase overall operation efficiency and ensure food safety. We will continue to invest in our information technology and digitalization in all aspects. By incorporating information technology in all aspects of our business, we will promote the digitalization of business, improve operational efficiency and collaboration capabilities, reduce costs and further ensure food safety.

We will continue with our multi-brand strategy to expand into new markets. We will leverage our three distinctive brand concepts to penetrate different market segments and increase market share with diversified freshly-made beverages, consumption scenarios, flexible pricing and brand positioning. Concurrently, we will further increase our investment in brand building and marketing initiatives to promote brand image and recognition.

FINANCIAL REVIEW

Revenue and gross profit

For the six months ended June 30, 2025, the Group recorded a revenue of RMB1,818.5 million, representing a 9.7% increase compared to RMB1,657.6 million for the corresponding period last year. Gross profit amounted to RMB571.5 million, representing a 10.4% increase compared to RMB517.9 million for the corresponding period last year. During the Reporting Period, the Group's revenue was primarily driven by product sales to franchisees, with overall growth supported by an increase in store count and higher average daily sales per store. The Group's gross profit margin for the six months ended June 30, 2025 was 31.4%, remaining stable compared with the same period last year.

Selling and marketing expenses

For the six months ended June 30, 2025, the Group's selling and marketing expenses amounted to RMB187.9 million, representing a 4.9% decrease compared to RMB197.6 million for the corresponding period last year, primarily due to lower staff remuneration costs.

Administrative expenses

For the six months ended June 30, 2025, the Group's administrative expenses amounted to RMB93.0 million, representing a 6.4% increase compared to RMB87.5 million for the corresponding period last year. The growth was primarily driven by higher staff remuneration costs.

Research and development expenses

For the six months ended June 30, 2025, the Group's research and development expenses amounted to RMB24.8 million, representing a marginal decrease of 1.1% compared to RMB25.1 million for the corresponding period last year with no material fluctuations.

Finance costs

For the six months ended June 30, 2025, the Group's finance costs amounted to RMB1.7 million, representing a 37.8% decrease compared to RMB2.8 million for the corresponding period last year. The reduction was primarily due to lower lease interest expenses resulting from the decrease in leased assets of the Group.

Income tax

Based on the above changes, for the six months ended June 30, 2025, the Group's income tax expenses amounted to RMB77.5 million, representing a 30.4% increase compared to RMB59.4 million for the corresponding period last year, primarily attributable to higher taxable income.

Profit for the period

Based on the above changes, for the six months ended June 30, 2025, the Group recorded a profit of RMB202.9 million, representing a 20.9% increase compared to RMB167.8 million for the corresponding period last year.

Non-IFRS accounting standards measures

To supplement our unaudited consolidated financial statements that are presented in accordance with IFRS accounting standards, we also use adjusted profit for the period (a non-IFRS accounting standards measure) and adjusted net profit margin (a non-IFRS accounting standards measure), as additional financial measures, which are not required by, or presented in accordance with IFRS accounting standards. We believe that these non-IFRS accounting standards measures facilitate comparisons of operating performance from period to period by eliminating potential impact of certain items. We believe that these measures provide useful information to investors and others in understanding and evaluating our unaudited consolidated financial statements in the same manner as they help our management. However, our presentation of adjusted profit for the period (a non-IFRS accounting standards measure) and adjusted net profit margin (a non-IFRS accounting standards measure) may not be comparable to similar item measures presented by other companies. The use of these non-IFRS accounting standards measures has limitations as an analytical tool, and you should not consider them in isolation from, or as substitute for analysis of, our unaudited consolidated financial statements or financial condition as reported under IFRS accounting standards. We define adjusted profit for the period (a non-IFRS accounting standards measure) as profit for the period adjusted for share-based payment expenses and listing expenses. We define adjusted net profit margin (a non-IFRS accounting standards measure) as adjusted profit for the period (a non-IFRS accounting standards measure) as a percentage of total revenues.

