

Helens's

Helens International Holdings Company Limited

海倫司國際控股有限公司

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

Stock code : Hong Kong : 9869, Singapore : HLS

2025
ANNUAL REPORT



CONTENTS

01	Definitions	2
	Corporate Information	5
02	Five-Year Financial Summary	7
	Financial Highlights	8
03	Chairman's Statement	9
04	Management Discussion and Analysis	14
	Directors and Senior Management	25
	Report of the Directors	29
	Corporate Governance Report	45
05	Independent Auditor's Report	64
06	Consolidated Statements of Comprehensive Income	69
	Consolidated Statements of Financial Position	70
	Consolidated Statements of Changes in Equity	72
	Consolidated Statements of Cash Flows	74
07	Notes to the Consolidated Financial Statements	75



Definitions

“Articles of Association” or “Articles”	the amended and restated articles of association of our Company adopted on June 16, 2023, as amended from time to time
“Audit Committee”	the audit committee of the Board
“Board”	the board of directors of our Company
“BVI”	the British Virgin Islands
“Cantrust”	Cantrust (Far East) Limited, the trustee of the Mr. Xu’s Trust
“China” or “PRC”	People’s Republic of China, but for the purpose of this annual report and for geographical reference only and except where the context requires otherwise, references in this annual report to “China” and the “PRC” do not include Hong Kong, Macau and Taiwan
“Code” or “Corporate Governance Code”	the Corporate Governance Code set out in Part 2 of Appendix C1 to the Listing Rules
“Company” or “our Company”	Helens International Holdings Company Limited (海倫司國際控股有限公司), an exempted company with limited liability incorporated in the Cayman Islands on January 16, 2018
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules and unless the context otherwise requires, refers to HHL International, Helens Hill (BVI), HLSH Holding and Mr. Xu
“Director(s)”	the directors of our Company, including all executive and independent non-executive directors
“Futu Trust”	Futu Trustee Limited, the trustee of the Post-IPO RSU Scheme
“Global Offering”	the Hong Kong public offering and the international offering of our Shares
“Group,” “our Group,” “our,” “we” or “us”	our Company, its subsidiaries from time to time
“Helens Hill (BVI)”	Helens Hill Holding Limited, a company incorporated in BVI with limited liability on January 11, 2018, one of our Controlling Shareholders
“HHL International”	HHL International Limited (HHL國際有限公司), a company incorporated in BVI on May 12, 2021 with limited liability and wholly owned as to 1% by Helens Hill (BVI) and 99% by HLSH Holding, a Controlling Shareholder
“HK\$” or “Hong Kong Dollars”	Hong Kong dollars, the lawful currency of Hong Kong

Definitions

“HLSH Holding”	HLSH Holding Limited, a company incorporated in BVI on March 24, 2021 with limited liability and wholly owned by Cantrust, a Controlling Shareholder
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange” or “Stock Exchange”	The Stock Exchange of Hong Kong Limited, a wholly-owned subsidiary of Hong Kong Exchange and Clearing Limited
“Latest Practicable Date”	April 17, 2026, being the latest practicable date prior to the printing of this annual report for the purpose of ascertaining certain information contained herein
“Listing”	the listing of the Shares on the Main Board
“Listing Date”	September 10, 2021, the date on which dealings in the Shares first commence on the Main Board
“Listing Rules” or “Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended or supplemented from time to time
“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the GEM of the Stock Exchange. For the avoidance of doubt, the Main Board excludes the GEM of the Stock Exchange
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
“Mr. Xu’s Trust”	Tiny Tiny Hill Trust, a discretionary trust set up by Mr. Xu with Cantrust acting as trustee, the beneficiaries of which are Mr. Xu’s family members and Helens Hill (BVI)
“Over-allotment Option”	the option to be granted by us to the International Underwriter(s), exercisable by the Sole Global Coordinator on behalf of the International Underwriter(s), pursuant to which we are required to allot and issue up to an aggregate of 20,197,500 additional Shares (representing 15% of the Shares initially being offered under the Global Offering) to cover over-allocations in the International Offering, details of which are described in the section headed “Structure of the Global Offering — Over-allotment Option” of the Prospectus
“Post-IPO RSU”	a restricted share unit to be granted under the Post-IPO RSU Scheme
“Post-IPO RSU Scheme”	the post-IPO restricted share unit scheme of the Company approved and adopted by the Board on March 31, 2021 and amended on January 16, 2022 and April 8, 2025, the principal terms of which are set out in the paragraph headed “D. Share Incentive Schemes — 2. Post-IPO RSU Scheme” in Appendix IV to the Prospectus

Definitions

“Pre-IPO RSU”	a restricted share unit granted under the Pre-IPO RSU Schemes
“Prospectus”	the prospectus issued by the Company on August 31, 2021 in connection with the Hong Kong Public Offering
“Remuneration Committee”	the remuneration committee of the Board
“Renminbi” or “RMB”	the lawful currency of the PRC
“Reporting Period”	the 12 months ended December 31, 2025
“RSU(s)”	restricted share unit(s)
“RSU Trustee”	Futu Trust
“Secondary Listing”	the secondary listing of the Company’s ordinary shares on the Main Board of the Singapore Exchange Securities Trading Limited on July 19, 2024 by way of introduction
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as amended, supplemented or otherwise modified from time to time
“Share(s)” or “Ordinary Share(s)”	the shares of our Company, as the context so requires
“Shareholder(s)”	holder(s) of our Share(s)
“subsidiary(ies)”	has the meaning ascribed to it in section 15 of the Companies Ordinance
“Substantial Shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“%”	per cent

Capitalized terms have the meaning in the Prospectus unless otherwise defined.

Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Xu Bingzhong (徐炳忠先生)
(Chairman and Chief Executive Officer)
Ms. Cai Wenjun (蔡文君女士)
Ms. Yu Zhen (余臻女士)
Mr. He Daqing (賀大慶先生)

Independent Non-Executive Directors

Mr. Li Dong (李東先生)
Mr. Wang Renrong (王仁榮先生)
Mr. Wong Heung Ming Henry (黃向明先生)
(resigned on July 11, 2025)
Mr. Ler Soon Hock Leonard (呂珣福先生)
(appointed on July 11, 2025)

AUDIT COMMITTEE

Mr. Li Dong *(Chairman)*
Mr. Wang Renrong
Mr. Wong Heung Ming Henry *(resigned on July 11, 2025)*
Mr. Ler Soon Hock Leonard *(appointed on July 11, 2025)*

REMUNERATION COMMITTEE

Mr. Wang Renrong *(Chairman)*
Mr. Li Dong
Mr. Xu Bingzhong

NOMINATION COMMITTEE

Mr. Xu Bingzhong *(Chairman)*
Mr. Li Dong
Mr. Wang Renrong
Ms. Cai Wenjun *(appointed on August 29, 2025)*
Mr. Ler Soon Hock Leonard
(appointed on August 29, 2025)

COMPANY SECRETARY

Mr. Lui Wing Yat Christopher *(ACG, HKACG)*

AUTHORIZED REPRESENTATIVES

Ms. Yu Zhen
Mr. Lui Wing Yat Christopher *(ACG, HKACG)*

REGISTERED OFFICE

Palm Grove Unit 4
265 Smith Road, George Town
P.O. Box 52A Edgewater Way, #1653
Grand Cayman
KY1-9006 Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN CHINA

Building B2
Guanggu Chongwen Centre Phase I
No. 792 Gaoxin Avenue
East Lake New Technology Development Zone
Wuhan
Hubei Province
PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 19, 9/F
118 Wai Yip Street
Kwun Tong
Kowloon
Hong Kong

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Walkers Corporate Limited
190 Elgin Avenue
George Town
Grand Cayman KY1-9008
Cayman Islands

Corporate Information

HONG KONG BRANCH SHARE REGISTRAR

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

SINGAPORE SHARE TRANSFER AGENT

In.Corp Corporate Services Pte. Ltd.
36 Robinson Road
#20-01 City House
Singapore 068877

LEGAL ADVISER IN HONG KONG

KJ Tan & Co
7/F, LL Tower
2 Shelley Street
Hong Kong

INDEPENDENT AUDITOR

PricewaterhouseCoopers
Certified Public Accountants
Registered Public Interest Entity Auditor
22/F, Prince's Building
Central
Hong Kong

PRINCIPAL BANKS

China Merchants Bank Co., Ltd.
Wuhan Guanggu Technology Sub-branch
No. 475-1 Guanshan Avenue
Donghu Development Zone
Wuhan
Hubei Province
PRC

Industrial and Commercial Bank of China (Asia) Limited
33/F, ICBC Tower
3 Garden Road
Central
Hong Kong

STOCK CODE

Hong Kong: 9869
Singapore: HLS

COMPANY WEBSITE

www.helensbar.com

Five-Year Financial Summary

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year ended December 31,				
	2025 RMB'000	2024 RMB'000	2023 RMB'000	2022 RMB'000	2021 RMB'000
Revenue	539,009	752,206	1,208,613	1,559,308	1,835,616
Profit/(loss) before income tax	37,804	(76,567)	151,964	(1,616,472)	(176,850)
Profit/(loss) for the year attributable to owners of the Company	33,954	(77,976)	180,500	(1,601,150)	(230,000)
Adjusted net profit/(loss) ⁽¹⁾	67,686	65,384	291,088	(240,784)	111,230

Note:

- (1) For the years ended December 31, 2024 and 2025, please refer to "Financial Highlights" in this annual report. For the years ended December 31, 2021, 2022 and 2023, please refer to "Financial Highlights" in our 2022 annual report, 2023 annual report and 2024 annual report, respectively.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As of December 31,				
	2025 RMB'000	2024 RMB'000	2023 RMB'000	2022 RMB'000	2021 RMB'000
Assets					
Non-current assets	396,029	459,772	740,830	1,286,524	2,572,643
Current assets	729,693	916,203	1,424,154	1,390,244	1,714,123
Total assets	<u>1,125,722</u>	<u>1,375,975</u>	<u>2,164,984</u>	<u>2,676,768</u>	<u>4,286,766</u>
Equity and liabilities					
Equity attributable to owners of the Company	874,665	1,118,791	1,821,407	1,822,868	2,876,720
Non-current liabilities	96,004	133,113	191,231	565,202	1,060,620
Current liabilities	155,053	124,071	152,346	288,698	349,426
Total liabilities	<u>251,057</u>	<u>257,184</u>	<u>343,577</u>	<u>853,900</u>	<u>1,410,046</u>
Total equity and liabilities	<u>1,125,722</u>	<u>1,375,975</u>	<u>2,164,984</u>	<u>2,676,768</u>	<u>4,286,766</u>

Financial Highlights

	For the year ended December 31,	
	2025 RMB in thousands	2024 RMB in thousands
Revenue	539,009	752,206
Profit/(loss) before income tax	37,804	(76,567)
Profit/(loss) for the year attributable to owners of the Company	33,954	(77,976)
Adjusted net profit ⁽¹⁾	67,686	65,384

NON-HKFRS MEASURES

	For the year ended December 31,	
	2025 RMB in thousands	2024 RMB in thousands
Profit/(loss) for the year	33,954	(77,976)
Add:		
Secondary listing expenses	—	13,287
Impairment loss of office properties	—	59,481
Losses from bars optimization and adjustment ⁽²⁾	10,338	105,763
Exchange loss/(gain)	23,394	(35,171)
Adjusted net profit	67,686	65,384

Notes:

- (1) We define adjusted net profit as profit/(loss) for the year adjusted by adding back secondary listing expenses, impairment loss of office properties, losses from bars optimization and adjustment, and exchange loss/(gain). For details of non-HKFRS measures, please refer to the sub-section headed "Management Discussion and Analysis — Non-HKFRS Measures". We consider this change in definition to be more meaningful to the management for review and analysis purposes.
- (2) Losses from bars optimization and adjustment comprise impairment losses of plant and equipment and right-of-use assets, net impairment losses of trade receivables from franchisees, amortization of prepayment to franchisees, loss on disposal of plant and equipment, penalties and compensation for early termination, loss on rental deposits and gain on termination of leases.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at December 31, 2025 RMB in thousands (audited)	As at December 31, 2024 RMB in thousands (audited)
Non-current assets	396,029	459,772
Current assets	729,693	916,203
Total assets	1,125,722	1,375,975
Total equity	874,665	1,118,791
Non-current liabilities	96,004	133,113
Current liabilities	155,053	124,071
Net current assets	574,640	792,132
Total liabilities	251,057	257,184
Total equity and liabilities	1,125,722	1,375,975

Chairman's Statement

Dear Shareholders,

I am pleased to present to shareholders the annual report for the year ended December 31, 2025.

In 2025, our revenue decreased to RMB539 million from RMB752 million in 2024, mainly due to the fact that the number of self-operated bars in operation in 2025 decreased as compared with the full year of 2024 and that the same-store performance declined in 2025 as compared with 2024 due to the fluctuations in the market environment, which resulted in a decrease in revenue from self-operated business. As we continue to develop our bar network under the "HiBeer Partnership" programme, the proportion of our revenue from franchise business increased to 34.0% in 2025 from 25.9% in 2024. Despite the weak consumer market in 2025, we still scored good profitability, with an adjusted net profit of RMB67.7 million in 2025.

In 2025, our contribution margin of bars amounted to 73.77%, representing a further increase compared to 2024. Among these, the gross profit margin of Helen's branded alcoholic drinks increased from 76.6% in 2024 to 79.8% in 2025, mainly benefiting from the improvement of our supply chain capabilities and the popularity of new products we launched, meanwhile, Helen's own-brand products accounted for 72.4% of revenue in 2025, up from 70.5% in 2024.

In 2025, we continued to expand our bar network through the "HiBeer Partnership" programme, and the total number of our bars increased from 560 at the end of 2024 to 576 by the end of 2025, and further increased to 578 as of March 19, 2026, thereby maintaining our leadership position in the industry.

Looking forward, on the one hand, we will continue to consolidate and expand our self-operated bar network; on the other hand, we will further develop our franchise bar network through the continuously optimized "HiBeer Partnership" bar model. At the same time, we will continue to strengthen supply chain integration and space design capabilities, and leverage these two core strengths to explore new modes such as the "third space", thereby constantly creating new value for consumers' evolving lifestyles.

Chairman's Statement

Distribution of Our Bar Network

As of March 19, 2026, we had a total number of 578 bars globally, including Mainland China, Vietnam, Japan and Singapore, and covering 31 provincial-level administrative regions and 341 cities in China. The following table sets forth the number of Helen's bars by geographic location and types as of March 19, 2026 and the dates indicated.

	As of		December 31, 2024
	March 19, 2026	December 31, 2025	
Mainland China			
Bars in first-tier cities	38	38	35
Bars in second-tier cities	142	142	146
Bars in third and lower-tier cities	393	391	375
Other regions out of Mainland China	5	5	4
Total	578	576	560

	As of		December 31, 2024
	March 19, 2026	December 31, 2025	
Self-operated bars	108	108	112
Franchised bars	41	41	42
"HiBeer Partnership" bars	429	427	406
Total	578	576	560

Chairman's Statement

OPERATING INDICATORS

Average Daily Sales Per Bar Opened in Each City

The table below shows the average daily sales per bar opened in different tier cities during the indicated period.

	For the year ended December 31,	
	2025 <i>(RMB in thousands)</i>	2024 <i>(RMB in thousands)</i>
Average daily sales per self-operated bar and franchised bar		
Mainland China		
Bars in first-tier cities	8.6	8.3
Bars in second-tier cities	7.9	7.0
Bars in third and lower-tier cities	7.1	6.7
Overall	7.7	7.0

Average daily sale per "HiBeer Partnership"

Type of store	Store area	For the year ended December 31,	
		2025 <i>(RMB in thousands)</i>	2024 <i>(RMB in thousands)</i>
Large Store	240–260 square meters ⁽¹⁾	5.0	6.1
Medium Store	150–240 square meters ⁽²⁾	4.1	4.8
Small Store	90–150 square meters ⁽¹⁾	3.5	4.5
Overall	90–260 square meters	4.1	5.0

Notes:

(1): both numbers inclusive.

(2): both numbers exclusive.

Chairman's Statement

Same-store Performance

The following table sets forth the same-store sales of Helen's self-operated and franchised bars during the Reporting Period. "Same-store" means bars that opened for at least 300 days in 2025 and 2024, respectively.

	For the year ended December 31,	
	2025	2024
Mainland China		
Number of same-store	135	
Same-store sales (RMB'000)	414,650.9	508,037.2
Growth of same-store sales (%)	-18.4%	
Same-store sales per day ⁽¹⁾ (RMB'000)	1,141.5	1,399.8
Growth of same-store sales per day (%)	-18.5%	
Same-store average daily sales per store ⁽²⁾ (RMB'000)	8.5	10.4
Growth of same-store average daily sales per store (%)	-18.3%	

Notes:

- (1) The aggregate amount of all same-store average daily sales.
- (2) The average amount of all same-store average daily sales.

In 2025, our same-store performance declined, mainly due to the complex and volatile domestic economic market.

The Company is taking various measures to improve its same-store performance, including:

- (i) further refining and enhancing frontline partner performance incentive schemes to achieve collaborative performance growth;
- (ii) intensifying efforts to launch new products and enhancing the attractiveness of stores by enriching the product matrix;
- (iii) further enhancing brand influence and customers' experience, and increasing our ability to continuously acquire new customers and facilitate the repurchase of old customers; and
- (iv) strengthening organizational systems and cultural development, optimizing bar operations management and services, and improving customer experience.

Chairman's Statement

Contribution from Our Featured Products

The following table sets forth the overall contribution and contribution margin of all of Helen's branded alcoholic drinks and third-party brand alcoholic drinks during the indicated years.

	For the year ended December 31,	
	2025	2024
All Helen's branded alcoholic drinks		
Contribution (RMB'000)	148,759	213,561
Contribution margin	79.8%	76.6%
All third-party brand alcoholic drinks		
Contribution (RMB'000)	53,448	78,367
Contribution margin	60.9%	51.2%

Note:

Our contribution margin represents (i) the contribution of a given product, i.e. the revenue generated from the sales of a given product, less the costs of raw materials and consumables, divided by (ii) the revenue generated from the sales of the given product.

ACKNOWLEDGEMENTS

On behalf of the Board of Directors, I would like to thank all our staff and management team for their dedication and hard work, and all our shareholders for their trust and support to the Group. Looking ahead, we will continue to uphold our core values of being customer-centric and strivers-oriented, creating and sharing value with our customers and partners, providing a free and enjoyable offline social platform for more young customers, and creating greater value for our shareholders.

Management Discussion and Analysis

REVENUE

Our revenue decreased by 28.3% from RMB752.2 million for the year ended December 31, 2024 to RMB539.0 million for the year ended December 31, 2025. This was mainly due to the fact that the number of self-operated bars in operation in 2025 decreased as compared with the full year of 2024 and that the same-store performance declined in 2025 as compared with 2024 due to the fluctuations in the market environment, which resulted in a decrease in revenue from self-operated business.

The following table sets forth the revenue by segment and services and a breakdown of revenue during the indicated years.

	For the year ended December 31,			2024		
	2025		% of self-	2024		% of self-
	(RMB in thousands)	% of total revenue	operated business	(RMB in thousands)	% of total revenue	operated business
Revenue from self-operated bars						
Helen's branded products	257,631	47.8	72.4	393,005	52.2	70.5
Helen's beer	35,222	6.5	9.9	48,993	6.5	8.8
Spirituos drinks	151,522	28.1	42.6	229,983	30.6	41.3
Snacks	70,887	13.2	19.9	114,029	15.1	20.4
Third-party brand alcoholic drinks	87,765	16.3	24.7	153,027	20.3	27.4
Other products⁽¹⁾	3,714	0.7	1.1	6,520	0.9	1.2
Others⁽²⁾	6,572	1.2	1.8	4,961	0.7	0.9
Sub-total	355,682	66.0	100	557,513	74.1	100
Revenue from franchise business⁽³⁾	183,327	34.0	—	194,693	25.9	—
Total	539,009	100.0		752,206	100.0	

Notes:

- (1) Including paper towels and other consumer goods that we provide to customers in bars.
- (2) Including the revenue generated from our mobile device charging service in bars.
- (3) Including (i) the revenue generated from providing franchising service to franchised bars and "HiBeer Partnership" bars; and (ii) the revenue generated from sales of products to "HiBeer Partnership" bars, please see note 5 to consolidated financial statements for details.

OTHER INCOME

Our other income increased from RMB1.0 million for the year ended December 31, 2024 to RMB1.5 million for the year ended December 31, 2025, mainly due to an increase in rental income from investment properties.

Management Discussion and Analysis

COST OF RAW MATERIALS AND CONSUMABLES USED

The cost of our raw materials and consumables used was RMB222.8 million for the year ended December 31, 2025, including the cost of raw materials and consumables of self-operated bars of RMB93.3 million and the cost of raw materials and consumables generated by sales of products to partnership bar of RMB129.5 million, representing a decrease of 29.6% from RMB316.3 million for the year ended December 31, 2024, primarily due to the decrease in sales revenue from our self-operated bars.

EMPLOYEE BENEFIT AND MANPOWER SERVICE EXPENSES

Our employee benefit and manpower service expenses decreased by 34.9% from RMB173.7 million for the year ended December 31, 2024 to RMB113.1 million for the year ended December 31, 2025. The substantial decrease in employee benefit and manpower service expenses was mainly attributable to a decrease in the employee wages and benefits as the number of employees reduced as a result of the adjustment of our existing store network.

DEPRECIATION OF RIGHT-OF-USE ASSETS

The depreciation of our right-of-use assets decreased by 40.6% from RMB60.8 million for the year ended December 31, 2024 to RMB36.1 million for the year ended December 31, 2025. The decrease is primarily due to the termination of certain self-operated bars' lease contracts under the optimization and adjustment of the strategic transformation of the Company.

DEPRECIATION OF PROPERTY, PLANT AND EQUIPMENT

The depreciation of our property, plant and equipment decreased by 48.3% from RMB63.6 million for the year ended December 31, 2024 to RMB32.9 million for the year ended December 31, 2025. The decrease was primarily due to a reduction in the fixed assets of self-operated bars, as the number of bars declined.

DEPRECIATION OF INVESTMENT PROPERTIES

For the year ended December 31, 2025, our depreciation of investment properties amounted to RMB3.3 million (for the year ended December 31, 2024: RMB1.9 million). This is primarily due to our conversion of part of our office assets for rental purposes, which was subsequently classified as investment properties, resulting in depreciation.

SHORT-TERM RENTAL AND OTHER RELATED EXPENSES

Our short-term rental and other related expenses decreased by 12.4% from RMB23.3 million for the year ended December 31, 2024 to RMB20.4 million for the year ended December 31, 2025. The decrease was primarily because the number of employees in self-operated bars declined as a result of the implementation of optimization and adjustment of our bar network, leading to a decrease in the number of short-term dormitories we leased for employees.

UTILITIES EXPENSES

Our utilities expenses decreased by 38.7% from RMB19.4 million for the year ended December 31, 2024 to RMB11.9 million for the year ended December 31, 2025. The decrease was primarily because the electricity charge, the network energy consumption costs and the dormitory electricity and water utilities expenses decreased with the decrease in the number of bars accordingly.

Management Discussion and Analysis

TRAVELLING AND RELATED EXPENSES

Our travelling and related expenses decreased by 14.3% from RMB8.4 million for the year ended December 31, 2024 to RMB7.2 million for the year ended December 31, 2025. The decrease was primarily due to our implementation of refined management and cost control.

ADVERTISING AND PROMOTION EXPENSES

Our advertising and promotion expenses decreased by 69.6% from RMB12.5 million for the year ended December 31, 2024 to RMB3.8 million for the year ended December 31, 2025. The decrease is mainly due to the refined management of our online promotion.

SECONDARY LISTING EXPENSES

For the year ended December 31, 2025, we did not have any secondary listing expenses (for the year ended December 31, 2024: RMB13.3 million).

OTHER EXPENSES

Our other expenses decreased by 13.6% from RMB70.4 million for the year ended December 31, 2024 to RMB60.8 million for the year ended December 31, 2025 mainly due to the corresponding decrease in our daily operation and maintenance expenses as the number of self-operated bars decreased.

IMPAIRMENT LOSSES OF PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

Our impairment losses of plant and equipment and right-of-use assets decreased from RMB85.8 million for the year ended December 31, 2024 to RMB4.9 million for the year ended December 31, 2025.

Valuation methods and key inputs used in the valuation

As a result of the downturn of the overall domestic real estate market in the PRC, the management of the Group identified impairment indicators on the Group's headquarter building with portion held for own use under "property, plant and equipment" and the leased out portion under "investment properties" (together as the "**Properties**") and therefore conducted impairment assessment.

The recoverable amount of the Properties is determined with reference to the fair value less cost of disposal, which is higher than the value-in-use. When assessing the fair value of the Properties, the Group has engaged an independent professional valuer to perform a valuation (the "**Valuation**") which has incorporated valuation methods and key inputs as set out below:

- According to the valuation report of the independent professional valuer, the market approach is adopted for the Valuation. The market approach is a method that, based on the principle of substitution, compares and analyses the target properties with the transaction examples of similar properties in the period close to the valuation base date. According to the transaction prices of the latter, by making adjustments for the differences between the Properties and the comparable property in terms of transaction conditions, dates, regions and individual factors, etc., the market value of the Properties is derived.

Management Discussion and Analysis

- The Valuation refers to the comparable sales transactions with similar characteristics and located in the same local area as the Properties. The unit prices of these comparable transactions range from approximately RMB10,000 to RMB10,426 per square meter, and adjustments and analysis have been considered for various factors including but not limited to the differences in locations between the comparable and the properties to arrive at the fair value for the properties.
- In addition to the above specific analysis and adjustments, the Valuation also adopted general assumptions including but not limited to:
 - The seller sells the target properties' interest at market value without benefiting from any deferred term contracts, leaseback agreements, joint ventures, management agreements, or any similar arrangements that could affect the values of the property interests;
 - No allowance has been made in the valuation for any charges, mortgages liens or liabilities and any possible expenses or taxation that may be incurred at the time of sale. Unless otherwise stated, the target properties' interests are not subject to any burdens, restrictions, or encumbrances that could affect their value; and
 - The properties can be freely and independently traded in the market without the need to pay land transfer payment or any other fees or charges.

Based on the results of the impairment assessment conducted by the Group, the recoverable amount of these properties exceeded their carrying amount and therefore impairment of RMBnil and RMBnil (for the year ended December 31, 2024: RMB50,015,000 and RMB9,466,000) were recognised for the Properties under "property plant and equipment" and "investment properties", respectively, in the Group's consolidated statement of comprehensive income for the year ended December 31, 2025.

For details, please refer to note 14 to the consolidated financial statements of this annual report.

IMPAIRMENT LOSSES OF INVESTMENT PROPERTIES

For the year ended December 31, 2025, our impairment loss of investment properties amounted to RMBnil (for the year ended December 31, 2024: RMB9.5 million).

As explained above, the Group engaged an independent professional valuer to value the investment properties. The valuation methods adopted, the key inputs used in the valuation, as well as the valuation basis and assumptions are consistent with those for the above-mentioned plant and equipment.

NET IMPAIRMENT LOSSES OF TRADE RECEIVABLES

For the year ended December 31, 2025, our net impairment losses of trade receivables amounted to RMB51 thousands (for the year ended December 31, 2024: RMB16.7 million). This was primarily due to the shutdown of several franchised bars resulted from the optimization and adjustment of the bar network.

OTHER GAINS/(LOSSES), NET

For the year ended December 31, 2025, we incurred net other gains of RMB0.1 million which primarily comprised (i) gains on optimization and adjustment of our bars of RMB12.7 million (including loss on disposal of plant and equipment (approximately RMB0.5 million), loss on rental deposits (approximately RMB0.3 million), penalties and compensation for early termination of leases (approximately RMB0.6 million), and gains on termination of leases (approximately RMB14.0 million)); and (ii) exchange loss of RMB23.4 million mainly due to appreciation of USD and/or HKD denominated assets; and (iii) fair value changes of financial assets at fair value through profit or loss (approximately RMB10.8 million).



Management Discussion and Analysis

FINANCE INCOME

Our finance income decreased by 54.8% from RMB48.4 million for the year ended December 31, 2024 to RMB21.9 million for the year ended December 31, 2025. The decrease was primarily due to the decrease in amount of bank deposits.

FINANCE COSTS

Our finance expenses decreased by 33.9% from RMB11.2 million for the year ended December 31, 2024 to RMB7.4 million for the year ended December 31, 2025. The decrease in financial costs was mainly attributable to lease liabilities decline with a decrease in the number of bars, resulting in a decrease in related interest.

PROFIT/(LOSS) BEFORE INCOME TAX

As a result of the foregoing, our profit before income tax was RMB37.8 million for the year ended December 31, 2025, and the loss before income tax was RMB76.6 million for the year ended December 31, 2024.

INCOME TAX EXPENSE

The income tax expense was RMB1.4 million for the year ended December 31, 2024, compared with the income tax expense of RMB3.9 million for the year ended December 31, 2025. This was mainly because temporary differences and deferred tax assets arising from tax losses for the year have not been fully recognized.

Management Discussion and Analysis

NON-HKFRS MEASURES

To supplement the comprehensive statement of profit or loss presented in accordance with HKFRS Accounting Standards, we also use adjusted net profit as a non-HKFRS measure, which is not required by, or presented in accordance with, HKFRSs. We believe that the presentation of such non-HKFRS measure when shown in conjunction with the corresponding HKFRS measures provides useful information to investors and management in facilitating a comparison of our operating performance from period to period by eliminating certain non-operating or non-recurring expenses that do not affect our ongoing operating performance (including secondary listing expenses, impairment loss of office properties, exchange gains and losses and losses from bars optimization and adjustment). Such non-HKFRS measures allow investors to consider metrics used by our management in evaluating our performance. We believe that secondary listing expenses, impairment loss of office properties, foreign exchange gains and losses and losses from bars optimization and adjustment are non-operating or non-recurring expenses and incomes that will not affect our ongoing operating performance. We believe that adjusted net profit provides investors with useful information in facilitating a comparison of our operating performance from period to period by eliminating potential impacts of secondary listing expenses, impairment loss of office properties, foreign exchange gains and losses and losses from bars optimization and adjustment.

	For the year ended December 31,	
	2025	2024
	RMB in thousands	RMB in thousands
Profit/(Loss) for the year	33,954	(77,976)
Add:		
Secondary listing expenses	—	13,287
Impairment loss of office properties	—	59,481
Losses from bars optimization and adjustment ⁽¹⁾	10,338	105,763
Exchange loss/(gain)	23,394	(35,171)
Adjusted net profit	67,686	65,384

Note 1: The losses from bars optimization and adjustment comprise impairment losses of plant and equipment and right-of-use assets, net impairment losses of trade receivables from franchisees, amortization of prepayment to franchisees, loss on disposal of plant and equipment, penalties and compensation for early termination, loss on rental deposits and gain on termination of leases.

From time to time in the future, there may be other items that we may exclude from reviewing our financial results. The use of the non-HKFRS measures has limitations as an analytical tool, and shareholders of the Company and potential investors should not consider it in isolation from, or as a substitute for or superior to analysis of, our results of operations or financial condition as reported under HKFRS. In addition, the non-HKFRS financial measures may be defined differently from similar terms used by other companies and therefore may not be comparable to similar measures presented by other companies.

PROPERTY, PLANT AND EQUIPMENT

Our property, plant and equipment represent (i) building, (ii) office equipment such as printers, (iii) computer equipment, (iv) furniture and fixture used in bars such as tables and chairs and facilities in kitchens, (v) leasehold improvement and (vi) motor and vehicle. Our property, plant and equipment decreased from RMB217.9 million as of December 31, 2024 to RMB159.9 million as of December 31, 2025. The decrease is mainly due to shutdown of certain bars and depreciation.

Management Discussion and Analysis

INTANGIBLE ASSETS

Our intangible assets mainly include office systems and software that we have purchased. Our intangible assets remained generally stable at RMB41,000 and RMB24,000 as of December 31, 2024 and December 31, 2025, respectively.

RIGHT-OF-USE ASSETS

Our right-of-use assets (i.e. our confirmed long-term leased properties) decreased from RMB95.7 million as of December 31, 2024 to RMB78.2 million as of December 31, 2025. The decrease is mainly due to the termination of certain self-operated bars' lease contracts under the optimization and adjustment of the strategic transformation of the Company and depreciation.

INVESTMENT PROPERTIES

As of December 31, 2025, our investment properties amounted to RMB66.9 million (as of December 31, 2024: RMB33.0 million). This is primarily because several properties previously held for our own use located at our headquarter building (i.e. Building B2, Guanggu Chongwen Centre Phase I, No. 792 Gaoxin Avenue, East Lake New Technology Development Zone, Wuhan, Hubei Province, PRC) have been leased to tenants under operating leases for commercial use, with rent paid quarterly or semi-annually to obtain rental income. The change in the use of these properties led to their reclassification from "Property, Plant, and Equipment" to "Investment Properties."

INVENTORIES

Our inventories refer to the alcoholic drinks, food, and consumables used in our bar operations.

The following table sets forth our inventory balance as of the dates indicated.

	As at	
	December 31, 2025 (RMB in thousands)	December 31, 2024 (RMB in thousands)
Inventories		
Alcoholic drinks	11,472	16,359
Food	3,219	3,095
Consumables	857	668
Total	15,548	20,122

Our inventories decreased from RMB20.1 million as of December 31, 2024, to RMB15.5 million as of December 31, 2025, basically remaining stable.

Our inventory turnover days increased from 23.3 days as of December 31, 2024 to 29.2 days as of December 31, 2025, mainly due to the slowdown of inventory turnover efficiency.

Management Discussion and Analysis

PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

Our prepayments, deposits and other receivables primarily include rental and other deposits, other tax receivable and other prepayments. The decrease in balance from approximately RMB99.2 million as of December 31, 2024 to approximately RMB63.0 million as of December 31, 2025 was mainly due to the Group's strategic consideration of bars optimization and adjustment, resulting in the decrease in rental deposits.

TRADE RECEIVABLES

Our trade receivables decreased by 7.7% from RMB28.4 million for the year ended December 31, 2024 to RMB26.2 million for the year ended December 31, 2025, mainly due to the structural changes in the revenue from franchise business. In 2025, our revenue from franchise business was mainly from the sales of products to "HiBeer Partnership" bars. Trade receivables corresponding to such revenue had a faster turnover, resulting in a decrease in the balance of trade receivables.

CASH AND BANK BALANCE

Our cash and bank balance comprise cash and cash equivalents, term deposits with original maturity over three months and restricted cash. Our cash and bank balance were RMB806.4 million and RMB588.9 million as of December 31, 2024 and December 31, 2025, respectively. The decrease was mainly due to the payment of dividends in 2025.

LEASE LIABILITIES

We had lease liabilities of RMB145.4 million and RMB102.4 million as of December 31, 2024 and December 31, 2025, respectively. The decrease in lease liabilities was due to the termination of certain self-operated bars' lease contracts as a result of the Group's strategic consideration of bars optimization and adjustment.

TRADE PAYABLES

Our trade payables mainly represent the expenses payable to our suppliers to purchase raw materials, equipment and other supplies that are necessary for our bar operations. Our trade payables decreased from RMB28.7 million as of December 31, 2024 to RMB21.8 million as of December 31, 2025. The decrease was primarily due to the decline in our revenue, which has subsequently led to a decrease in our purchases from suppliers.

The turnover days of our trade payables increased from 34.3 days as of December 31, 2024 to 41.3 days as of December 31, 2025, resulting from the improved management capacity of our suppliers.

OTHER PAYABLES AND ACCRUALS

Our other payables and accruals increased from RMB12.6 million as of December 31, 2024 to RMB19.3 million as of December 31, 2025. Such increase was mainly due to the increase in product procurement accompanied by an increase in other payables for logistics, labor services, and other related operations.

LIQUIDITY AND CAPITAL RESOURCES

We have adopted a prudent treasury management policy. We place a strong emphasis on having funds readily available and accessible and are in a stable liquidity position with sufficient funds in standby banking facilities to cope with daily operations and meet its future development demands for capital.

Management Discussion and Analysis

During the Reporting Period, we mainly used cash generated from operating activities for our business. Our cash and bank balance were RMB806.4 million and RMB588.9 million as of December 31, 2024 and December 31, 2025, respectively. Our cash is mainly used to meet the needs of business operations.

Going forward, we expect to continue to fund our operations with revenue generated from operations of our bars. However, with the continuing expansion of our business, we may require further funding through public or private equity offerings, debt financing and other sources. We will continue to evaluate potential financing opportunities based on our need for capital resources and market conditions.

INDEBTEDNESS

Bank borrowings

As of December 31, 2025, we had bank borrowings of RMB40.0 million secured with guarantee and pledged against certain buildings of the Group. (2024: nil).

CONTINGENT LIABILITIES

As of December 31, 2025, we did not have any material contingent liabilities.

CAPITAL COMMITMENTS

As of December 31, 2025, we did not have any capital commitments.

CAPITAL EXPENDITURES

Our capital expenditures were incurred primarily for opening new bars, acquiring equipment, refurbishing existing bars and purchasing furniture and equipment required for bar operations. Our total capital expenditures increased from RMB8.2 million as of December 31, 2024 to RMB15.9 million as of December 31, 2025. Such increase resulted from the active transformation of the Group towards a platform-based company with a light-asset model.

GEARING RATIO

As of December 31, 2025, our gearing ratio was 4.6% (as of December 31, 2024: nil). The gearing ratio is calculated as total debt (including interest-bearing bank and other borrowings) divided by total equity at the end of the year, then multiplied by 100%.

FOREIGN EXCHANGE RISK

For the year ended December 31, 2025, we mainly operated in China. We are exposed to foreign exchange risk primarily because the proceeds from the Global Offering are denominated in Hong Kong dollars and certain bank deposits denominated in US dollars.

During the Reporting Period, the Group had not engaged in any foreign exchange hedging related activity. However, our management monitors foreign exchange exposure and will consider appropriate hedging measures should the need arise in the future.

Management Discussion and Analysis

PLEDGE AND CHARGE OF ASSETS

As of December 31, 2025, save as certain buildings were pledged as security for bank borrowings, the Group did not pledge any group assets and no charge was created on the Group's assets.

SIGNIFICANT INVESTMENT, MATERIAL ACQUISITION AND DISPOSAL

For the year ended December 31, 2025, the Group did not have any significant investments, material acquisitions or disposals of subsidiaries, associates and joint ventures. In addition, except for the expansion plan disclosed in sections headed "Business" and "Future Plans and Use of Proceeds" in the Prospectus, the Group did not have any specific plans for significant investments or acquisition of material capital assets or other businesses. The Group, however, will continue to identify new business development opportunities.

EMPLOYEES AND REMUNERATION POLICIES

As of December 31, 2025, we had 559 employees and 796 outsourced personnel, most of whom were based in China. We offer competitive wages and other benefits to the employees and provide discretionary performance bonus as a further incentive. For more details, please refer to the sections headed "Pre-IPO RSU Schemes" and "Post-IPO RSU Scheme" in the Report of the Directors of the annual report of the Company which will be published in due course. We have also improved career development pathways and talent training systems for employees to facilitate their self-growth. The Group's remuneration policies are formulated based on the performance of individual employees and are reviewed regularly.

During the year ended December 31, 2025, the total employee benefit (including directors' remuneration) and manpower service expenses were RMB113.1 million.

The Group has arranged for its Hong Kong employees to join the Mandatory Provident Fund Scheme, a defined contribution scheme managed by an independent trustee. As stipulated under the relevant rules and regulations in the PRC, the subsidiaries operating in the PRC contribute to state-sponsored retirement plans contributions and the applicable housing provident funds and various social insurance plans for employees initiated by local and provincial governments. The Group and the PRC-based employees are required to make monthly contributions to these plans calculated as a specific percentage of the employees' salaries. There was no forfeited contribution utilized to offset employers' contributions and there was no forfeited contribution available to reduce the contribution for the years ended December 31, 2024 and 2025.