	For the six months ended June 30,	
	2025	2024
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Profit for the period	**202,898**	167,791
Add:		
Share-based payment expenses	**29,184**	28,598
Listing expenses	**11,648**	17,394
Adjusted profit for the period (a non-IFRS accounting standards measure)	**243,730**	213,783
Adjusted profit margin for the period (a non-IFRS accounting standards measure)	**13.40%**	12.90%

Notes:

(1) Share-based payment expenses relate to the share rewards we granted to our employees, which is a non-cash item.

(2) Listing expenses represent the fees incurred in relation to the global offering.

Inventories

As at June 30, 2025, the Group's inventories amounted to RMB168.9 million, representing an increase of RMB0.8 million from RMB168.1 million as at December 31, 2024. Our inventory turnover days slightly decreased from 26 days in 2024 to 24 days for the six months ended June 30, 2025.

Trade receivables

As of June 30, 2025, the Group's trade receivables amounted to RMB2.4 million, representing an increase of RMB0.9 million from RMB1.5 million as of December 31, 2024. The increase was primarily due to increase receivables for sales of ingredients and other raw materials payable by certain franchisees which were granted credit terms as agreed by us in written form.

Property, plant and equipment

As of June 30, 2025, the Group's property, plant and equipment amounted to RMB35.0 million, representing a decrease of RMB7.9 million from RMB42.9 million as of December 31, 2024. The reduction was primarily attributable to the amortisation of office and plant renovations as well as depreciation of machinery and electronic equipment.

Trade payables

As of June 30, 2025, the Group's trade payables amounted to RMB254.4 million, representing an increase of RMB28.1 million from RMB226.3 million as of December 31, 2024. The increase was primarily due to higher procurement volumes from suppliers to ensure business continuity and meet franchisees' ordering requirements. Our trade payables turnover days slightly decreased from 36 days in 2024 to 35 days for the six months ended June 30, 2025, remaining substantially stable.

Bank borrowings

As of June 30, 2025, the Group's bank borrowings amounted to RMB29.8 million, reflecting a decrease of RMB0.1 million from RMB29.9 million as of December 31, 2024.

Contract liabilities

As of June 30, 2025, the Group's contract liabilities amounted to RMB66.9 million, representing an increase of RMB9.0 million from RMB57.9 million as of December 31, 2024. The growth was primarily attributable to increased advance payments from franchisees for goods and equipment sales and higher franchise fee income resulting from the expansion of franchised stores.

Lease liabilities

As of June 30, 2025, the Group's lease liabilities amounted to RMB70.4 million, representing a decrease of RMB25.7 million from RMB96.1 million as of December 31, 2024. The reduction was primarily due to rental payments and the termination of certain warehouse leases.

Foreign exchange risk

The Group primarily operates in the PRC, and as the proceeds from the global offering are denominated in Hong Kong dollar and as the Group is gradually expanding into selected overseas markets, therefore, the Group is exposed to certain foreign exchange risk. During the Reporting Period, the Group did not conduct any foreign exchange hedging related activity. The management of the Group will continue to monitor foreign exchange risk and will consider appropriate hedging measures in the future should the need arise.

Contingent liabilities

As of June 30, 2025, the Group had no significant contingent liabilities.

Capital commitments

As of June 30, 2025, the Group's capital commitments amounted to RMB3.2 million, representing an increase of RMB0.8 million from RMB2.4 million as of December 31, 2024, and was mainly used for purchase of property, plant and equipment and other intangible assets.

Material acquisitions and disposals and significant investments

During the six months ended June 30, 2025, the Group did not have any material acquisitions or disposals of subsidiaries, nor consolidate any affiliated or associated companies. As of June 30, 2025, the Group did not have any significant investments.

Future plans for material investments or capital assets

As of June 30, 2025, the Group had no future plans for other material investments or capital assets save as disclosed in the section headed "Future Plans and Use of Proceeds" in the Prospectus and further explained in the section "Use of Proceeds from the Global Offering" below.