KEY RISKS AND UNCERTAINTIES

There are certain key risks and uncertainties that may cause the Group's financial conditions or results to materially deviate from the expected or historical results, such risks and uncertainties can be categorized into the following areas: (i) risks related to our business; and (ii) risks related to our industry. Set out below are the details of the material risks and uncertainties that we face:

Risks Related to our Business

The sales and profitability of our Helen's branded products are affected by many factors, many of which are out of our control, such as market trends and customer tastes, preferences and perceptions. Therefore, in the event of any unfavourable trends in the sales or the profitability of our Helen's branded products, our business operations, financial performance and future growth could be harmed. Moreover, counterfeit brands or products of Helen's and the quality issues of food and alcoholic drinks brought by customers may significantly damage our reputation and brand image, diverting potential customers.

Management Discussion and Analysis

With a view to mitigating the risks related to our business, the Company is committed to meeting the needs of our guests and adapting to changes in consumer tastes and preferences by continuously launching new products. Furthermore, the Group protects the proprietary recipes for the Helen's branded alcoholic drinks by confidentiality agreements between the Group and its employees and confidentiality provisions in relevant supply agreements with the relevant suppliers. The Group also installs security cameras in the bars to provide full visibility which allows the staff to closely monitor the customers and food and beverages brought into the bars by customers. In addition, staff are trained to observe customers for any signs of discomfort or distress.

Risks Related to our Industry

We are exposed to the risks relating to foodborne diseases, sanitary epidemics and other outbreak of illnesses. Our businesses may be affected by outbreaks of foodborne diseases, epidemics and other illnesses. We cannot guarantee that our internal controls and training can fully and effectively prevent all food infectious diseases. In addition, our reliance on third-party brand alcoholic drinks suppliers and distributors increases the uncontrollable risks of food infectious disease events that may be caused by third-party brand alcoholic drinks suppliers and distributors, and the risks happening in bars in multiple locations instead of a single bar. Drug resistant diseases or diseases with a longer incubation period (such as mad cow disease) may occur in the future, which may further increase the risks that we are exposed to. If there is wide media coverage on foodborne diseases, it may have a negative impact on the entire industry and our businesses, regardless of whether we are liable to the spread of diseases. In addition, other diseases (such as hand-foot-mouth disease or avian flu) may adversely affect some of our food supplies and significantly increase our costs, thereby affecting the sales of our bars and forcing the closure of some of our bars, and this may have a material adverse impact on our results of operation.

We are also exposed to the risks associated with epidemics. The outbreak of the COVID-19 had caused varying degrees of damage to China's national and local economies. It also had caused adverse impact on our financial position and business operations. If the COVID-19 pandemic is repeated, it may have material adverse impact on our business, financial position and results of operation.

In order to mitigate the risks related to our industry, the Group has always adhered to food safety and quality assurance, by establishing and improving food safety risk assessment and control mechanisms, strictly select suppliers and choose only high-quality suppliers in the industry.

For details of the financial risks and management of the Group, please refer to note 3 to the consolidated financial statements of this annual report.

However, the above is not an exhaustive list. Investors are advised to make their own judgment or consult their own investment advisors before making any investment in the Shares.

EVENTS AFTER THE REPORTING PERIOD

The Company is not aware of any material subsequent events from December 31, 2025 to the date of this annual report.

Directors and Senior Management

DIRECTORS

Executive Directors

Mr. Xu Bingzhong (徐炳忠) (“Mr. Xu”), aged 52, is the founder of our Group, our chairman, executive Director, chief executive officer and one of the Controlling Shareholders.

Mr. Xu was first appointed as a Director on January 16, 2018 and was redesignated as the chairman of the Board, executive Director and chief executive officer of our Company. Mr. Xu is responsible for formulating the overall development strategies and business plans of our Company and overseeing the management and strategic development of our Group. Mr. Xu has over 21 years of experience in the bar operating market and corporate management. Mr. Xu set up the first bar under the brand “Helen’s” in 2009, and has been expanding the business operation of the bars ever since.

Ms. Cai Wenjun (蔡文君) (“Ms. Cai”), aged 37, is an executive Director and director of human resources of the Company, and was appointed as the director of procurement of the Company on January 9, 2025, responsible for the development and implementation of human resources strategies, management and recruitment in line with business objectives.

Ms. Cai joined our Group in April 2018. Ms. Cai was appointed as executive Director of the Company in June 2022. Ms. Cai has over 13 years of experience in the catering service industry and operation management. Prior to joining our Group, Ms. Cai successively served as store clerk, store manager, regional city manager and regional deputy manager of Helen’s brand bars from 2012 to April 2018. During this period, Ms. Cai was involved in the construction of the standardized and supervisory system of Helen’s brand bars. From April 2018 to August 2023, Ms. Cai served as deputy director for operations of the Company, responsible for supervising the standardization of operation, the supervisory system of operation, food safety management, etc.

Ms. Yu Zhen (余臻) (“Ms. Yu”), aged 33, is an executive Director and chief financial officer of the Company. Ms. Yu joined the Group in October 2021 and is responsible for the capital operation and financial management of the Group. Prior to joining our Group, Ms. Yu worked in the investment banking department of China International Capital Corporation Limited from July 2017 to September 2021. Ms. Yu obtained a bachelor’s degree in accounting from Wuhan University in June 2015 and a master’s degree in taxation from Peking University in June 2017. Ms. Yu passed the Association of Chartered Certified Accountants (ACCA) exam in January 2015 and the Chinese Institute of Certified Public Accountant (CPA) exam in December 2019.

Mr. He Daqing (賀大慶) (“Mr. He”), aged 42, is an executive Director of the Company. Mr. He is currently the chief operating officer at Shenzhen Helens Enterprise Management Co., Ltd. (深圳海倫司企業管理有限公司), a wholly-owned subsidiary of our Company, as well as a supervisor at Maidilong Technology (Hubei) Co., Ltd. (邁迪隆科技(湖北)有限公司), a subsidiary of our Company. He joined our Group in August 2020. Prior to joining our Group, Mr. He served as a deputy investigator at the publicity department of the CPC Huangshi Municipal Committee (黃石市委宣傳部) and the director of news and public opinion center from October 2015 to July 2020. Before that, he was an editor and the director of industry information department at the Xinhua News Agency, Hubei Branch (新華社湖北分社), from February 2012 to October 2015. Mr. He also worked at the Xinhua News Agency, Yunnan Branch (新華社雲南分社), as an economic analyst and editor from July 2009 to February 2012. Mr. He obtained a bachelor’s degree in economics and a master’s degree in management, both from Sichuan University (四川大學), in July 2006 and July 2009, respectively.

Directors and Senior Management

Independent Non-executive Directors

Mr. Li Dong (李東) (“Mr. Li”), aged 49, is the independent non-executive Director of the Company. He was first appointed as an independent non-executive Director on March 24, 2021 with effect on August 31, 2021. Mr. Li is responsible for supervising and providing independent advice to the Board.

Mr. Li Dong has more than 23 years' management experience in public accounting, investment banking and corporate finance. Mr. Li Dong currently serves as the chief financial officer of TH International Limited (NASDAQ: THCH), a premium coffee chain network in China listed on Nasdaq since September 2022. Prior to joining TH International Limited in September 2021, Mr. Li Dong served as the chief financial officer for several companies, including Ximalaya, Inc, a leading non-music audio platform in China, from September 2019 to September 2021; OneSmart International Education Group Limited, a leading premium K-12 education company in China listed on the New York Stock Exchange (NYSE: ONE) from July 2017 to June 2019; Pegasus Media Group Limited, a company focuses on movie and TV show production, investment, licensing, marketing and derivatives from April 2016 to April 2017; and Ecovacs Robotics Co., Ltd., a leading consumer robotics company in China listed on the Shanghai Stock Exchange (SSE: 603486) from March 2015 to February 2016. From September 2008 to February 2015, Mr. Li Dong worked as an associate and later vice president in the investment banking department at Bank of America Merrill Lynch and the vice president in the investment banking department of ICBC International Securities Limited in Hong Kong. Prior to that, Mr. Li Dong worked in KPMG's audit group from August 1999 to April 2006 in its Beijing and U.S. Silicon Valley offices, respectively.

Mr. Li has been serving as an independent director of GreenTree Hospitality Group Ltd., a leading hospitality management group in China listed on the New York Stock Exchange (NYSE: GHG) since March 2018; an independent non-executive director of Logory Logistics Technology Co., Ltd. (stock code: 2482) since March 2023; an independent non-executive director of ZJLD Group Inc (stock code: 6979) since April 2023; and an independent director of Yuanbao Inc. (NASDAQ: YB) since April 2025. Mr. Li served as an independent director of Boqii Holding Limited, China's largest pet-focused platform listed on the New York Stock Exchange (NYSE: BQ) from September 2020 to January 2025 and served as an independent non-executive director of Sinosoft Technology Group Limited (former stock code: 1297, delisted in March 2024) from February 2023 to March 2024.

Mr. Li received a bachelor's degree in accounting from the School of Economics and Management, Tsinghua University in July 1999, as well as a master's degree in business administration in finance from the Kellogg School of Management, Northwestern University in June 2008. Mr. Li is a member of the Chinese Institute of Certified Public Accountants and the Certified General Accountants Association of Canada.

Directors and Senior Management

Mr. Wang Renrong (王仁榮) (“Mr. Wang”), aged 59, was first appointed as an independent non-executive Director of our Company on March 24, 2021 with effect on August 31, 2021. Mr. Wang is responsible for supervising and providing independent advice to the Board.

Mr. Wang has solid experience in strategic investment, merger and acquisition, business development, legal affairs, compliance, communications and external affairs. Mr. Wang has approximately 19 years of experience serving in the beer industry since November 2003. Mr. Wang has been serving as an independent non-executive director of Grace Wine Holdings Limited, a company listed on GEM of the Stock Exchange (SEHK: 8146), since February 2026. Prior to his resignations in June 2021, Mr. Wang was the chairman of Budweiser Investment (China) Co., Ltd. (百威投資(中國)有限公司) and held directorship of several Chinese subsidiaries of Budweiser Brewing Company APAC Limited (“**Budweiser**”, a beer company in Asia Pacific listed on the Main Board of the Stock Exchange (SEHK: 1876)). Mr. Wang then served as its General Counsel and one of its joint company secretaries from May 2019 to February 2021. Between January 2005 and January 2021, Mr. Wang served as the Vice President of Legal and Corporate Affairs (APAC) of the Budweiser Group. Mr. Wang has been serving as an independent director of Shanghai Fudan Forward S&T Co., Ltd. (上海復旦復華科技股份有限公司) a company listed on the Shanghai Stock Exchange (SSE: 600624) between October 2014 and November 2020 and a director of Guangzhou Zhujiang Brewery Co., Ltd. (廣州珠江啤酒股份有限公司), a company listed on the Shenzhen Stock Exchange (SZSE: 002461) from September 2005 to June 2020. Between 2001 and 2003, Mr. Wang worked in Colgate-Palmolive (China) Co., Ltd (高露潔棕欖(中國)有限公司). From 2000 to 2001, he worked in Guangdong Swire Coca-Cola Co., Ltd. (廣東太古可口可樂有限公司). From 1997 to 2000, he worked in Avon Products (China) Co., Ltd. (雅芳(中國)有限公司).

Mr. Wang obtained a bachelor’s degree in Philosophy from Nanjing University (南京大學) in the PRC in July 1989 and a master’s degree in Law from KU Leuven in Belgium in July 2008. He also obtained a PhD in Law from Fudan University (復旦大學) in the PRC in June 2012.

Mr. Ler Soon Hock Leonard (呂珣福) (“Mr. Ler”), aged 47, was first appointed as an independent non-executive Director of our Company with effect on July 11, 2025. Mr. Ler is responsible for supervising and providing independent advice to the Board.

Mr. Ler has over 18 years of experience in business development, consulting and management. He has been the business development director at Frost & Sullivan since March 2024. Prior to that, he served as chief commercial officer at Boardroom Share Registrar (HK) Limited from February 2022 to October 2023, vice president/director at Computershare Hong Kong Investor Services Limited from October 2019 to January 2022, assistant vice president at The Core Group from June 2019 to October 2019, business development director at Alpha Financial Press Limited from October 2018 to April 2019, and business development director (Asia Pacific) at GenNex Financial Media Limited from September 2017 to August 2018. Mr. Ler worked at Toppan Vite Limited from January 2014 to July 2017, with his last position as senior director business development (Asia Pacific). Prior to that, Mr. Ler also worked as an associate director at GR Translation Services Limited, Manpartners Limited from March 2012 to December 2013; worked at Toppan Vite Limited from December 2009 to February 2012 with his last position as senior manager; and worked as international recruitment manager of Shines Education Pte Ltd from January 2007 to December 2009.

Mr. Ler obtained his degree of Bachelor of Commerce (Management and Marketing) from Curtin University of Technology in February 2007.



Directors and Senior Management

SENIOR MANAGEMENT

Mr. Xu Bingzhong (徐炳忠), aged 52, is the founder of our Group, our chairman of the Board, executive Director, chief executive officer and one of the Controlling Shareholders. For biographical details of Mr. Xu, please refer to the paragraph headed “Executive Directors” in this section above.

Mr. He Daqing (賀大慶), aged 42, is an executive Director of our Group and the chief operating officer of Shenzhen Helens Enterprise Management Co., Ltd. (深圳海倫司企業管理有限公司), a wholly-owned subsidiary of our Company. For biographical details of Mr. He, please refer to the paragraph headed “Executive Directors” in this section above.

Ms. Cai Wenjun (蔡文君), aged 37, is an executive Director and director of human resources of our Group, and was appointed as the director of procurement of the Group on January 9, 2025. For biographical details of Ms. Cai, please refer to the paragraph headed “Executive Directors” in this section above.

Ms. Yu Zhen (余臻), aged 33, is an executive Director and Chief Financial Officer of our Group. For biographical details of Ms. Yu, please refer to the paragraph headed “Executive Directors” in this section above.

Report of the Directors

The Directors are pleased to present their report and the audited consolidated financial statements (the “**Consolidated Financial Statements**”) of the Group for the Reporting Period.

PRINCIPAL ACTIVITIES

The Company was incorporated in the Cayman Islands on January 16, 2018 as an exempted company with limited liability under the Companies Act (Cap. 22, Law 3 of 1961 as consolidated and revised) of the Cayman Islands. The Company's shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (stock code: 9869) since September 10, 2021. Moreover, the ordinary shares of the Company has listed, by way of introduction, on the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) on July 19, 2024.

We are China's largest bar chain network. As of March 19, 2026, we had a total number of 578 bars globally, including Mainland China, Vietnam, Japan and Singapore, and covering 31 provincial-level administrative regions and 341 cities in China.

Particulars of the Company' principal subsidiaries as at December 31, 2025 are set out in Note 34 to the Consolidated Financial Statements.

BUSINESS REVIEW AND OUTLOOK

A review of the Group's business during the Reporting Period, which includes a discussion of the principal risks and uncertainties faced by the Group, an analysis of the Group's performance using financial key performance indicators, particulars of important events affecting the Group during the Reporting Period, and an indication of likely future developments in the Group's business, could be found in the section headed “Management Discussion and Analysis” in this annual report. The review and discussion form part of this Directors' Report.

Looking forward, we will continuously expand the bar network. We will reconstruct the development model and transform from a linear chain model to a platform-based company while stepping up the presence in broader lower-tier markets. We will also closely follow users' needs to improve customers' consumption experience. Moreover, we will increase investment in optimizing digital platforms and strengthening brand building to improve operational efficiency and brand awareness. In the meantime, further efforts will be made to integrate the supply chain and market resources, optimize product portfolios, and upgrade the decoration style, with a view to achieving differentiated and diversified operations.

FINAL DIVIDEND

The Board recommended the payment of a final dividend of RMB0.0554 per ordinary share of the Company in issue out of the share premium account of the Company for the year ended December 31, 2025 (2024: RMB0.1146). The actual total amount of final dividends to be paid will be subject to the total number of issued share capital of the Company as at the record date for determining the entitlement of shareholders to the final dividend.

The proposed dividend payment is subject to the approval by the shareholders at the forthcoming annual general meeting (the “**AGM**”) to be held on Thursday, May 14, 2026. Upon shareholders' approval, the final dividend will be paid to the shareholders on or around Tuesday, June 2, 2026.

Report of the Directors

For the purpose of determination of the Shareholders registered under the Company's register of members in Hong Kong and register of members in Singapore for receiving the final dividend in Hong Kong dollars or Singapore dollars respectively, any removal of the Shares between the Company's register of members in Hong Kong and register of members in Singapore has to be made by the Shareholders no later than 4:30 p.m. (both Hong Kong and Singapore times) on May 7, 2026.

For Hong Kong Shareholders

For the purpose of determining Hong Kong Shareholders' entitlements to the final dividend, the register of members of the Company in Hong Kong will be closed from May 20, 2026 to May 21, 2026 (both days inclusive), during which period no transfer of Shares will be registered. For Hong Kong Shareholders, the record date for determination of entitlements under the final dividend will be on May 21, 2026. Hong Kong Shareholders whose names appear on the register of members of the Company in Hong Kong on May 21, 2026 will be entitled to receive the final dividend. In order to qualify for the final dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not later than 4:30 p.m. (Hong Kong time) on May 19, 2026. The dividend warrants for the payment of dividend will be posted by ordinary mail to the Hong Kong Shareholders whose names shall appear on the register of members of the Company on May 21, 2026 at their own risk. The final dividend will be paid in Hong Kong dollars based on the official exchange rate of Renminbi against Hong Kong dollars as quoted by the People's Bank of China on Thursday, May 14, 2026. Final dividend will be paid in Hong Kong dollars to Hong Kong Shareholders.

For Singapore Shareholders

In order to qualify for the final dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Singapore share transfer agent, In.Corp Corporate Services Pte. Ltd. at 36 Robinson Road, #20-01 City House, Singapore 068877 for registration no later than 5:00 p.m. (Singapore time) on May 21, 2026. The final dividend will be paid in Singapore dollars based on the official exchange rate of Renminbi against Singapore dollars as quoted by the People's Bank of China on Thursday, May 14, 2026. Final dividend will be paid in Singapore dollars to Singapore Shareholders.

AGM AND CLOSURE OF REGISTER OF MEMBERS AND RECORD DATE

The register of members of the Company will be closed from Monday, May 11, 2026 to Thursday, May 14, 2026, both days inclusive, in order to determine the identity of shareholders who are entitled to attend and vote at the AGM. Shareholders whose names appear on the register of members of the Company on Thursday, May 14, 2026 will be entitled to attend and vote at the AGM. In order to be eligible to attend and vote at the AGM, all transfers accompanied by relevant share certificates and transfer forms must be lodged with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong before 4:30 p.m. (Hong Kong time) on Friday, May 8, 2026, and the Company's Singapore share transfer agent, In.Corp Corporate Services Pte. Ltd. at 36 Robinson Road, #20-01 City House, Singapore 068877 before 5:00 p.m. (Singapore time) on Friday, May 8, 2026.

Report of the Directors

FINANCIAL SUMMARY

A summary of the published results and of the assets, liabilities and equity of the Group for the last five financial years, as extracted from the published audited financial information and financial statements, is set out on page 7 of this annual report.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is highly aware of the importance of environment protection and has not noted any material non-compliance with all relevant laws and regulations in relation to its business including environmental protection, health and safety, workplace conditions, employment and the environment.

The Group has established detailed internal rules regarding environmental protection and adopted effective measures to achieve efficient use of resources, waste reduction and energy saving. For further details of the Group's environmental policies and performance, please refer to the environmental, social and governance report of the Company for the Reporting Period issued separately, which has been prepared in accordance with Rule 13.91 and the Environmental, Social and Governance Reporting Code contained in Appendix C2 to the Listing Rules.