Pledge of assets

As at June 30, 2025, no assets of the Group were pledged.

Liquidity and capital resources

For the six months ended June 30, 2025, the Group generated cash from operating activities of RMB223.2 million, compared to RMB158.3 million for the six months ended June 30, 2024.

As at December 31, 2024, the Group's cash and bank deposits (including cash and cash equivalents, restricted cash, and time deposits) amounted to RMB442.9 million, while totaling RMB1,000.7 million as at June 30, 2025, comprising RMB987.5 million in cash and cash equivalents and RMB13.2 million in restricted cash.

As at June 30, 2025, the Group's interest-bearing bank and other borrowings amounted to RMB29.9 million, all of which are due within one year, representing basically no apparent change from RMB29.8 million as at December 31, 2024. All borrowings are denominated in RMB and bear interest at fixed rates. The Group had no interest rate hedging policies in place. The Group pursues a prudent cash management policy and actively manages its liquidity position to meet the Group's day-to-day operation and future development funding requirements. The Group's primary sources of funding include cash flows from operations, proceeds from the global offering, and bank and other borrowings.

The Group has sufficient liquidity to meet its day-to-day liquidity management and capital expenditure requirements.

Capital structure

As at June 30, 2025, the Group had net assets amounting to RMB1,681.2 million, compared to RMB1,184.1 million as at December 31, 2024. As at June 30, 2025, the Group's total current assets amounted to RMB2,126.4 million, total non-current assets amounted to RMB262.7 million, total current liabilities amounted to RMB669.5 million, and total non-current liabilities amounted to RMB38.4 million.

As at June 30, 2025, the Group's cash and cash equivalents were primarily denominated in RMB. As at December 31, 2024, the Group's cash and cash equivalents were primarily denominated in RMB.

The Group's gearing ratio, which equals total liabilities divided by total assets for the corresponding period, multiplied by 100%, was 29.6% as at June 30, 2025 (December 31, 2024: 36.2%).

Employees and remuneration policies

As of June 30, 2025, we had 1,425 full-time employees. For the six months ended June 30, 2025, employee benefit expenses (including remuneration for directors and chief executive) comprised wages and salaries, contributions to pension schemes, and social welfare costs, amounting to approximately RMB226.3 million.

We recruit our employees primarily from the open market through recruitment advertisements, agencies, online platforms and referrals. We attract and retain suitable personnel by offering competitive wages and benefits. The remuneration and benefits of the Group's employees are determined with reference to market benchmarks as well as their respective qualifications and competencies. Performance-based incentive schemes, such as bonuses, are also in place.

We encourage every individual within the Company to pursue career development opportunities. To support this, we provide ongoing training and career development programmes to facilitate their growth and career progression. We offer a range of professional development training and place strong emphasis on employees' occupational health and safety. At the end of each year, we conduct performance reviews for our employees, providing feedback and guidance. Based on their performance and role requirements, we offer advancement opportunities and further training.

For the purposes of rendering improvement to the Company's incentive mechanism, inspiring key employees to contribute their enthusiasm and creativity, facilitating sustainable growth of the Group's performance, and bringing value-added benefits to the eligible participants while enhancing the Group's value, so as to achieve the common development for both eligible participants and the Group, upon consideration and approval thereof at the general meeting of the Company held on September 30, 2020, the Company adopted the Pre-IPO Employee Incentive Scheme, and established a limited partnership serving as a Pre-IPO Employee Incentive Platform. For more details of the Pre-IPO Employee Incentive Scheme, please refer to "Statutory and General Information – Employee Incentive Schemes" in Appendix IV to the Prospectus.

USE OF PROCEEDS FROM THE GLOBAL OFFERING

The H Shares of the Company were listed on the Main Board of the Stock Exchange on May 8, 2025 (the "**Listing Date**"). The net proceeds from the Company's global offering amounted to HK$233.9 million (the "**Net Proceeds**"), including the net proceeds from the full exercise of the over-allotment option. The Net Proceeds from the global offering will be utilized according to the plans disclosed in the section headed "Future Plans and Use of Proceeds" in the Prospectus, with details as follows:

Intended use of the Net Proceeds	Percentage of total Net Proceeds	Allocation of the Net Proceeds from the global offering *(HK$ million)*	Utilized Net Proceeds as of June 30, 2025 *(HK$ million)*	Unutilized Net Proceeds as of June 30, 2025 *(HK$ million)*	Expected timetable for full utilization
Enhancing our digitalization capabilities	25%	58.5	–	58.5	December 2027
Research and development to improve the quality of our raw materials and ingredients, create hit products, expand our product offerings and upgrade our equipment and machines	20%	46.8	–	46.8	December 2027
Strengthening our supply chain capabilities by enhancing our production, processing, warehousing, logistics and distribution capabilities	20%	46.8	–	46.8	December 2027
Enhancing our brand awareness and further expand and empower our store network	15%	35.0	–	35.0	December 2027
Investing in various marketing activities	10%	23.4	–	23.4	December 2027
Working capital and other general corporate purposes	10%	23.4	–	23.4	December 2027
Total	**100%**	**233.9**	**–**	**233.9**	

Notes:

1. Due to rounding, there may be a difference between the sum of the individual sub-values and the total amount.

2. The expected timetable for utilising the Net Proceeds from the global offering is based on the Company's best estimation of the future market conditions and is subject to changes according to our actual business operations.

INTERIM DIVIDEND

The Board recommended the payment of an interim dividend of RMB6.76 (tax inclusive) per 10 ordinary shares, amounting to approximately RMB71.12 million in total, for the six months ended June 30, 2025. However, as the shares will be repurchased and held as treasury shares (if any) by the Company from time to time, the actual aggregate amount of the interim cash dividend to be paid will be based on the total number of shares (excluding the treasury shares) on the record date for the payment of the interim dividend, which will be announced separately by the Company in due course. The proposed interim dividend shall be denominated and declared in Renminbi and paid in Hong Kong dollars to the H shareholders. The interim dividend payable in Hong Kong dollars will be converted based on the average benchmark exchange rate for Renminbi to Hong Kong dollars as announced by the People's Bank of China for the five business days prior to the extraordinary general meeting convened to consider and approve the distribution of the interim dividend. Interim dividends payable to domestic holders of unlisted shares will be distributed in Renminbi. All treasury shares held by the Company (if any) are not entitled to the interim dividend.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of shareholders and to enhance corporate value and accountability. The Group has adopted the corporate governance code set out in Appendix C1 (the "**Corporate Governance Code**") to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong (the "**Listing Rules**") as its own code of corporate governance. During the period from the Listing Date and up to the date of this announcement, to the best knowledge of the directors, except for the deviation from code provision C.2.1 of part 2 of the Corporate Governance Code below, the Company has fully complied with all applicable code provisions in the Corporate Governance Code.

Pursuant to code provision C.2.1 of part 2 of the Corporate Governance Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive officer should be clearly established and set out in writing. During the Reporting Period, the roles of chairman of the Board and chief executive officer of the Company were performed by Mr. Shan Weijun, he was primarily responsible for the brand strategy, major development plans and corporate culture values implementation of our Group. Our Board believes that, in view of his experience, personal profile and his roles in our Company as mentioned above, Mr. Shan is the Director best suited to identify strategic opportunities and focus of the Board due to his extensive understanding of our business as our chief executive officer. The Board also believes that vesting the roles of both chairperson and chief executive officer in the same person has the benefit of ensuring the consistent leadership within our Group and enables more effective and efficient overall strategic planning of our Group. Besides, with three independent non-executive Directors out of a total of seven Directors in our Board, there will be sufficient independent voice within our Board to protect the interests of our Company and our Shareholders as a whole. Therefore, the Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively. The Board will continue to review and consider splitting the roles of chairperson of the Board and the chief executive officer of the Company at a time when it is appropriate by taking into account the circumstances of the Group as a whole.