DIRECTORS

During the Reporting Period and up to the Latest Practicable Date, the Board consists of the following Directors:

Executive Directors

Mr. Xu Bingzhong (徐炳忠先生) (*Chairman and Chief Executive Officer*)

Ms. Cai Wenjun (蔡文君女士)

Ms. Yu Zhen (余臻女士)

Mr. He Daqing (賀大慶先生)

Independent Non-executive Directors

Mr. Li Dong (李東先生)

Mr. Wang Renrong (王仁榮先生)

Mr. Wong Heung Ming Henry (黃向明先生) (*resigned on July 11, 2025*)

Mr. Ler Soon Hock Leonard (呂珣福先生) (*appointed on July 11, 2025*)

DIRECTORS AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the Directors and senior management of the Company are set out on pages 25 to 28 in the section headed "DIRECTORS AND SENIOR MANAGEMENT" of this annual report and the relationships between the Directors are disclosed in the respective Director's biography.

During the Reporting Period, save as disclosed in this annual report, there was no change to information which was required to be disclosed by the Directors and senior management of the Company pursuant to Rule 13.51B(1) of the Listing Rules.

Except for the relationships between the Directors set forth in the respective Director's biography under the section headed "DIRECTORS AND SENIOR MANAGEMENT", the Directors do not have financial, business, family or other material/relevant relationships with one another.

Report of the Directors

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received from each of the independent non-executive Directors an annual confirmation in writing of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers that all of the independent non-executive Directors have been independent during the Reporting Period and are independent as at the Latest Practicable Date.

DIRECTORS' SERVICE CONTRACTS

Each of the executive Directors has entered into a service agreement with the Company with an initial term of three years commencing from their respective effective date of appointment, and will continue thereafter until terminated by not less than one month's notice in writing served by either party on the other.

Each of the independent non-executive Directors has entered into a letter of appointment with our Company. The terms and conditions of each of such letters of appointment are similar in all material respects. Each of independent non-executive Directors is appointed with an initial term of three years commencing from their respective effective date of appointment subject to termination in certain circumstances as stipulated in the relevant letters of appointment.

None of the Directors proposed for re-election at the forthcoming annual general meeting has a service contract with any member of the Group that is not determinable by the Group within one year without the payment of compensation, other than statutory compensation.

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

Pursuant to Rule 3.25 of the Listing Rules and the Corporate Governance Code as set out in Appendix C1 to the Listing Rules, the Company has established the Remuneration Committee to formulate remuneration policies. The remuneration is determined and recommended based on the experience, qualification, position and seniority of each Director and senior management. As for the independent non-executive Directors, their remuneration is determined by the Board based on the recommendation from the Remuneration Committee. The Directors and the senior management are eligible participants of the applicable share incentive plans.

Details of the remuneration of the Directors and the five highest paid individuals are set out in Note 32 and Note 9 to the Consolidated Financial Statements of this annual report.

During the Reporting Period, no remuneration was paid to any Director or any of the five highest paid individuals of the Group as an inducement to join or upon joining the Group. No compensation was paid to or receivable by any Director or any of the five highest paid individuals during the Reporting Period for the loss of any office in connection with the management of the affairs of any member of the Group. None of the Directors waived any emoluments during the Reporting Period. Save as disclosed above, no other payments have been paid or are payable in respect of the Reporting Period to the Directors by the Group.

PERMITTED INDEMNITY PROVISION AND DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

A permitted indemnity provision (as defined in the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)) in relation to the director's and officer's liability insurance is currently in force and was in force during the Reporting Period.

Report of the Directors

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

No Director nor an entity connected with him/her had a material interest, whether directly or indirectly, in any transaction, arrangement or contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the Reporting Period.

MANAGEMENT CONTRACTS

Save for the Directors' service contracts and appointment letters, no contract of significance concerning the management and administration of the whole or any substantial part of business of the Company or any of its subsidiaries was entered into or subsisted during the Reporting Period.

DIRECTORS' RIGHT TO PURCHASE SHARES OR DEBENTURES

As at the end of the Reporting Period, other than the Pre-IPO RSU Schemes and Post-IPO RSU Scheme, none of the Directors or their respective spouses or minor children under the age of 18 years were granted with rights, or had exercised any such rights, to acquire benefits by means of purchasing Shares or debentures of the Company. No member of the Group was a party to any arrangements to enable the Directors or their respective spouses or minor children under the age of 18 years to acquire such rights from any other body corporates.

During the Reporting Period, the Company did not grant any rights to acquire benefits by means of the acquisition of Shares or debentures of the Company to any Directors or their respective spouses or minor children under 18, and none of them has exercised such rights.

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

During the Reporting Period and up to the Latest Practicable Date, none of the Directors or their respective close associates (as defined in the Listing Rules) is considered to have interests in businesses which compete or are likely to compete, either directly or indirectly, with the businesses of the Group pursuant to the Listing Rules.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at December 31, 2025, the interests or short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she was taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to Section 352 of the SFO, to be recorded in the register referred to therein; or (c) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

Report of the Directors

(A) Long position in the Shares of the Company

Name of Director	Capacity/ Nature of interest	Long position in number of Shares held in the Company	Approximate percentage of relevant Shares in the issued share capital of the Company (%) ⁽¹⁾
Mr. Xu Bingzhong ⁽²⁾	Founder of a discretionary trust and interest in a controlled corporation	737,000,000	58.24
Ms. Cai Wenjun	Beneficial owner	1,253,476	0.10
	Founder of a discretionary trust who can influence how the trustee exercises his discretion	7,400,000	0.58
Ms. Yu Zhen	Restricted shares granted to Ms. Yu Zhen pursuant to the listed corporation's Post-IPO RSU Scheme	1,166,667	0.09
Mr. He Daqing	Restricted shares granted to Mr. He Daqing pursuant to the listed corporation's Post-IPO RSU Scheme	71,508	0.01

Notes:

- (1) The calculation is based on the total number of 1,265,477,524 shares issued as of December 31, 2025.
- (2) HHL International holds 737,000,000 Shares. HHL International is owned as to (i) 1% by Helens Hill (BVI), which is wholly-owned by Mr. Xu Bingzhong; and (ii) 99% by HLSH Holding, which is wholly-owned by Cantrust, the trustee of the Mr. Xu Bingzhong's Trust. Mr. Xu Bingzhong's Trust is a discretionary trust set up by Mr. Xu Bingzhong as the settlor and protector, where Mr. Xu Bingzhong's family members and Helens Hill (BVI) are the beneficiaries. Under the SFO, Mr. Xu Bingzhong is deemed to be interested in all the Shares registered under the name of HHL International.

(B) Long position in the ordinary shares of associated corporations

Name of Director	Name of associated corporation	Capacity/ Nature of interest	Long position in number of Shares in the relevant company	Approximate percentage of the issued share capital (%)
Mr. Xu Bingzhong	HHL International	Interest in a controlled corporation	2	1
		Founder of a discretionary trust	198	99

Save as disclosed above, as at December 31, 2025, none of the Directors and chief executive of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or which were required to be entered in the register required to be kept by the Company pursuant to Section 352 of the SFO or which was required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

Report of the Directors

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

To the best knowledge of the Company and based on the public information, as at December 31, 2025, the interests or short positions of the following persons (other than the Directors and chief executive of the Company) in the shares, underlying shares of the Company which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO (including interests or short positions which any such persons other than the Directors and chief executive of the Company are taken or deemed to have under such provisions of the SFO), or which were required to be entered in the register required to be kept by the Company pursuant to Section 336 of the SFO were as follows:

Name of Substantial Shareholder	Capacity/Nature of interest	Total number of Shares held in the Company	Approximate percentage of relevant Shares in the issued share capital of the Company (%) ⁽¹⁾
Mr. Xu Bingzhong ⁽²⁾	Founder of a discretionary trust and interest in a controlled corporation	737,000,000 (Long position)	58.24
Cantrust ⁽²⁾	Trustee	737,000,000 (Long position)	58.24
HLSH Holding ⁽²⁾	Interest in a controlled corporation	737,000,000 (Long position)	58.24
HHL International ⁽²⁾	Beneficial owner	737,000,000 (Long position)	58.24

Notes:

- (1) The calculation is based on the total number of 1,265,477,524 shares issued as of December 31, 2025.
- (2) HHL International holds 737,000,000 Shares. HHL International is owned as to (i) 1% by Helens Hill (BVI), which is wholly-owned by Mr. Xu Bingzhong; and (ii) 99% by HLSH Holding, which is wholly-owned by Cantrust, the trustee of Mr. Xu Bingzhong's Trust. Mr. Xu Bingzhong's Trust is a discretionary trust set up by Mr. Xu Bingzhong as the settlor and protector, where Mr. Xu Bingzhong's family members and Helens Hill (BVI) are the beneficiaries. Under the SFO, Cantrust and HLSH Holding are deemed to be interested in all the Shares registered under the name of HHL International.

Save as disclosed above, as at December 31, 2025, no person (other than the Directors and chief executives of the Company) had or was deemed to have any interests or short positions in the shares, underlying shares of the Company which were required to be notified the Company or the Hong Kong Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO or which were required to be entered in the register required to be kept by the Company pursuant to Section 336 of the SFO.

Report of the Directors

CONTROLLING SHAREHOLDERS' INTERESTS IN SIGNIFICANT CONTRACTS

At no time during the Reporting Period had the Company or any of its subsidiaries, and the controlling shareholders of the Company entered into any contract of significance or any contract of significance for the provision of services by the controlling shareholders to the Company or any of its subsidiaries.

POST-IPO RSU SCHEME

The following is a summary of the principal terms of the Post-IPO RSU Scheme approved and adopted by our Company on March 31, 2021 (the "**Adoption Date**"), and restated and amended by our Company on January 16, 2022 and April 7, 2025.

Summary of Terms

1. *Purpose*

The purpose of the Post-IPO RSU Scheme is to incentivize employees and business associates for their services and contribution to the success of our Group, and to provide incentives to them to further contribute to our Group.

2. *Maximum number of Shares*

On June 7, 2021, 47,652,017 Shares had been issued by the Company to TSLZ Holding Limited, which was wholly-owned by Infiniti Trust (now wholly-owned by Futu Trust), for the purpose of the Post-IPO RSU Scheme. As amended by the Company on January 16, 2022 and April 7, 2025, the maximum aggregate number of Shares underlying all the Post-IPO RSUs increased from 47,652,017 Shares to 77,651,628 Shares (excluding the Awards that have lapsed or been cancelled in accordance with the rules of the Post-IPO RSU Scheme), representing approximately 6.14% of the issued share capital of the Company as at December 31, 2025. In April 2025, the trustee of the Post-IPO RSU Scheme has purchased 10,000,000 Shares on the Stock Exchange. As the Shares under the Post-IPO RSU Scheme are existing shares, the total number of Shares available for issue under the Post-IPO RSU Scheme is 0. The number of shares that may be issued in respect of the awards granted under the Post-IPO RSU Scheme during the Reporting Period divided by the weighted average number of Shares in issue for the Reporting Period is not applicable. The numbers of awards available for grant at the beginning and the end of the Reporting Period are 4,661,257 and 14,661,257, respectively.

Each award is granted for nil consideration and shall be vested immediately upon the later of the (i) execution of the relevant grant letter and acceptance by the Grantee within the time period stipulated in the relevant grant letter; and (ii) satisfaction of the relevant vesting conditions as set out in the relevant grant letter. There is no maximum entitlement of each participant under the Post-IPO RSU Scheme.

Report of the Directors

3. *Selected persons*

The Board may select any employee or officer of any member of our Group to be granted with RSUs under the Post-IPO RSU Scheme after the Listing.

As amended by the Company on January 16, 2022, the scope of “Employee” includes any employee, director or officer of any member of the Group and “Eligible Person(s)” includes not only Employee but also any advisor or consultant of any member of the Group at any time during the duration of the Post-IPO RSU Scheme.

4. *Duration*

The Post-IPO RSU Scheme shall be each valid and effective for a term of ten years commencing on the Adoption Date (the “**Post-IPO RSU Scheme Period**”), after which period no further Post-IPO RSUs shall be granted or accepted, but the provisions of the Post-IPO RSU Scheme shall remain in full force and effect in order to give effect to the vesting of Post-IPO RSUs granted and accepted prior to the expiration of the Post-IPO RSU Scheme Period. Therefore, as at the date of this annual report, the remaining life of the Post-IPO RSU Scheme was approximately four years and eleven months.

5. *Administration*

The Post-IPO RSU Scheme shall be subject to the administration of the Board or an advisory committee appointed by the Board in accordance with the rules of such scheme. The Board has the power to construe and interpret the rules of the Post-IPO RSU Scheme and the terms of the Awards granted thereunder. Any decision of the Board made in accordance with the rules of the Post-IPO RSU Scheme shall be final and binding, provided in each case that such decision is made in accordance with the Articles and any applicable laws.

6. *Grant of Post-IPO RSUs*

After the Board has selected the grantees, it will inform the RSU Trustees of the name(s) of the person(s) selected, the number of Shares underlying the Post-IPO RSUs to be granted to each of them, the vesting schedule and other terms and conditions (if any) that the Post-IPO RSUs are subject to as determined by the Board.

Subject to limitations and conditions of the Post-IPO RSU Scheme, the RSU Trustees shall, upon receipt of the notification from the Board, shall grant to each of the selected persons an offer of the grant of Award(s) by way of a letter, which shall attach an acceptance notice, subject to the conditions that the Board thinks fit at its discretion.

7. *Acceptance of Awards*

If the selected person intends to accept the offer of the grant of Post-IPO RSUs as specified in the grant letter, he or she is required to sign the acceptance notice and return it to the Company within the time period and in a manner prescribed in the grant letter. The grantees shall not be required to bear or pay any price or fee for the application or acceptance of Awards.

Report of the Directors

Awards Granted

The following table shows the details of Post-IPO RSUs that the Company granted under the Post-IPO RSU Schemes as of December 31, 2025.

Name of Participant or Category of Participant	Date of grant	Number of Post-IPO RSUs granted and vested in 2022	Number of shares underlying awards					Purchase price
			not vested during the beginning of the Reporting Period	granted during the Reporting Period	vested during the Reporting Period	lapsed during the Reporting Period	cancelled during the Reporting Period	
Directors								
Yu Zhen	January 16, 2022	1,166,667	—	—	—	—	—	0
Five highest paid individuals of the year 2022	January 16, 2022	1,843,249	—	—	—	—	—	0
	July 6, 2022	11,859,891	—	—	—	—	—	0
	October 31, 2022	25,938,030	—	—	—	—	—	0
Other grantees								
	January 16, 2022	3,709,606	—	—	—	—	—	0
	July 6, 2022	609,124	—	—	—	—	—	0
	October 31, 2022	7,863,804	—	—	—	—	—	0

Notes:

- (i) On January 16, 2022, July 6, 2022, and October 31, 2022, 6,725,619, 12,469,015, and 33,801,834 Post-IPO RSUs were granted respectively to the Group's director and employees (the "Grantees"). 6,097 Post-IPO RSUs granted to other grantees on January 16, 2022 subsequently lapsed and the remaining 52,990,371 Post-IPO RSUs were vested during the year ended December 31, 2022. All of the grants made during the year ended December 31, 2022 were made without any performance conditions.
- (ii) No Post-IPO RSUs were granted by the Company during the year ended December 31, 2025.

Report of the Directors

CONTINUING CONNECTED TRANSACTIONS AND RELATED PARTY TRANSACTIONS

Details of the related party transactions of the Group for the Reporting Period are set out in Note 31 to the Consolidated Financial Statements.

For the year ended December 31, 2025, none of the related party transactions disclosed in Note 31 to the Consolidated Financial Statements constitute any non-exempt connected transactions or continuing connected transactions which should be disclosed pursuant to Chapter 14A of the Listing Rules.

For the year ended December 31, 2025, we have not entered into any non-exempt connected transaction or continuing connected transaction which should be disclosed pursuant to Rules 14A.49 and 14A.71 of the Listing Rules.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in the property, plant and equipment of the Group during the Reporting Period are set out in Note 14 to the Consolidated Financial Statements.

SHARE CAPITAL

Details of the movements in share capital of the Company during the Reporting Period are set out in Note 23 to the Consolidated Financial Statements on page 123 of this annual report.

DISTRIBUTABLE RESERVES

As at December 31, 2025, the Company's reserves available for distribution, being share premium in accordance with the provision of Companies Law of the Cayman Islands, amounted to approximately RMB1,820 million.

Report of the Directors

USE OF PROCEEDS FROM THE GLOBAL OFFERING

The Company's Shares were listed on the Stock Exchange on September 10, 2021 and the net proceeds raised by the Company from the initial public offering and the full exercise of the Over-allotment Option amounted to approximately HK\$2,980.1 million.

The balance of unutilized net proceeds amounted to approximately HK\$261.5 million as at the end of the Reporting Period and the Company intends to use them in the same manner and proportions as described in the Prospectus and proposes to use the unutilized net proceeds in accordance with the expected timetable disclosed in the table below.

As at the end of the Reporting Period, the Group has used the net proceeds as follows:

Intended use of net proceeds ^(Note)	Percentage of total net proceeds (at the same rate as stated in the Prospectus)	Amount of net proceeds (at the same rate as stated in the Prospectus) (HK\$ in million)	Balance of net	Amount of	Balance of net	Amount of	Intended timetable for use of the unutilized net proceeds
			proceeds as at December 31, 2024 (HK\$ in million)	net proceeds utilized during the Reporting Period (HK\$ in million)	proceeds as at December 31, 2025 (HK\$ in million)	net proceeds utilized in total up to December 31, 2025 (HK\$ in million)	
Used for opening new bars and realizing our expansion plan over the next three years	70.0%	2,086.1	486.5	225.0	261.5	1,824.6	By December 31, 2027
Used for further enhancing the construction of the talent echelon of our bars to optimize the human resource management system	10.0%	298.0	—	—	—	298.0	N/A
Used for further enhancing the construction of infrastructural capacity of our bars and continuing to invest in technology research and development	5.0%	149.0	—	—	—	149.0	N/A
Used for further strengthening the brand awareness of the Helens'	5.0%	149.0	—	—	—	149.0	N/A
Used for working capital and general corporate purposes	10.0%	298.0	—	—	—	298.0	N/A
Total	100.0%	2,980.1	486.5	225.0	261.5	2,718.6	

Note:

(1) Figures in the table are approximate.

Report of the Directors

SUFFICIENCY OF PUBLIC FLOAT

The Stock Exchange has granted the Company a waiver from strict compliance with the requirements of Rule 8.08(1) of the Hong Kong Listing Rules, pursuant to which the minimum public float of the Company shall be the higher of: (a) percentage of Shares to be held by the public, i.e., 19.4478%, immediately following the completion of Global Offering (assume that the Over-allotment Option is not exercised and based on conversion of all preferred shares into Shares on a one-for-one basis); (b) percentage of Shares to be held by the public in the Company's enlarged issued share capital after the exercise of any Over-allotment Option. Immediately after the completion of the Global Offering and after the full exercise of the Over-allotment Option, the minimum public float of the percentage of Shares to be held by the public is approximately 20.7320%. Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Directors confirm that the Company has maintained the aforesaid minimum public float required by the Stock Exchange at the Latest Practicable Date.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SECURITIES

During the year ended December 31, 2025, the Company repurchased a total of 475,000 Shares (the "Repurchased Shares") on the Stock Exchange at an aggregate consideration of HK\$466,740 (excluding expenses). The Repurchased Shares represent approximately 0.0375% of the issued Shares as of December 31, 2025. As disclosed in the announcement of the Company dated November 6, 2025, the Company believed that the then prevailing trading price of the Shares did not fully reflect the intrinsic value of the Company, and that repurchase of the Repurchased Shares reflected the Company's long-term confidence in its operational growth outlook and financial position, increased the net asset value and earnings per Share, and were in the best interests of the Company and its shareholders.

Details of the Repurchased Shares are as follows:

Month	No. of Shares repurchased	Price paid per Share		Aggregate consideration (excluding expenses) (HK\$)
		Highest (HK\$)	Lowest (HK\$)	
November 2025	375,000	1.02	0.98	373,740
December 2025	100,000	0.93	0.93	93,000
Total	<u>475,000</u>	<u>1.02</u>	<u>0.93</u>	<u>466,740</u>

All of the Repurchased Shares were subsequently canceled by the Company after the Reporting Period. Save as disclosed, neither the Company nor any of its subsidiaries had purchased, sold or redeemed the Company's listed securities (including sale of treasury shares (as defined under the Listing Rules)) during the Reporting Period.

As of December 31, 2025, the Company did not hold any treasury shares (as defined under the Listing Rules).



Report of the Directors

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Articles of Association or the laws of the Cayman Islands which would oblige the Company to offer new Shares on a pro-rata basis to its existing Shareholders.

TAX RELIEF AND EXEMPTION

As at the Latest Practicable Date, the Directors are not aware of any tax relief and exemption available to the Shareholders by reason of their holding of the Company's securities.

BANK BORROWINGS

As at December 31, 2025, the Group had bank borrowings of RMB40.0 million secured with guarantee and pledged against certain buildings of the Group. (2024: nil).

Save as the above bank borrowings, which are secured by guarantee and pledged against certain buildings of the Group, we did not have any material mortgages, charges, debentures, loan capital, debt securities, loans, unutilized banking facilities, bank overdrafts or other similar indebtedness, liabilities under acceptances (other than normal trade bills), acceptance credits, which are either guaranteed, unguaranteed, secured or unsecured, or guarantees.

The maturity profile of financial liabilities of the Group as at December 31, 2025 is set out in Note 3.4 to the consolidated financial statements.

RELATIONSHIPS WITH THE GROUP'S CUSTOMERS AND SUPPLIERS

The Group values long standing relationships with its suppliers and customers. The Group aims at delivering high quality products to its customers and developing mutual trust and enhancing communication and commitment between the Group and its suppliers to maintain sustainable growth.

Report of the Directors

MAJOR CUSTOMERS AND SUPPLIERS

We are committed to our core values of being a customer-centric and a striver-oriented company, creating and sharing value with our customers and partners, and providing a free and happy offline social platform for our young customers. We have a large and diverse customer base. Revenue derived from our largest customer and five largest customers both accounted for less than 5.0% of our total revenue for the year ended December 31, 2025.

Purchases attributable to the Group's five largest suppliers and the largest supplier accounted for 34.1% and 11.1%, respectively, of the Group's total purchases for the Reporting Period.

Save as disclosed above, none of the Directors or any of their close associates (as defined in the Listing Rules) or any Shareholders (whom, to the best knowledge and belief of the Directors, own more than 5% of the Company's total issued share capital) had any beneficial interest in the Group's five largest suppliers and customers for the Reporting Period.

COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

The Group has compliance policies and procedures in place to ensure adherence to applicable laws, rules and regulations, in particular, those that have a significant impact on it, including the requirements under the Companies Ordinance, the Listing Rules, the SFO and the Corporate Governance Code for, among other things, the disclosure of information and corporate governance. The Group would seek professional legal advice from its legal advisers to ensure that transactions and business to be performed by the Group are in compliance with the applicable laws and regulations. During the Reporting Period, the Group was not aware of any material non-compliance with any relevant laws and regulations that had a significant impact on it.

CONTINUING DISCLOSURE OBLIGATIONS PURSUANT TO THE LISTING RULES

Save as disclosed in this annual report, the Company does not have any disclosure obligations under Rule 13.20, 13.21 and 13.22 of the Listing Rules.

RELATIONSHIPS WITH THE GROUP'S EMPLOYEES

The Group believes that employees are important and valuable assets. The Group will provide trainings for employees to enhance their knowledge in corporate values and culture and to implement them thoroughly. Meanwhile, the Group encourages staff on continued studies by giving subsidies to recognized development courses. The Group also aims to provide competitive and attractive remuneration packages to retain its employees. Management reviews annually the remuneration package offered to the employees of the Group. Meanwhile, for the purpose of providing incentives and rewards to eligible participants who have contributed to the success of the Group's operations, the Company has adopted the Pre-IPO RSU Schemes and Post-IPO RSU Scheme. Details of the Post-IPO RSU Scheme are set out in the sub-section headed "Post-IPO RSU Scheme" in this annual report.

CHARITABLE DONATIONS

During the Reporting Period, the Company did not make any charitable donations.

Report of the Directors

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

For details of the event after the Reporting Period, please refer to the section headed “Management Discussion and Analysis — Events After the Reporting Period” in this annual report.

CORPORATE GOVERNANCE

Particulars of the Company’s corporate governance practices are set out in the section headed “Corporate Governance Report” of this annual report.

EQUITY-LINKED AGREEMENT

Save as disclosed in the sub-section headed “POST-IPO RSU SCHEME” in this annual report, no equity-linked agreement was entered into by the Company at any time during or subsisted at the end of the year ended December 31, 2025.

REVIEW BY AUDIT COMMITTEE

The Audit Committee comprises three independent non-executive Directors, namely Mr. Li Dong, Mr. Wang Renrong and Mr. Ler Soon Hock Leonard. The chairman of the Audit Committee is Mr. Li Dong who holds the appropriate qualification as required under Rules 3.10(2) and 3.21 of the Listing Rules. The Audit Committee has reviewed the audited Consolidated Financial Statements for the year ended December 31, 2025 with the management and the auditor of the Company. The Audit Committee considers that the annual results are in compliance with the applicable accounting standards, laws and regulations, and the Company has made appropriate disclosures thereof. The Audit Committee has also discussed matters with respect to the accounting policies and practices adopted by the Company and internal control with senior management of the Company.

INDEPENDENT AUDITOR

The Consolidated Financial Statements for the Reporting Period have been audited by PricewaterhouseCoopers who will retire and, being eligible, offer itself for re-appointment at the forthcoming annual general meeting. Having been approved by the Board upon the Audit Committee’s recommendation, a resolution for the re-appointment of PricewaterhouseCoopers as the independent external auditor for the ensuing year will be put to the forthcoming annual general meeting for Shareholders’ approval.

From the Listing Date, the auditors of the Company have not changed.

By order of the Board
Mr. Xu Bingzhong
Chairman of the Board

Hong Kong, March 31, 2026

Corporate Governance Report

The Board hereby presents to the Shareholders the corporate governance report of the Group for the year ended December 31, 2025 (the “**Corporate Governance Report**”).

CORPORATE GOVERNANCE CULTURE AND PURPOSE

The Company is committed to ensuring that its affairs are conducted in accordance with high ethical standards. This reflects its belief that, in the achievement of its long-term objectives, it is imperative to act with probity, transparency and accountability. By so acting, the Company believes that Shareholder wealth will be maximised in the long term and that its employees, those with whom it does business and the communities in which it operates will all benefit.

Corporate governance is the process by which the Board instructs management of the Group to conduct its affairs with a view to ensuring that its objectives are met. The Board is committed to maintaining and developing robust corporate governance practices that are intended to ensure:

- satisfactory and sustainable returns to Shareholders;
- that the interests of those who deal with the Company are safeguarded;
- that overall business risk is understood and managed appropriately;
- the delivery of high-quality products and services to the satisfaction of customers; and
- that high standards of ethics are maintained.

Compliance with the Corporate Governance Code

The Company recognizes the importance of good corporate governance for enhancing the management of the Company as well as preserving the interests of the shareholders as a whole. The Company has adopted corporate governance practices based on the principles and code provisions as set out in Part 2 of Appendix C1 to the Listing Rules (“**Corporate Governance Code**”) as its own code of corporate governance practices.

The Board is of the view that during the Reporting Period, the Company has complied with all the applicable code provisions as set out in the Corporate Governance Code, except for the code provision C.2.1 described in the paragraph headed “C. Directors’ Responsibilities, Delegation and Board Proceedings — C.2 Chairman and Chief Executive”. The Board will continue to review and monitor the code of corporate governance practices of the Company with an aim of maintaining a high standard of corporate governance.

The amendments to the Corporate Governance Code came into effect on July 1, 2025 and the requirements under the new Corporate Governance Code will apply to the corporate governance reports and annual reports of the Company for the financial years commencing on or after July 1, 2025. The Company will continue to review and enhance the corporate governance practices to ensure compliance with the new Corporate Governance Code and align with the latest developments.

Corporate Governance Report

Compliance with the Model Code

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (“**Model Code**”) set out in Appendix C3 to the Listing Rules as its code of conduct regarding dealings in the securities of the Company by the Directors, and the Group’s employees who, because of his/her office or employment, are likely to possess inside information in relation to the Group or the Company’s securities. Specific enquiries have been made to all Directors and the Directors have confirmed that they have complied with the Model Code throughout the Reporting Period.

No incident of non-compliance of the Model Code by the employees was noted by the Company for the Reporting Period.

BOARD OF DIRECTORS

The Company is headed by an effective Board which assumes responsibility for its leadership and control and be collectively responsible for promoting the Company’s success by directing and supervising the Company’s affairs. Directors oversee the Group’s businesses, strategic decisions and performance and take decisions objectively in the best interest of the Company.

The Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company’s business and should regularly review the contribution required from a Director to perform his responsibilities to the Company, and whether the Director is spending sufficient time performing them that are commensurate with their role and the Board’s responsibilities. The Board includes a balanced composition of executive Directors and non-executive Directors (including independent non-executive Directors) so that there is a strong independent element on the Board, which can effectively exercise independent judgement.

Board Composition

During the Reporting Period and up to the Latest Practicable Date, the Board comprised Directors as follows:

Executive Directors

Mr. Xu Bingzhong (*Chairman and Chief Executive Officer*)
Ms. Cai Wenjun
Ms. Yu Zhen
Mr. He Daqing

Independent Non-executive Directors

Mr. Li Dong
Mr. Wang Renrong
Mr. Wong Heung Ming Henry (*resigned on July 11, 2025*)
Mr. Ler Soon Hock Leonard (*appointed on July 11, 2025*)

Mr. Ler Soon Hock Leonard, who was appointed as an independent non-executive Director on July 11, 2025, has obtained the legal advice referred to under Rule 3.09D of the Listing Rules regarding the requirements under the Listing Rules that are applicable to him as a Director and the possible consequences of making a false declaration or giving false information to the Stock Exchange on June 27, 2025. Mr. Ler has confirmed that he understood his obligations as an independent non-executive Director.

The biographical information of the Directors is set out in the section headed “Directors and Senior Management” of this annual report and the relationships between the Directors are disclosed in the respective Director’s biography.

Corporate Governance Report

Except for the relationships between the Directors set forth in the respective Director's biography under the section headed "Directors and Senior Management", the Directors do not have financial, business, family or other material/relevant relationships with one another.

Chairman and Chief Executive Officer

Pursuant to Code Provision C.2.1 of the Corporate Governance Code, the roles of Chairman of the Board 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.

The roles of Chairman of the Board and Chief Executive Officer of the Company are currently held by Mr. Xu Bingzhong ("**Mr. Xu**"). As Mr. Xu has extensive contributions since the establishment of the Group and has rich experience, we believe that vesting the role of Chairman and Chief Executive Officer by Mr. Xu will enable the Group's leadership to be strong and consistent, and enhance the efficiency of business strategy execution. We believe that it is appropriate for Mr. Xu to continuously serve as Chairman and Chief Executive Officer, which is beneficial to the business development and prospects of the Group. Therefore, we have no intention at present to separate the functions of Chairman and Chief Executive Officer. Although this arrangement deviates from Code Provision C.2.1 of the Corporate Governance Code, the Board considers that the structure will not impair the balance of power and authority between the Board and the management of the Company. The reasons are: (i) the Board has sufficient checks and balances because its decisions must be approved by at least a majority of directors and the Board includes three independent non-executive directors, which complies with the Listing Rules; (ii) Mr. Xu and the other Directors acknowledge and undertake to fulfil their fiduciary duties as directors, which require them, among other things, to act in the interests of the Company in a manner that is in the best interests of the Company and to make decisions for the Group accordingly; and (iii) the Board is made up of experienced and talented people who meet regularly to discuss matters affecting the operations of the Company to ensure a balance of power and authority. In addition, the Group's overall strategic and other major businesses, financial and operational policies have been formulated jointly by the Board and senior management after detailed discussion.

The Board will continuously review the effectiveness of the Group's corporate governance structure to assess whether there is a need to distinguish between the roles of Chairman of the Board and Chief Executive Officer.

Independent Non-executive Directors

During the Reporting Period and up to the Latest Practicable Date, the Board at all times fulfilled the requirements of the Listing Rules relating to the appointment of at least three independent non-executive directors representing one-third of the board with one of whom possessing appropriate professional qualifications or accounting or related financial management expertise.

The Company has received written annual confirmation from each of the independent non-executive Directors in respect of his independence in accordance with independence guidelines set out in Rule 3.13 of the Listing Rules. The Company is of the view that all independent non-executive Directors are independent.

Board Independence Evaluation

During the Reporting Period and up to the date of this annual report, the Board has met at all times the requirements under Rules 3.10(1) and 3.10(2) of the Listing Rules relating to the appointment of at least three independent non-executive directors with at least one independent non-executive director possessing appropriate professional qualifications or accounting or related financial management expertise. The Company has also complied with Rule 3.10A of the Listing Rules relating to the appointment of independent non-executive directors representing at least one-third of the Board.

Corporate Governance Report

The Company recognizes that the Board's access to independent advice is critical to good corporate governance and the effectiveness of the Board. The Board has established a mechanism to ensure that the Board can obtain independent opinions where necessary so as to enhance the objectivity and effectiveness of decision-making. The Board regularly reviews the structure, number and composition of the Board to ensure a balanced mix of executive Directors, non-executive Directors and independent non-executive Directors, so that the Board maintains a strong independent element.

When selecting an independent non-executive Director, the Company will examine the independence, professional qualifications, past experiences and working experience of the independent non-executive Director to ensure that the independent non-executive Director has sufficient talents, vision and opportunities to put forward influential independent opinions, so as to ensure that the Board obtains multi-angle thinking directions in decision-making. For the Directors' attendance records at meetings in 2025, please refer to the section headed "Attendance Record of Directors and Committee Members" in this annual report. The Directors may seek independent professional advice where necessary, and the relevant expenses shall be borne by the Company. The Board is of the opinion that the aforesaid mechanism is effectively implemented.

The Company has established a Board Independence Evaluation Mechanism which sets out the processes and procedures to ensure a strong independent element on the Board, which allows the Board effectively exercises independent judgment to better safeguard Shareholders' interests.

The objectives of the evaluation are to improve Board effectiveness, maximise strengths, and identify the areas that need improvement or further development. The evaluation process also clarifies what actions of the Company need to be taken to maintain and improve the Board performance, for instance, addressing individual training and development needs of each Director.

Pursuant to the Board Independence Evaluation Mechanism, the Board will conduct annual review on its independence. The Board Independence Evaluation Report will be presented to the Board which will collectively discuss the results and the action plan for improvement, if appropriate.

Appointment and Re-election of Directors

The Directors of the Company are appointed for a specific term of three years and are eligible for re-election upon expiry of their term of office in accordance with the Articles of Association.

Responsibilities of the Directors and Management

The Board should assume responsibility for leadership and control of the Company and is collectively responsible for directing and supervising the Company's affairs.

The Board directly, and indirectly through its committees, leads and provides direction to management by laying down strategies and overseeing their implementation, monitors the Group's operational and financial performance, and ensures that sound internal control and risk management systems are in place.

All Directors, including independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning.

The independent non-executive Directors are responsible for ensuring a high standard of regulatory reporting of the Company and providing a balance in the Board for bringing effective independent judgement on corporate actions and operations.

Corporate Governance Report

All Directors have full and timely access to all the information of the Company and may, upon request, seek independent professional advice in appropriate circumstances, at the Company's expenses, for discharging their duties to the Company.

The Directors shall disclose to the Company details of other offices held by them.

The Board reserves for its decision all major matters relating to policy matters, strategies and budgets, internal control and risk management, material transactions (in particular those that may involve a conflict of interests), financial information, appointment of directors and other significant operational matters of the Company. Responsibilities relating to implementing decisions of the Board, directing and coordinating the daily operation and management of the Company are delegated to the management.

The Company has arranged appropriate insurance coverage on Directors' and officers' liabilities in respect of any legal actions taken against Directors and senior management arising out of corporate activities.

Continuous Professional Development of Directors

Directors shall keep abreast of regulatory developments and changes in order to effectively perform their responsibilities and to ensure that their contribution to the Board remains informed and relevant.

Every newly appointed Director will receive formal, comprehensive and tailored induction on the first occasion of his/her appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of Director's responsibilities and obligations under the Listing Rules and relevant statutory requirements.

Directors should participate in appropriate continuous professional development to develop and refresh their knowledge and skills. Internally-facilitated briefings for Directors would be arranged and reading materials on relevant topics would be provided to Directors where appropriate. All Directors are encouraged to attend relevant training courses at the Company's expenses.

During the Reporting Period, all Directors attended training sessions on the respective obligations of the Directors and senior management. In addition, relevant reading materials including legal and regulatory updates have been provided to the Directors for their reference and studying.

Corporate Governance Report

The record of continuous professional development relating to director's duties and regulatory and business development that have been received by the Directors for the Reporting Period is summarized as follows:

Directors	Type of Training <small>Notes</small>
Executive Directors	
Mr. Xu Bingzhong (<i>Chairman and Chief Executive Officer</i>)	A&B
Ms. Cai Wenjun	B
Ms. Yu Zhen	A&B
Mr. He Daqing	B
Independent Non-executive Directors	
Mr. Li Dong	A&B
Mr. Wang Renrong	B
Mr. Wong Heung Ming Henry (<i>resigned on July 11, 2025</i>)	A&B
Mr. Ler Soon Hock Leonard (<i>appointed on July 11, 2025</i>)	A&B

Notes:

Types of Training

- A. Attending training sessions, including but not limited to briefings, seminars, conferences and workshops
- B. Reading relevant news alerts, newspapers, journals, magazines and relevant publications

BOARD COMMITTEES

Our Board delegates certain responsibilities to various committees. In accordance with the relevant Cayman Islands laws and regulations and Appendix C1 to the Listing Rules, our Company has formed three Board committees, namely the audit committee, the remuneration committee and the nomination committee.

All Board committees of the Company are established with specific written terms of reference which deal clearly with their authority and duties. The terms of reference of the Board committees are posted on the Company's website and the Stock Exchange's website and are available to Shareholders upon request.

Audit Committee

We have established an audit committee (the "**Audit Committee**") in compliance with Rule 3.21 of the Listing Rules and with written terms of references in compliance with the Corporate Governance Code set out in Appendix C1 to the Listing Rules. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control system of the Group, review and approve connected transactions and to advise the Board. The Audit Committee consists of three independent non-executive Directors, namely, Mr. Li Dong, Mr. Wang Renrong and Mr. Ler Soon Hock Leonard. Mr. Li Dong, who is appropriately qualified as required under Rules 3.10(2) and 3.21 of the Listing Rules, serves as the chairman of the Audit Committee.

The terms of reference of the Audit Committee are in compliance with those set out in the CG Code and the relevant laws and regulations.

Corporate Governance Report

The Audit Committee held 3 meetings during the Reporting Period to discuss and consider the interim results of the Company and its subsidiaries for the six months ended June 30, 2025 and the audited annual results and financial report for the year ended December 31, 2024 and discuss matters with respect to the accounting policies and practices adopted by the Company and the internal control and risk management systems.

The attendance records of the Audit Committee are set out under “Attendance Record of Directors and Committee Members”.

Remuneration Committee

We have established a remuneration committee (the “**Remuneration Committee**”) in compliance with Rule 3.25 of the Listing Rules and with written terms of reference in compliance with the Corporate Governance Code set out in Appendix C1 to the Listing Rules. The primary duties of the Remuneration Committee are to review and make recommendations to the Board regarding the terms of remuneration packages, bonuses and other compensation payable to our Directors and senior management. The Remuneration Committee consists of three members comprising executive Director and independent non-executive Directors, namely Mr. Wang Renrong, Mr. Li Dong and Mr. Xu. Mr. Wang Renrong currently serves as the chairman of the Remuneration Committee.

The terms of reference of the Remuneration Committee are in compliance with those set out in the CG Code and the relevant laws and regulations.