COMPLIANCE WITH THE MODEL CODE

The Group has adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 of the Listing Rules (the "**Model Code**") as the code of conduct for securities transactions by directors and supervisors. As the Model Code is not applicable before the Listing Date, having made specific enquiry of all Directors and supervisors, each of the Directors and supervisors acknowledged that he/she had fully complied with the Model Code during the period from the Listing Date to the date of this announcement.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

From the Listing Date and up to the six months ended June 30, 2025, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities or sold or transferred any treasury shares as defined under the Listing Rules. As at June 30, 2025, the Company did not hold any treasury shares.

REVIEW OF THE INTERIM RESULTS BY THE AUDIT COMMITTEE

The Company has established an audit committee (the "**Audit Committee**"). The Audit Committee consists of three independent non-executive Directors, namely Mr. Chung Chong Sun, Mr. Han Ding-Gwo and Ms. Yu Fang Jing. Mr. Chung Chong Sun holds the appropriate professional qualifications as required under Rules 3.10(2) and 3.21 of the Listing Rules and serves as the chairperson of the Audit Committee.

The Audit Committee has reviewed the unaudited condensed consolidated interim results of the Group for the six months ended June 30, 2025, and concluded that they had complied with appropriate accounting principles, standards and regulations, and adequate disclosures have been made. The interim results for the six months ended June 30, 2025 are unaudited but have been reviewed by the Company's independent auditor, Ernst & Young, 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.

SIGNIFICANT EVENT AFTER THE REPORTING PERIOD

Proposed Participation in the Plan of H Share Full Circulation by the Company and Proposed Amendments to the Articles of Association

Reference is made to the announcement of the Company dated July 4, 2025, in relation to, among others, the proposed participation in the plan of H share full circulation by the Company and proposed amendments to the articles of association (the"**Articles of Association**"). On July 4, 2025, the Board has considered and approved the proposed implementation of conversion of no more than 35,255,992 domestic unlisted shares of the Company held by certain shareholders of the Company into H shares of the Company (the "**H Share Full Circulation**") .The final number of the Company's domestic unlisted shares to be converted into H shares shall be subject to the filing with the China Securities Regulatory Commission and approvals from the Stock Exchange. In addition, on the same day, the Board has considered and approved certain proposed amendments to the Articles of Association to reflect the share capital structure of the Company upon the completion of the H Share Full Circulation in the future. As at the date of this announcement, the participation in the H-share Full Circulation plan is still in progress. The Company will make further announcement(s) on the progress of the H Share Full Circulation and the conversion and listing in accordance with the requirements of the Listing Rules.

Save as disclosed above, there are no other material events after the Reporting Period undertaken by the Group after June 30, 2025 and up to the date of this announcement.

PUBLICATION OF 2025 INTERIM RESULTS AND 2025 INTERIM REPORT

This announcement is published on the website of the Stock Exchange (https://www.hkexnews.hk) and the Company's website (https://ir.hsay.com), respectively. The interim report of the Company for the six months ended June 30, 2025 will also be made available on the above websites in due course and dispatched to the shareholders who requested the printed copy.

By order of the Board
Auntea Jenny (Shanghai) Industrial Co., Ltd.
Mr. Shan Weijun
Chairperson of the Board and Executive Director

Hong Kong, August 27, 2025

As at the date of this announcement, the Board comprises: (i) Mr. Shan Weijun, Ms. Zhou Rongrong, Mr. Zhou Tianmu and Mr. Wang Jiaxing as executive Directors and (ii) Mr. Han Ding-Gwo, Mr. Chung Chong Sun and Ms. Yu Fang Jing as independent non-executive Directors.