During the Reporting Period, the Remuneration Committee held 2 meetings in relation to, amongst others, determining the policy for the remuneration of executive Directors, assessing performance of executive Directors and approving the terms of executive Directors’ service contracts, making recommendations to the Board on the remuneration packages of individual executive Directors and senior management and reviewing and/or approving matters relating to share schemes under Chapter 17 of the Listing Rules.

The attendance records of the Remuneration Committee are set out under “Attendance Record of Directors and Committee Members”.

Details of the remuneration of the senior management by band for the year ended December 31, 2025 are set out below:

Remuneration by band (RMB)	Number of person(s)
Nil to 500,000	3
500,001 to 1,000,000	1

The Company’s remuneration policy is to ensure that the remuneration offered to employees, including Directors and senior management, is based on skill, knowledge, responsibilities and involvement in the Company’s affairs and contributions. The remuneration packages of executive Directors are also determined with reference to the Company’s performance and profitability, the prevailing market conditions and the performance or contribution of each executive Director. The remuneration for the executive Directors comprises basic salary, pensions, equity incentives and discretionary bonus. The remuneration policy for non-executive Directors and independent non-executive Directors is to ensure that non-executive Directors and independent non-executive Directors are adequately compensated for their efforts and time dedicated to the Company’s affairs, including their participation in Board committees. The remuneration for the non-executive Directors and independent non-executive Directors mainly comprises Director’s fee which is determined with reference to their duties and responsibilities by the Board. Individual Directors and senior management have not been involved in deciding their own remuneration.

Corporate Governance Report

Nomination Committee

We have established a nomination committee (the “**Nomination Committee**”) in compliance with Rule 3.27A of the Listing Rules. The primary duties of the Nomination Committee are to make recommendations to our Board regarding the appointment of Directors and Board succession. The Nomination Committee will also consider the candidate(s)’ ability to devote sufficient time to fulfill the duties of the Directors and members of the special committees of the Board and consider the candidate(s) of independent non-executive director(s)’ ability to devote sufficient time to the Board if the candidate(s) will be holding his/her seventh (or more) listed company directorships. The Nomination Committee consists of five members comprising executive Directors and independent non-executive Directors, namely Mr. Xu, Mr. Li Dong, Ms. Cai Wenjun, Mr. Wang Renrong and Mr. Ler Soon Hock Leonard. Mr. Xu currently serves as the chairman of the Nomination Committee.

The terms of reference of the Nomination Committee are in compliance with those set out in the CG Code and the relevant laws and regulations.

In assessing the Board composition, the Nomination Committee would take into account various aspects as well as factors concerning Board diversity as set out in the Company’s Board Diversity Policy, including but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge and industry and regional experience, etc. The Nomination Committee would discuss and agree on measurable objectives for achieving diversity on the Board, where necessary, and recommend them to the Board for adoption.

In identifying and selecting suitable candidates for directorships, the Nomination Committee would consider the candidate’s character, qualifications, experience, independence, time commitment and other relevant criteria necessary to complement the corporate strategy and achieve Board diversity, where appropriate, before making a recommendation to the Board.

During the Reporting Period, the Nomination Committee held 2 meetings in accordance with the Corporate Governance Code and its terms of reference in relation to, amongst others, determining the nomination procedures and the process and criteria adopted by the Nomination Committee to select and recommend candidates for directorship during the year.

Board Diversity Policy

The Board has adopted a board diversity policy (the “**Board Diversity Policy**”) in order to enhance the effectiveness of our Board and to maintain a high standard of corporate governance. The policy provides that our Company should endeavour to ensure that our Board members have the appropriate balance of skills, experience and diversity of perspectives that are required to support the execution of its business strategy. The Board Diversity Policy sets out the criteria for selecting candidates to our Board, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board, and will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

Our Board comprises seven members, including four executive Directors and three independent non-executive Directors. Our three independent non-executive Directors have different industry backgrounds, with solid experiences in the fields of investment, accounting and/or finance, representing more than one-third of the members of our Board. Furthermore, our Board has a wide range of age, ranging from 33 years old to 59 years old, and comprises of two female Directors and five male Directors. Our male to female ratio is approximately 71%:29% as at December 31, 2025. We will continue to take steps to promote diversity at all levels of our Company to enhance the effectiveness of our corporate governance as a whole. The Company is not aware of any mitigating factor or circumstances which make achieving gender diversity across the workforce (including senior management) more challenging or less relevant.

Corporate Governance Report

Pursuant to the Board Diversity Policy, we aim to maintain at least 10% female representation in the Board and the composition of the Board satisfies this target gender ratio. We will implement policies to ensure gender diversity when recruiting staff to develop a pipeline of female senior management and potential successors to the Board. We will strive to enhance our female representation and achieve appropriate balance of gender diversity with reference to the stakeholders' expectation and international and local recommended best practices. Furthermore, we will implement comprehensive programs aimed at identifying and training our female staff who display leadership and potential, with the goal of promoting them to the senior management or the Board. Our nomination committee is responsible for ensuring the diversity of our Board members. Our nomination committee will review the Board Diversity Policy from time to time to ensure its continued effectiveness and we will disclose the implementation of the Board Diversity Policy in our corporate governance report on an annual basis.

Director Nomination Policy

The Board has delegated its responsibilities and authority for selection and appointment of Directors to the Nomination Committee of the Company.

The Company has adopted a Director Nomination Policy which sets out the selection criteria and nomination process and the Board succession planning considerations in relation to nomination and appointment of Directors of the Company and aims to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the Company and the continuity of the Board and appropriate leadership at Board level.

The nomination process sets out in the Director Nomination Policy is as follows:

Appointment of New Director

- (i) The Nomination Committee and/or the Board may select candidates for directorship from various channels, including but not limited to internal promotion, re-designation, referral by other member of the management and external recruitment agents.
- (ii) The Nomination Committee and/or the Board should, upon receipt of the proposal on appointment of new Director and the biographical information (or relevant details) of the candidate, evaluate such candidate based on the criteria as set out above to determine whether such candidate is qualified for directorship.
- (iii) If the process yields one or more desirable candidates, the Nomination Committee and/or the Board should rank them by order of preference based on the needs of the Company and reference check of each candidate (where applicable).
- (iv) The Nomination Committee should then recommend to the Board to appoint the appropriate candidate for directorship, as applicable.
- (v) For any person that is nominated by a Shareholder for election as a Director at the general meeting of the Company, the Nomination Committee and/or the Board should evaluate such candidate based on the criteria as set out above to determine whether such candidate is qualified for directorship.

Where appropriate, the Nomination Committee and/or the Board should make recommendation to Shareholders in respect of the proposed election of Director at the general meeting.

Corporate Governance Report

Re-election of Director at General Meeting

- (i) The Nomination Committee and/or the Board should review the overall contribution and service to the Company of the retiring Director and the level of participation and performance on the Board.
- (ii) The Nomination Committee and/or the Board should also review and determine whether the retiring Director continues to meet the criteria as set out above.
- (iii) The Nomination Committee and/or the Board should then make recommendation to Shareholders in respect of the proposed re-election of Director at the general meeting.

Where the Board proposes a resolution to elect or re-elect a candidate as Director at the general meeting, the relevant information of the candidate will be disclosed in the circular to Shareholders and/or explanatory statement accompanying the notice of the relevant general meeting in accordance with the Listing Rules and/or applicable laws and regulations.

The Director Nomination Policy sets out the criteria for assessing the suitability and the potential contribution to the Board of a proposed candidate, including but not limited to the following:

- Character and integrity;
- Qualifications including professional qualifications, skills, knowledge and experience that are relevant to the Company's business and corporate strategy;
- Diversity in all aspects, including but not limited to gender, age (18 years or above), cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service;
- Requirements of Independent Non-executive Directors on the Board and independence of the proposed Independent Non-executive Directors in accordance with the Listing Rules; and
- Commitment in respect of available time and relevant interest to discharge duties as a member of the Board and/or Board committee(s) of the Company.

The Nomination Committee will review the Director Nomination Policy, as appropriate, to ensure its effectiveness.

The attendance records of the Nomination Committee are set out under "Attendance Record of Directors and Committee Members".

CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for performing the corporate governance duties set out in the code provision A.2.1 of the CG Code.

During the Reporting Period, the Board had reviewed the Company's corporate governance policies and practices, training and continuous professional development of directors and senior management, the Company's policies and practices in compliance with legal and regulatory requirements, the compliance of the Model Code, and the Company's compliance with the CG Code and disclosure in this Corporate Governance Report.

Corporate Governance Report

ATTENDANCE RECORD OF DIRECTORS AND COMMITTEE MEMBERS

The attendance record of each Director during their tenure of office at the Board and Board Committees meetings and the general meetings of the Company held during the Reporting Period is set out in the table below:

Name of Director	Attendance/Number of Meetings				
	Board	Audit Committee	Remuneration Committee	Nomination Committee	General Meeting
Mr. Xu Bingzhong	4/4	N/A	2/2	2/2	1/1
Ms. Cai Wenjun	4/4	N/A	N/A	N/A	1/1
Ms. Yu Zhen	4/4	N/A	N/A	N/A	1/1
Mr. He Daqing	4/4	N/A	N/A	N/A	1/1
Mr. Li Dong	4/4	3/3	2/2	2/2	1/1
Mr. Wang Renrong	4/4	3/3	2/2	2/2	1/1
Mr. Wong Heung Ming Henry <i>(resigned on July 11, 2025)</i>	3/3	1/1	N/A	N/A	1/1
Mr. Ler Soon Hock Leonard <i>(appointed on July 11, 2025)</i>	1/1	2/2	N/A	N/A	N/A

Apart from regular Board meetings, the Chairman also held meetings with the independent non-executive Directors without the presence of other Directors during the year.

RISK MANAGEMENT AND INTERNAL CONTROLS

We have implemented a series of risk management policies and procedures to identify, assess and manage risks that we are exposed to in our operations. For details on the major risks identified by our management, see "KEY RISKS AND UNCERTAINTIES".

The Board is responsible for maintaining a sound and effective risk management and internal control system, effectively identifying and managing significant risks in the process of achieving its business objectives, and safeguarding the Group's assets and the interests of shareholders' investment. The Group is aware of the responsibilities of the Board and the management in the risk management and internal control system:

- The Board is responsible for assessing and determining the nature and extent of risks that the Group is willing to accept in achieving the Group's strategic objectives, and ensuring that the Company establishes and maintains appropriate and effective risk management and internal control systems. The Board also supervises, and reviews annually, the design, implementation and monitoring of risk management and internal control systems conducted by the management.
- The management is responsible for the design, implementation and monitoring of the risk management and internal control systems, and should confirm to the Board whether the risk management and internal control systems are effective.

These risk management and internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable but not absolute assurance that there will be no material misstatement or loss.

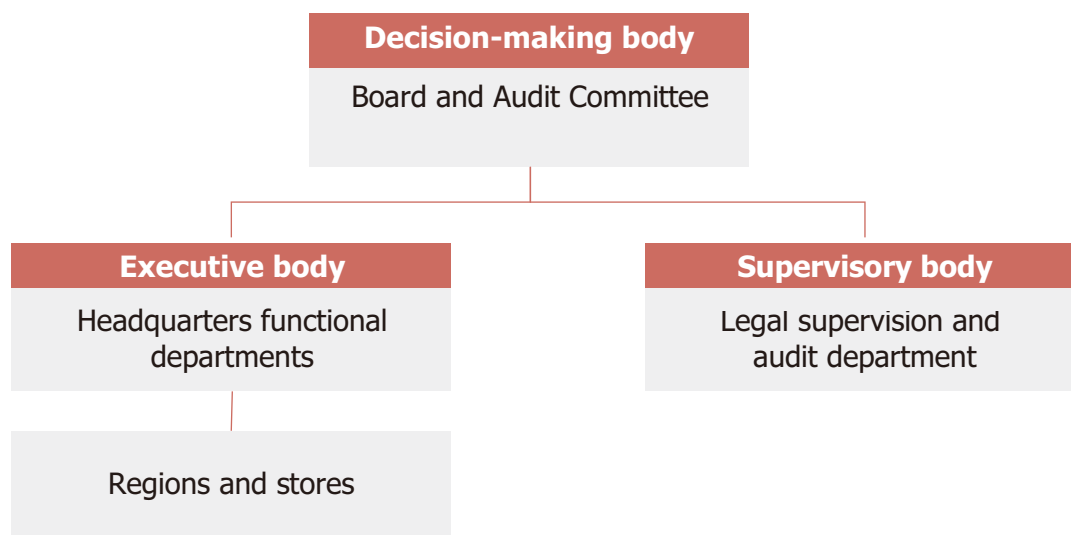
Corporate Governance Report

Risk Management

1. Risk management system development

The Group has established a risk management system structure at the group level in the past years, which specifies the risk management process, promotes internal risk management culture, and keeps improving year by year according to the Company's strategy. During the year, the Group continued to improve the risk management system structure on the basis of the effort in previous years through the following actions to guide the implementation of risk assessment and the on-going risk control activities:

- **Reaffirm the risk management organizational structure and implement it continuously:** The Group has reaffirmed a risk management organisational structure covering the decision-making level (the Board and Audit Committee), the executive level (headquarters and subordinate stores) and the supervisory level (the legal supervision and audit department) (see Figure 1 below: risk management organisational structure chart). The Group also divides risk management responsibilities to clarify risk management responsibilities and risk information reporting routes at all levels;



(Figure 1: risk management organisational structure)

Corporate Governance Report

- **Update risk assessment criteria:** According to the Group's business nature and operating characteristics, strategic objectives, and management's risk appetite, the Group update risk assessment standards applicable to the Group during the year based on the changes of internal and external environment, including strategy, finance, operation, personnel, compliance, food safety, business interruption, customer experience, branding reputation, environment and other dimensions, and uses jointly confirmed evaluation methods and evaluation standards to evaluate the risks that are most likely to affect the achievement of corporate goals.
- **Clarify and standardize a risk management workflow:** A risk management process is established to cover five major stages, including risk identification, risk assessment, risk response, risk monitoring, reporting and improvement (see Figure 2: risk management process), and a closed loop is formed to continuously monitor and manage risks. Specifically, the Company takes its business objectives as the leading factor, identifies the risk factors that affect its achievement of the business objectives, and evaluates the possibility and potential impact of each specific risk; sorts out and records the specific response plans for existing risks; and tracks and regularly reviews the implementation of the risk response to the identified risks, and assesses changes in risk, so as to adjust response measures in a timely manner.



(Figure 2: risk management process)

The main features of the Group's risk management system are as follows:

- **Closed loop risk management process:** The risk management procedure adopts the method of end-to-end closed-loop and continuous monitoring. Through a series of workflows such as risk identification, risk assessment, risk response, risk monitoring, reporting and improvement, the Group has a comprehensive understanding of the main risks faced by it, and conducts ongoing review and assessment of risks through the closed-loop risk management process.

Corporate Governance Report

- **Form a risk database with clear levels and major focuses throughout the headquarters to the stores:** Starting from the six risk categories of strategy, market, operation, finance, law and sustainable development and considering the principles of comprehensiveness, importance, synergy and standardisation, the Group establishes a risk database that penetrates different levels including the Group, regions and stores.
- **Risk assessment criteria appropriate to the nature of the bar business:** Combined with the nature of the bar industry where the Group operates, its business objectives, and the management's risk appetite, the Group establishes applicable risk assessment standards, covering strategy, finance, food safety, customer experience, and the environment.
- **Continuous improvement and perfect mechanism:** The Group clarifies the frequency of risk assessment (at least once a year) and reporting and communication requirements, and continuously improves risk management workflow and improves risk management and control measures through regular assessment, implementation and follow-up of risk response measures, communication and reporting. For any significant deficiencies in the internal control, the management will identify the internal control deficiencies, review control activities and procedures, and revise necessary internal policies and procedures when necessary.

2. Conduct enterprise risk assessment for 2025

Based on the establishment of the above risk management system, the management continued to intensify risk management during the year with the assistance of external consulting agencies, and re-assessed the top ten risks in 2025.

During 2025, the management updated the risk assessment standards and risk database for the year according to the development strategy of "pursuing quality" and in light of external regulatory requirements for the Company, market environment, changes in the internal operating environment, business development and management's risk appetite. At the same time, we adopted a combination of qualitative and quantitative evaluation methods to review changes in the nature and degree of major risks of the Company, analyzed and ranked the risks identified based on possibility of the risks and the degree of their impact. We weighed risk and return based on our risk tolerance to determine key points and control priority of major risks, organized the status of risk control as well as subsequent measures and improvement plans, and reported to the Audit Committee the above top ten risk assessment results for the year.

Internal monitoring

With reference to the COSO (Committee of Sponsoring Organizations of the Treadway Commission) internal control management framework, the Group has established an internal control system and mechanism applicable to the Group. The monitoring system includes a mature organisational structure that clearly defines the powers and responsibilities of each department to protect the Group's assets and shareholders' interests. The internal audit function of the Company monitored the internal governance of the Company and provided independent assurances as to the adequacy and effectiveness of the Company's risk management and internal control systems.

As an important part of risk management, the internal control system of the Group is formed on the basis of various risks faced by the Group. As the first line of defense, the management of the Group headquarters, the subordinate regional management and the management of its stores have designed and implemented a series of policies and procedures for the processes related to finance, operation and compliance, and monitored the implementation and effect of relevant policies and procedures. The legal supervision and audit department has been established as the third line of defense. Through audit supervision and independent supervision and audit of policy implementation, abnormal transactions and internal control

Corporate Governance Report

defects are discovered in a timely manner, and follow-up review of the improvement situation is carried out to supervise the implementation of internal control improvement measures. Independent and objective opinions on the effectiveness of the Group's risk management and internal control systems are provided to the Board. At the same time, the legal supervision and audit department has unrestricted access to the documents and records, information systems and employees required to carry out the audit procedures, and reports to the Audit Committee on the audit results.

Anti-Fraud and Whistleblower and Complaint Management Policy

The Group updated and published the Helens Anti-Fraud and Whistleblower and Complaint Management Rules has formulated and implemented the Anti-Fraud and Whistleblower and Complaint Management Policy, which specifies the standards for identifying fraudulent conduct, fraud prevention and control measures, whistle-blowing channels and whistleblower protection policies to support employees and other contacts (such as customers or suppliers) on an anonymous basis to raise any potentially inappropriate matters about the Company to the Audit Committee to ensure that all reports receive adequate attention. The legal supervision department is also designated as the fraud risk supervision body to undertake the coordination, guidance and supervision and audit of the Company's anti-fraud practice.

Meanwhile, in order to continuously improve the compliance awareness of all employees of Helens, the Company has established an anti-corruption compliance training system that combines "on-site training + online courses", and organized directors, management and employees of respective departments to participate in trainings on off-line and online learning platforms, so that they can contribute to the goal of building a corruption-free enterprise.

Review of Risk Management and Internal Control System

The risk management and internal control systems of the Company are reviewed on an annual basis. During the year ended December 31, 2025, the Board conducted a comprehensive review of the effectiveness of the Group's risk management and internal control systems through the Audit Committee, including the establishment of the risk management systems, the 2025 annual risk assessment and the internal control review of key business processes. The period covers the fiscal year 2025 and covers the main business of the Group. The Board considers that the Group has complied with the risk management and internal control provisions set out in the Corporate Governance Code and considers that the risk management and internal control systems are effective and adequate.

The Audit Committee has reviewed and considered that the Group's accounting, internal audit, financial reporting functions and related environmental, social and governance performance and reporting resources, staff qualifications and experience, as well as the training courses and related budgets received by staff are adequate.

Inside information

The Group has also adopted an information disclosure policy which sets out comprehensive guidelines on the handling and disclosure of inside information. The Board is entrusted with monitoring and implementing the procedural requirements in the disclosure policy. Inside information must be released by the Board, and all employees are prohibited from disseminating inside information about the Group to any external party unless duly authorised. We have implemented control procedures to ensure that unauthorized access and use of inside information are strictly prohibited.

Corporate Governance Report

DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements of the Company for the year ended December 31, 2025. The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

The statement of the independent auditor of the Company about their reporting responsibilities on the financial statements is set out in the Independent Auditor's Report.

AUDITORS' REMUNERATION

The total fees paid/payable to the independent auditor of the Company, in respect of audit services and non-audit services for the year ended December 31, 2025 are set out as below. The non-audit services conducted by the Auditor mainly include advisory services.

	Fees payable or paid <i>RMB'000</i>
Services Category	
Audit Services	2,380
Non-audit Services	—
Total Fees	<u>2,380</u>

COMPANY SECRETARY

Mr. Lui Wing Yat Christopher ("**Mr. Lui**"), senior manager of Corporate Services of Tricor Services Limited, had been appointed as the company secretary of the Company with effect from May 27, 2022. Mr. Lui has complied with Rule 3.29 of the Listing Rules by taking no less than 15 hours of the relevant professional training during the year.

All Directors have access to the advice and services of the company secretary on corporate governance and board practices related matters.

Ms. Yu Zhen, the executive Director and chief financial officer of the Company, is the primary corporate contact person at the Company whom Mr. Lui contacts.

Corporate Governance Report

SHAREHOLDERS' RIGHTS

To safeguard Shareholders' interests and rights, all resolutions put forward at general meetings will be voted on by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and of the Stock Exchange after each general meeting.

Convening Shareholders' General Meetings

The Company shall hold the annual general meeting within six months after the end of the financial year.

The Board may, whenever it thinks fit, convene an extraordinary general meeting. Extraordinary general meetings shall also be convened on the requisition of one or more Shareholders holding, at the date of deposit of the requisition, not less than one tenth of the paid up capital of the Company having the right of voting at general meetings. Such requisition shall be made in writing to the Board or the Secretary for the purpose of requiring an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition. Such meeting shall be held within two months after the deposit of such requisition. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

The chairman (if any) of the Company or if he is absent or declines to take the chair at such meeting, the vice chairman (if any) of the Company shall take the chair at every general meeting, or, if there be no such chairman or vice chairman, or, if at any general meeting neither of such chairman or vice chairman is present within 15 minutes after the time appointed for holding such meeting, or both such persons decline to take the chair at such meeting, the Directors present shall choose one of their number as chairman of the meeting, and if no Director be present or if all the Directors present decline to take the chair or if the chairman chosen shall retire from the chair, then the Shareholders present shall choose one of their number to be chairman of the meeting.

Putting Forward Proposals at General Meetings

There are no provisions in the Articles of Association or in the Companies Law of the Cayman Islands for putting forward proposals of new resolutions by Shareholders at general meetings. Shareholders who wish to move forward a resolution may request the Company to convene a general meeting in accordance with the procedures mentioned above.

Putting Forward Enquiries to the Board

For putting forward any enquiries to the Board, Shareholders may supervise the operations of the Company, and to make suggestions and enquiries accordingly.

Contact Details

- Shareholders may send their enquiries or requests as mentioned above to ir@helens.com.cn. Shareholders may at any time make a request for the Company's information to the extent such information is publicly available. Corporate communication of the Company will be provided to Shareholders to facilitate Shareholders' understanding. Shareholders have the right to choose the language (either English or Chinese) or means of receipt of the corporate communications (in hard copy or through electronic means).

Corporate Governance Report

CHANGE IN CONSTITUTIONAL DOCUMENTS

The Articles of Association of the Company have been amended and restated with effect from May 14, 2025, the latest version of which is available on the websites of the Company and the Stock Exchange.

Save as disclosed above, there has not been any changes to the Articles of Association during the Reporting Period and up to the Latest Practicable Date.

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS

The Company considers that effective communication with Shareholders is essential for enhancing investor relations and investor's understanding of the Group's business performance and strategies. The Company also recognises the importance of transparency and timely disclosure of corporate information, which will enable Shareholders and investors to make the best investment decisions.

To promote effective communication, up-to-date information and updates on the Company's business operations and developments, financial information, corporate governance practices and other information are available on the websites of the Stock Exchange (www.hkexnews.hk), Singapore Exchange Securities Trading Limited (www.sgx.com) and the Company (www.helensbar.com) for public access.

The general meetings of the Company provide a forum and an important channel for communication between the Board and the Shareholders. The chairman of the Board as well as chairmen of the Nomination Committee, the Remuneration Committee and the Audit Committee or, in their absence, other members of the respective committees and, where applicable, are available normally at the annual general meetings and other relevant shareholder meetings to answer questions. Shareholders are also encouraged to attend general meetings held by the Company and are invited to express their views and raise questions thereat.

As part of its regular review, the Board has reviewed the Shareholders' Communication Policy for the year ended December 31, 2025 and is of the view that the Policy is effective and adequately implemented.

Shareholders should direct their inquiries about their shareholdings to Tricor Investor Services Limited, the Company's Hong Kong share registrar and/or In.Corp Corporate Services Pte. Ltd., the Company's Singapore share transfer agent. Investors may also write to the Company at its principal place of business in Hong Kong or China for any enquiries.

The Company sets out the following contact details for Shareholders to communicate with the Company:

Mailing address: Room 19, 9/F
118 Wai Yip Street
Kwun Tong
Kowloon
Hong Kong
Attention: Board of Directors/Company Secretary

The Company will not normally deal with verbal or anonymous enquiries.

The Company endeavours to maintain an on-going dialogue with Shareholders and in particular, through annual general meetings and other general meetings. At the annual general meeting, Directors (or their delegates as appropriate) are available to meet Shareholders and answer their enquiries.

Corporate Governance Report

DIVIDEND POLICY

Payment of dividends by the Company is also subject to the Companies Act and the Articles of Association. The Board will review the dividend policy as appropriate from time to time. The declaration and payment of dividends shall be determined at the sole discretion of the Board. The Board shall also take into account the following factors when considering whether to propose dividends and determining the dividend amount:

1. the Group's actual and expected financial performance;
2. retained earnings and distributable reserves of the Company and each of the members of the Group;
3. the Group's working capital requirements, capital expenditure requirements and future expansion plans;
4. the Group's liquidity position;
5. contractual restrictions on the payment of dividends by the Company to the Shareholders or by the Company's subsidiaries to the Company;
6. taxation considerations;
7. general economic conditions, business cycle of the Group's business and other internal or external factors that may have an impact on the business or financial performance and position of the Group; and
8. other factors that the Board deems relevant.

Independent Auditor's Report

To the Shareholders of Helens International Holdings Company Limited

(incorporated in the Cayman Islands with limited liability)

Opinion

What we have audited

The consolidated financial statements of Helens International Holdings Company Limited (the "**Company**") and its subsidiaries (the "**Group**"), which are set out on pages 69 to 140, comprise:

- the consolidated statement of financial position as at 31 December 2025;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("**HKSAs**") as issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "**Code**"), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Independent Auditor's Report

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter identified in our audit is related to impairment assessment of right-of-use assets and plant and equipment in bars.

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>Impairment assessment of right-of-use assets and plant and equipment in bars</p> <p>Refer to Notes 2.2.4, 4.4, 14 and 25 to the consolidated financial statements.</p> <p>As at 31 December 2025, the right-of-use assets and plant and equipment of the Group amounted to approximately RMB78,169,000 and RMB159,882,000 respectively, majority of which are in relation to the Group's bars.</p> <p>Management reviews the performance of each bar at the end of each reporting period to identify impairment indicators, and performs impairment assessment where impairment indicator is identified.</p> <p>Each of the bars is identified as a cash generating unit ("CGU") by management in the impairment assessment. The recoverable amount of each of the bars with impairment indicators identified is assessed at the end of each reporting period by management based on the value-in-use ("VIU") calculation of the relevant CGU.</p>	<p>Our procedures in relation to impairment assessment of right-of-use assets and plant and equipment in bars included:</p> <ul style="list-style-type: none">• We obtained an understanding of the management's internal control and assessment process of the impairment and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors;• We evaluated management's key controls in respect of the impairment assessment, including the determination of CGU, the identification of impairment indicators, the preparation of cash flow forecast, and assumptions used in the calculation of VIU;• We evaluated the historical accuracy of management's cash flow forecasts by comparing the forecasts used in the prior year to the actual performance of the respective bars in current year;• We evaluated the reasonableness of the significant assumptions applied in the cash flow forecasts, such as forecasted revenue, forecasted raw material costs-to-revenue ratio, and forecasted employee benefit and manpower service expenses-to-revenue ratio, by considering the Group's management plans and the bars' historical performances;

Independent Auditor's Report

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>Based on the results of the impairment assessment conducted, impairment provision of approximately RMB4,374,000 and RMB575,000 was recognised for right-of-use assets and plant and equipment, respectively, in the Group's consolidated statement of comprehensive income for the year ended 31 December 2025.</p> <p>We focused on this area due to significant management's judgements involved in the determination of VIU of the related CGU, including the significant assumptions used in the compilation of the underlying cash flow forecast. The significant assumptions adopted by management are subjective, including forecasted revenue, raw material costs-to-revenue ratio, employee benefit and manpower service expenses-to-revenue ratio, and discount rates.</p>	<ul style="list-style-type: none">• We evaluated the discount rates applied in the cash flow forecasts with the involvement of our internal valuation experts by comparing them with the industry or market data to assess whether the discount rates applied within the range of those adopted by comparable companies in the same industry; and• We evaluated management's sensitivity analysis performed on the forecasted revenue, forecasted raw material costs, forecast employee benefit and manpower service expenses, and discount rates adopted in the impairment assessment so as to assess the potential implications on the results of the impairment assessment for changes in significant assumptions within a reasonable range. <p>Based on the above procedures, we found the significant assumptions adopted in management's impairment assessment to be supported by the evidence we obtained.</p>

Other Information

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent Auditor's Report

Responsibilities of Directors and Those Charged with Governance for the Consolidated Financial Statements

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards as issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with HKSAAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

Independent Auditor's Report

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is WONG, Chi Yeung Andrew (practising certificate number: P08276).

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 31 March 2026

Consolidated Statements of Comprehensive Income

For the Year Ended 31 December 2025

	Note	Year ended 31 December	
		2025 RMB'000	2024 RMB'000
Revenue	5	539,009	752,206
Other income	7	1,534	970
Raw materials and consumables used	19	(222,829)	(316,344)
Employee benefit and manpower service expenses	9	(113,129)	(173,748)
Depreciation of right-of-use assets	25	(36,097)	(60,786)
Depreciation of property, plant and equipment	14	(32,873)	(63,551)
Depreciation of investment properties	16	(3,267)	(1,876)
Amortisation of intangible assets	15	(17)	(17)
Short-term rental and other related expenses		(20,381)	(23,320)
Utilities expenses		(11,900)	(19,436)
Travelling and related expenses		(7,223)	(8,350)
Advertising and promotion expenses		(3,805)	(12,485)
Listing expenses		—	(13,287)
Other expenses	6	(60,778)	(70,396)
Impairment losses of plant and equipment and right-of-use assets	14&25	(4,949)	(85,786)
Impairment losses of investment properties	16	—	(9,466)
Net impairment losses of trade receivables	3.2(b)	(51)	(16,707)
Other gains, net	8	118	8,639
Finance income	10	21,876	48,364
Finance costs	10	(7,434)	(11,191)
Profit/(Loss) before income tax		37,804	(76,567)
Income tax expense	11	(3,850)	(1,409)
Profit/(Loss) for the year attributable to owners of the Company		33,954	(77,976)
Other comprehensive income:			
<i>Item that may be subsequently reclassified to profit or loss</i>			
Currency translation differences		15,167	(31,535)
Total comprehensive income/(loss) for the year attributable to owners of the Company		49,121	(109,511)
Profit/(Loss) per share for profit/(loss) attributable to owners of the Company (expressed in RMB per share)			
Basic	12	0.027	(0.062)
Diluted	12	0.027	(0.062)

The notes on pages 75 to 140 are integral parts of these consolidated financial statements.

Consolidated Statements of Financial Position

For the Year Ended 31 December 2025

		As at 31 December	
	Note	2025 RMB'000	2024 RMB'000
Assets			
Non-current assets			
Property, plant and equipment	14	159,882	217,911
Intangible assets	15	24	41
Right-of-use assets	25	78,169	95,676
Investment properties	16	66,867	33,001
Deposits and prepayments	18	19,782	37,988
Deferred tax assets	27	71,305	75,155
		<u>396,029</u>	<u>459,772</u>
Current assets			
Inventories	19	15,548	20,122
Prepayments, deposits and other receivables	18	43,166	61,250
Trade receivables	20	26,239	28,407
Financial assets at fair value through profit or loss	21	55,824	—
Term deposits with original maturity over three months	22	443,832	671,832
Cash and cash equivalents	22	143,481	131,802
Restricted cash	22	1,603	2,790
		<u>729,693</u>	<u>916,203</u>
Total assets		<u><u>1,125,722</u></u>	<u><u>1,375,975</u></u>
Equity			
Equity attributable to owners of the Company			
Share capital	23	1	1
Reserves	24	874,664	1,118,790
Total equity		<u><u>874,665</u></u>	<u><u>1,118,791</u></u>

Consolidated Statements of Financial Position

For the Year Ended 31 December 2025

		As at 31 December	
	Note	2025 RMB'000	2024 RMB'000
Liabilities			
Non-current liabilities			
Contract liabilities	5	14,417	21,218
Other payables	29	21,367	18,048
Lease liabilities	25	60,220	93,847
		<u>96,004</u>	<u>133,113</u>
Current liabilities			
Trade payables	28	21,750	28,744
Contract liabilities	5	14,386	13,470
Other payables and accruals	29	19,288	12,648
Borrowings	26	40,000	—
Lease liabilities	25	42,182	51,585
Current income tax liabilities		17,447	17,624
		<u>155,053</u>	<u>124,071</u>
Total liabilities		<u>251,057</u>	<u>257,184</u>
Total equity and liabilities		<u>1,125,722</u>	<u>1,375,975</u>

The notes on pages 75 to 140 are integral parts of these consolidated financial statements.

The consolidated financial statements on pages 69 to 140 were approved for issue by the Board of Directors on 31 March 2026 and were signed on its behalf.

Mr. Xu Bingzhong

Executive Director and Chief Executive Officer

Ms. Yu Zhen

Executive Director and Chief Financial Officer

Consolidated Statements of Changes in Equity

For the Year Ended 31 December 2025

	Attributable to owners of the Company							
	Share capital RMB'000	Share premium RMB'000	Treasury Shares RMB'000	Share-based compensation reserve RMB'000	Statutory reserve RMB'000	Exchange reserve RMB'000	Accumulated losses RMB'000	Total Equity RMB'000
Balance at 1 January 2024	1	2,713,307	(6,614)	595,974	23,766	10,447	(1,515,474)	1,821,407
Comprehensive income								
Loss for the year	—	—	—	—	—	—	(77,976)	(77,976)
Other comprehensive income								
Currency translation differences	—	—	—	—	—	(31,535)	—	(31,535)
Total comprehensive income	—	—	—	—	—	(31,535)	(77,976)	(109,511)
Transaction with owners								
Appropriation to statutory reserve	—	—	—	—	5670	—	(5670)	—
Cancellation of ordinary shares (Note 23)	—	(6,614)	6,614	—	—	—	—	—
Dividend paid (Note 13)	—	(593,105)	—	—	—	—	—	(593,105)
Total transaction with owners	—	(599,719)	6,614	—	5670	—	(5670)	(593,105)
Balance at 31 December 2024	<u>1</u>	<u>2,113,588</u>	<u>—</u>	<u>595,974</u>	<u>29,436</u>	<u>(21,088)</u>	<u>(1,599,120)</u>	<u>1,118,791</u>

The notes on pages 75 to 140 are integral parts of these consolidated financial statements.

Consolidated Statements of Changes in Equity

For the Year Ended 31 December 2025

	Attributable to owners of the Company							Total Equity RMB'000
	Share capital RMB'000	Share premium RMB'000	Treasury Shares RMB'000	Share-based compensation reserve RMB'000	Statutory reserve RMB'000	Exchange reserve RMB'000	Accumulated losses RMB'000	
Balance at 1 January 2025	1	2,113,588	—	595,974	29,436	(21,088)	(1,599,120)	1,118,791
Comprehensive income								
Profit for the year	—	—	—	—	—	—	33,954	33,954
Other comprehensive income								
Currency translation differences	—	—	—	—	—	15,167	—	15,167
Total comprehensive income	—	—	—	—	—	15,167	33,954	49,121
Transaction with owners								
Appropriation to statutory reserve	—	—	—	—	4,450	—	(4,450)	—
Repurchase of ordinary shares (Note 23)	—	—	(15,647)	—	—	—	—	(15,647)
Dividend paid (Note 13)	—	(277,600)	—	—	—	—	—	(277,600)
Total transaction with owners	—	(277,600)	(15,647)	—	4,450	—	(4,450)	(293,247)
Balance at 31 December 2025	1	1,835,988	(15,647)	595,974	33,886	(5,921)	(1,569,616)	874,665

The notes on pages 75 to 140 are integral parts of these consolidated financial statements.

Consolidated Statements of Cash Flows

For the Year Ended 31 December 2025

	Note	Year ended 31 December	
		2025 RMB'000	2024 RMB'000
Cash flows from operating activities			
Cash generated from operations	30(a)	141,681	164,550
Income tax (paid)/refund		(185)	979
Net cash generated from operating activities		141,496	165,529
Cash flows from investing activities			
Purchase of property, plant and equipment		(15,942)	(8,212)
Purchase of financial assets at fair value through profit or loss	21	(702,771)	—
Proceeds from disposal of financial assets at fair value through profit or loss	21	657,606	—
Withdrawal of bank deposits with original maturity over three months		968,241	2,099,013
Placement of bank deposits with original maturity over three months		(738,568)	(2,116,280)
Proceeds from disposal of plant and equipment	30(c)	2,956	2,715
Interest received		20,203	56,728
Net cash generated from investing activities		191,725	33,964
Cash flows from financing activities			
Proceeds from borrowings	26	40,000	—
Interests paid		(1,145)	—
Repurchase of ordinary shares	23	(15,647)	—
Dividends paid	13	(277,600)	(593,105)
Payment of listing expenses		(1,966)	(11,413)
Payment of principal element of lease liabilities	30(b)	(51,865)	(80,118)
Payment of interest element of lease liabilities	30(b)	(6,289)	(11,191)
Increase in restricted cash		(314)	(1,076)
Decrease in restricted cash		1,501	—
Net cash used in financing activities		(313,325)	(696,903)
Net increase/(decrease) in cash and cash equivalents			
Cash and cash equivalents at beginning of the year		131,802	625,612
Effect of exchange rate changes on cash and bank balances		(8,217)	3,600
Cash and cash equivalents at end of the year		143,481	131,802

The notes on pages 75 to 140 are integral parts of these consolidated financial statements.

Notes to the Consolidated Financial Statements

1 GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 16 January 2018 as an exempted company with limited liability under the Companies Act (Cap. 22, Law 3 of 1961 as consolidated and revised) of the Cayman Islands. The address of its registered office is Palm Grove Unit 4, 265 Smith Road, George Town, P.O. Box 52A Edgewater Way, #1653, Grand Cayman KY1-9006, Cayman Islands. The Company's shares have been listed on the Main Board of the Stock Exchange of Hong Kong Limited (the "**Listing**") on 10 September 2021 (the "**Listing Date**"), and have been successfully listed its ordinary shares on the Singapore Exchange Securities Trading Limited on 19 July 2024.

The Company is an investment holding company and its subsidiaries comprising the Group principally engage in bar operations and franchise business primarily in Chinese Mainland and Hong Kong. The ultimate controlling shareholder is Mr. Xu Bingzhong ("**Mr. Xu**" or the "**Controlling Shareholder**") who has been controlling the group companies since their incorporation.

The financial statements are presented in Renminbi ("**RMB**"), unless otherwise stated, and have been approved for issue by the Company's board of directors (the "**Board**") on 31 March 2026.

2 SUMMARY OF ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards as issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance Cap. 622.

HKFRS Accounting Standards comprise the following authoritative literature:

- Hong Kong Financial Reporting Standards,
- Hong Kong Accounting Standards, and
- Interpretations developed by the Hong Kong Institute of Certified Public Accountants.

The preparation of the consolidated financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires the directors of the Company to exercise judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 4.

Notes to the Consolidated Financial Statements

2 SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (Continued)

New or revised standards, amendments and interpretations not yet adopted

Standards, amendments and interpretations that have been issued but not yet effective and not been early adopted by the Group during the year ended 31 December 2025 are as follows:

		Effective for annual periods beginning on or after
HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments (amendments)	1 January 2026
HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	Annual Improvements to HKFRS Accounting Standards — Volume 11	1 January 2026
HKFRS 9 and HKFRS 7	Amendments to the Contracts Referencing Nature — dependent Electricity (amendments)	1 January 2026
HKFRS 18	Presentation and Disclosure in Financial Statements (new standard)	1 January 2027
HKFRS 19	Subsidiaries without Public Accountability: Disclosures (new standard)	1 January 2027
HKFRS 19	Amendments to HKFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
HK Int 5	Hong Kong Interpretation 5 Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause (amendments)	1 January 2027
HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (amendments)	To be determined

Except for new HKFRS 18 mentioned below, the Group will adopt the above new or revised standards, amendments and interpretations to existing standards as and when they become effective. Management has performed a preliminary assessment and does not anticipate any significant impact on the Group's financial position and results of operations upon adopting these standards, amendments and interpretations to the existing HKFRSs.

Notes to the Consolidated Financial Statements

2 SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (Continued)

HKFRS 18 “Presentation and Disclosure in Financial Statements”

HKFRS 18 sets out requirements on presentation and disclosures in financial statements and it will replace HKAS 1 Presentation of Financial Statements. The new standard introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. Minor amendments to HKAS 7 Statement of Cash Flows are also made. HKFRS 18 will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The Group does not plan to early adopt HKFRS 18. HKFRS 18 will impact the presentation of financial statements, and is not expected to have significant impact on the financial performance and position of the Group.

2.2 Material accounting policies

2.2.1 Foreign currency translation

(a) *Functional and presentation currency*

Items included in the financial statements of each of the Group’s entities are measured using the currency of the primary economic environment in which the entity operates (the “**functional currency**”). The consolidated financial statements are presented in RMB, which is the Company’s functional and the Group’s presentation currency.

(b) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the balance sheet date exchange rates of monetary assets and liabilities denominated in foreign currencies are generally recognised in the consolidated statement of comprehensive income.

Foreign exchange gains and losses that relate to borrowings are presented in the consolidated statement of comprehensive income, within finance costs. All other foreign exchange gains and losses are presented in the consolidated statement of comprehensive income on a net basis within “Other gains/(losses), net.”

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities held at fair value through other comprehensive income.

Notes to the Consolidated Financial Statements

2 SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

2.2 Material accounting policies (Continued)

2.2.1 Foreign currency translation (Continued)

(c) *Group companies*

The results and financial positions of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each consolidated statement of financial position presented are translated at the closing rate at the date of that consolidated statement of financial positions;
- income and expenses for each consolidated statement of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign operations are taken to other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign entity and translated at the closing rate.

2.2.2 Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the assets' carrying amounts or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the asset will flow to the Group and the cost of the item can be measured reliably. The carrying amounts of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Notes to the Consolidated Financial Statements

2 SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

2.2 Material accounting policies (Continued)

2.2.2 Property, plant and equipment (Continued)

Depreciation of property, plant and equipment is calculated using the straight-line method to allocate their costs, over their estimated useful lives, primarily as follows:

- Buildings 40 years
- Office equipment 5 years
- Computer equipment 3 to 5 years
- Furniture and fixture 5 to 8 years
- Motor and Vehicles 5 years
- Leasehold improvement Over the shorter of lease term and useful life

The assets' useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains or losses on disposals of property, plant and equipment are determined by comparing proceeds with the carrying amount and are recognised in profit or loss.

2.2.3 Investment property

Investment properties are held for long-term rental yields, which are transferred from Buildings. Investment properties are initially measured at cost, including related transaction costs and where applicable borrowing costs. Subsequently, they are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is computed on a straight-line basis, over the estimated useful lives. The estimated useful lives of the Group's investment properties are 40 years which are same as the buildings.

Notes to the Consolidated Financial Statements

2 SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

2.2 Material accounting policies (Continued)

2.2.4 Impairment of non-financial assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable. An impairment loss is recognised for the amounts by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.2.5 Financial assets

(a) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss), and
- those measured at amortised cost.

The Group classifies its financial assets as assets to be measured at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows;
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

Notes to the Consolidated Financial Statements

2 SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

2.2 Material accounting policies (Continued)

2.2.5 Financial assets (Continued)

(b) *Recognition and measurement*

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

The Group has classified all of its financial assets as assets to be measured at amortised cost.

(c) *Derecognition*

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and reward of ownership.

2.2.6 Impairment of financial assets

The Group has following types of financial assets subject to HKFRS 9 expected credit loss model:

- Trade receivables; and
- Deposits and other receivables; and
- Cash and bank balances

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Impairment on deposits and other receivables is measured as either 12-month expected credit losses or lifetime expected credit loss, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of a receivable has occurred since initial recognition, then impairment is measured as lifetime expected credit losses.

For trade receivables, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. See Note 3.2(b) and Note 20 for further details.

Notes to the Consolidated Financial Statements

2 SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

2.2 Material accounting policies (Continued)

2.2.6 Impairment of financial assets (Continued)

To manage risk arising from cash and bank balances, the Group only transacts with state-owned or reputable financial institutions. There has been no recent history of default in relation to these financial institutions.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss.

2.2.7 Trade and other receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 1 year and therefore all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, in which case they are recognised at fair value. The group holds the trade receivables with the objective of collecting the contractual cash flows and therefore it measures them subsequently at amortised cost using the effective interest method.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment.

2.2.8 Current and deferred income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and unused tax losses.

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Notes to the Consolidated Financial Statements

2 SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

2.2 Material accounting policies (Continued)

2.2.8 Current and deferred income tax (Continued)

(b) *Deferred income tax*

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amounts and tax bases of investments in foreign operations where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

(c) *Offsetting*

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred income tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Notes to the Consolidated Financial Statements

2 SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

2.2 Material accounting policies (Continued)

2.2.9 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts for the sale of goods in the ordinary course of the Group's activity. Revenue is shown net of returns and after eliminating sales within the Group. Revenue excludes value added tax or other sales taxes and is after deduction of other sales taxes of any trade discounts.

The Group does not expect to have any contracts where the period between the transfer of the promised goods to the customers and the payment by the customers exceeds one year. Hence, the Group does not adjust any of the transaction prices for the time value of money.

When either party to a contract has performed, the Group presents the contract in the consolidated statements of financial position as a contract asset or a contract liability, depending on the relationship between the Group's performance and the customer's payment. A contract asset is the Group's right to consideration in exchange for goods that the Group has transferred to a customer. Incremental costs incurred to obtain a contract, if recoverable, are capitalised and presented as assets and subsequently amortised when the related revenue is recognised.

If a customer pays consideration or the Group has a right to an amount of consideration that is unconditional, before the Group transfers the promised goods to the customer, the Group presents the contract as a contract liability when the payment is received or a receivable is recorded (whichever is earlier). A contract liability is the Group's obligation to transfer the promised goods to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

A receivable is recorded when the Group has an unconditional right to consideration. A right to consideration is unconditional if only the passage of time is required before payment of that consideration is due.

Revenue is recognised when specific criteria have been met for the Group's activities as described below:

(a) *Revenue from self-operated bars*

The Group operates bars and sells food and beverages to customers.

Revenue from self-operated bars and sales of food and beverages is recognised when the services have been rendered to customers and when control of food and beverages have been transferred to customers at a point in time and payments made.

Notes to the Consolidated Financial Statements

2 SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

2.2 Material accounting policies (Continued)

2.2.9 Revenue recognition (Continued)

(b) *Revenue from sales of goods to franchisees*

The Group enters into a series of agreements with each franchisee, which mainly include a license agreement and a sales agreement (collectively "**Franchise Agreements**"), whereby the franchisees are licensed to operate the franchised bars and are authorised to sell food and beverages in their own bars. For sales of goods to franchisees, the Group has determined that the franchisees are the customers of the Group. Revenue from sales of goods to franchisees is recognised at the point in time when the franchisees accept the goods and the control over those goods is transferred to the franchisees.

(c) *Revenue from provision of franchising services to franchisees*

As part of the Franchise Agreements, the franchise rights are granted for certain years to franchisees upon payment of a non-refundable upfront initial payments. The non-refundable upfront initial fee is charged for pre-opening support services provided to the franchisees, including but not limited to market and location analysis, pre-opening marketing. As these services are highly interrelated with the franchise right, they are not individually distinct from the ongoing franchising arrangement with the franchisees. As a result, initial franchise fees, which are considered as consideration for the Group to provide right to access the Group's intellectual property, are recognised on a straight-line basis over the expected franchise period. Unrecognised non-refundable upfront initial fee is recognised as contract liabilities in the consolidated statements of financial position.

Franchisees are also required to pay a monthly royalty fee, which is determined based upon a certain percentage of franchisee' sales and recognised over the period when related services are rendered.

The Group also provides upfront subsidies to certain franchisees for their pre-opening capital expenditure including decoration and purchasing equipment in return for a higher monthly service fee rates. These subsidies do not represent distinct goods or services provided to the franchisees and are accounted for as a reduction of the services fee on a straight-line basis over the franchise period. The unrecognised portion are recognised as other prepayments (Note 18) in the Group's consolidated statements of financial position.

Notes to the Consolidated Financial Statements

2 SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

2.2 Material accounting policies (Continued)

2.2.10 Leases

The Group leases various properties. Rental contracts are typically made for fixed periods of 3 years to 8 years. Lease terms are negotiated on an individual basis and contain various terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as securities for borrowing purposes.

Leases are recognised as right-of-use assets and the corresponding lease liabilities at the date of which the respective leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liabilities for each period.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the entity's incremental borrowing rate.

Right-of-use assets are measured at costs comprising the following:

- the amount of the initial measurement of lease liabilities;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Notes to the Consolidated Financial Statements

2 SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

2.2 Material accounting policies (Continued)

2.2.10 Leases (Continued)

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases for properties with a lease term of less than 12 months.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or there is a change arising from the reassessment of whether the Group will be reasonably certain to exercise a purchase, extension, or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The lease liability is also remeasured when there is a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract ("**lease modification**") that is not accounted for as a separate lease. In this case the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification.

The Group leases its investment properties to tenants under operating leases with rents payable quarterly or semi-annually. Rental income from operating leases where the group is a lessor is recognised in income on a straight-line basis over the lease term.

2.3 Other accounting policies

2.3.1 Subsidiaries

2.3.1.1 Consolidation

A subsidiary is an entity (including a structured entity) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Notes to the Consolidated Financial Statements

2 SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

2.3 Other accounting policies (Continued)

2.3.1 Subsidiaries (Continued)

2.3.1.1 Consolidation (Continued)

(a) Business combination

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in the consolidated statement of comprehensive income.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with HKFRS 9 in profit or loss. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amounts of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the comprehensive income.

Inter-company transactions, balances and realized gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries comprising the Group have been changed where necessary to ensure consistency with the policies adopted by the Group.

Notes to the Consolidated Financial Statements

2 SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

2.3 Other accounting policies (Continued)

2.3.1 Subsidiaries (Continued)

2.3.1.1 Consolidation (Continued)

- (b) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in a loss of control are accounted for as equity transactions — that is, as transactions with the owners of the subsidiary in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying amounts of net assets of the subsidiary is recorded in equity. Gains or losses on disposal to non-controlling interests are also recorded in equity.

- (c) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amounts recognised in profit or loss. The fair value is the initial carrying amounts for the purposes of subsequently accounting for the retained interest as an associate, or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

2.3.1.2 Separate financial statements

Investments in subsidiaries are accounted for by the Company at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

2.3.2 Segment reporting

Operating segment is reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (“**CODM**”). The CODM, who is responsible for allocating resources and assessing performance of the operating segment, has been identified as the directors who make strategic decisions.

Notes to the Consolidated Financial Statements

2 SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

2.3 Other accounting policies (Continued)

2.3.3 Intangible assets

(a) *System software*

Acquired system software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised using straight-line method over their estimated useful lives from five to twelve years.

2.3.4 Offsetting financial instruments

Financial assets and liabilities are offset and the net amounts reported in the consolidated statements of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.3.5 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted-average method. The cost of inventories comprises food ingredients, beverages consumables and other direct costs. It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

2.3.6 Cash and bank balances

For the purpose of presentation in the consolidated statements of cash flows, cash and bank balances include cash and cash equivalents, term deposits with original maturity over three months and restricted cash.

2.3.7 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Notes to the Consolidated Financial Statements

2 SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

2.3 Other accounting policies (Continued)

2.3.8 Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and bills payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.3.9 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amounts can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.3.10 Employee benefits

(a) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the consolidated statements of financial position.

(b) Defined contribution plans

The Group pays contributions to state-managed pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Notes to the Consolidated Financial Statements

2 SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

2.3 Other accounting policies (Continued)

2.3.10 Employee benefits (Continued)

(c) *Bonus plans*

The Group recognises a liability and an expense for bonuses based on a formula that takes into consideration the profit attributable to the Company's shareholders after certain adjustments. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

(d) *Termination benefits*

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

2.3.11 Interest income

Interest income is recognised on a time-proportion basis using the effective interest method.

2.3.12 Dividend distribution

Dividend distribution to the shareholders is recognised as a liability in the years in which the dividend is approved by the Company's shareholders or directors, where appropriate.

2.3.13 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to expenses are deferred and recognised in the consolidated statement of comprehensive income over the period necessary to match them with the expenses that they are intended to compensate.

2.3.14 Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amounts of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the financial statements. When a change in the probability of an outflow occurs so that outflow is probable, it will then be recognised as a provision.

Notes to the Consolidated Financial Statements

3 FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

3.1 Market risk

3.1.1 Foreign exchange risk

The Group's businesses are principally conducted in RMB, which is exposed to foreign currency risk with respect to transactions denominated in currencies other than RMB. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the functional currency of the relevant group entity.

During the years ended 31 December 2025 and 2024, the Group has not entered into any derivative instruments to hedge its foreign exchange exposures.

As at 31 December 2025, management considered that any reasonable changes in foreign exchange rates of the above currencies against the functional currencies would not result in a significant change in the Group's results, as the net carrying amounts of financial assets and liabilities denominated in a currency other than the respective subsidiaries' functional currencies are considered to be not significant.

Notes to the Consolidated Financial Statements

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Market risk (Continued)

3.1.2 Interest rate risk

The Group's interest rate risk is mainly attributable to its cash and bank balances (excluding cash on hand). Details of the Group's cash and bank balances have been disclosed in Note 22 to the consolidated financial statements. The Group's borrowings and lease liabilities are also interest-bearing but with fixed rates.

As at 31 December 2025, if interest rates on cash and bank balances (excluding cash on hand) had been 50 basis points higher/lower with all variables held constant, profit before income tax for the year then ended would have been approximately RMB2,943,000 higher/lower (2024: loss before income tax would have been approximately RMB4,030,000 lower/higher), mainly as a result of higher/lower interest income on the cash and bank balances (excluding cash on hand).

3.2 Credit risk

The credit risk of the Group mainly arises from cash and bank balances (excluding cash on hand), trade receivables, deposits and other receivables. The carrying amounts of these financial assets represent the Group's maximum exposure to credit risk in relation to financial assets.

(a) Risk management

The Group has policies in place to ensure that credit terms are made to customers with an appropriate credit history and the Group performs periodic credit evaluations of its customers.

The Group's cash and bank balances (excluding cash on hand) were deposited with high quality financial and other institutions with sound credit ratings. Therefore, the Group does not expect material losses arising from non-performance by these counterparties.

To manage risk arising from trade receivables, the Group has policies in place to ensure that credit terms are made to counterparties with an appropriate credit history and the management performs ongoing credit valuations of its counterparties. The credit period granted to the customers is usually no more than 90 days and the credit quality of these customers is assessed, which takes into account their financial position, past experience and other factors. In view of the sound collection history of receivables due from them, management believes that the credit risk inherent in the Group's outstanding trade receivable balances due from them is not significant.

For deposits and other receivables, the Group assessed that most of the underlying lease contracts grant the Group, as a lessee, the contractual rights to continue occupying the corresponding premises if the landlord does not refund these rental and other deposits at the end of the lease terms pursuant to the terms and conditions set out in the lease contracts. Hence, the Group does not expect material losses arising from non-performance by these counter parties.

Notes to the Consolidated Financial Statements

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.2 Credit risk (Continued)

(b) Impairment of financial assets

The Group has the following types of financial asset that is subject to the expected credit loss models:

- Cash and bank balances
- Trade receivables
- Deposits and other receivables

Cash and bank balances

While cash and bank balances are also subject to the impairment requirements of HKFRS 9, management considered the expected credit loss rates to be immaterial and the identified impairment loss was immaterial as substantially all of the Group's bank deposits were deposited with major financial and other institutions which management believes are of high-credit-quality without significant credit risk.

Trade receivables

The Group applies the simplified approach to provide for expected credit loss ("ECL") prescribed by HKFRS 9, which requires the use of the lifetime expected loss provision for all trade receivables.

The Group measures the expected credit losses of trade receivables on a combination of both individual and collective basis. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics.

Measurement of expected credit loss on individual basis

The Group's trade receivables from franchisees with known insolvencies are assessed individually for impairment allowances and are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a prepayment plan with the Group, and a failure to make contractual payments.

Notes to the Consolidated Financial Statements

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.2 Credit risk (Continued)

(b) Impairment of financial assets (Continued)

Trade receivables (Continued)

Measurement of expected credit loss on collective basis

For the remaining Group's trade receivables from franchisees, the expected loss rates are based on the industry credit loss rates and aging profiles of trade receivables. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the urban per capital disposable income of Chinese Mainland in which the Group sells its goods and services to be the most relevant factor, and accordingly adjusts the historical loss rates based on expected changes in this factor.

Deposits and other receivables

The Group's deposits and other receivables is carried at amortised cost in the consolidated statements of financial position. The impairment loss of deposits and other receivables is measured based on the twelve months expected credit loss. The twelve months expected credit loss is the portion of lifetime expected credit loss that results from default events on a financial instrument that are possible within twelve months after the reporting date. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime expected credit loss.

Notes to the Consolidated Financial Statements

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.2 Credit risk (Continued)

(b) Impairment of financial assets (Continued)

Deposits and other receivables (Continued)

The loss allowance for trade receivables as at 31 December 2025 and 2024 reconcile to the opening loss allowance as follows:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
At the beginning of the year	16,948	241
Provision for impairment	51	16,707
At the end of the year	<u>16,999</u>	<u>16,948</u>

On such basis, the loss allowance as at 31 December 2025 was determined as follows for trade receivables:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
On collective basis		
Expected loss rate	0.64%	0.41%
Gross carrying amount	26,407	28,524
Loss allowance provision	168	117
On individual basis		
Expected loss rate	100%	100%
Gross carrying amount	16,831	16,831
Loss allowance provision	16,831	16,831
Total		
Gross carrying amount	43,238	45,355
Loss allowance provision	16,999	16,948

Notes to the Consolidated Financial Statements

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.3 Fair value estimation

(a) Financial assets and liabilities

(i) Fair value hierarchy

The table below analyses the Group's financial instruments carried at fair value as at 31 December 2025 by level of inputs adopted in the valuation techniques used for measuring fair value. Such inputs are categorised into three levels within a fair value hierarchy as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2); and
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the Group's assets that are measured at fair value as at 31 December 2025.

Recurring fair value measurements		Level 1	Level 2	Level 3	Total
At 31 December 2025		RMB'000	RMB'000	RMB'000	RMB'000
Financial assets					
Financial assets at fair value through profit or loss (FVPL)					
Wealth Management Products	21	—	55,824	—	55,824
Total financial assets		—	55,824	—	55,824

During the year ended 31 December 2025, there were no transfers between levels 1 and 2 for recurring fair value measurements during the year.

The Group's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period.

Notes to the Consolidated Financial Statements

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.3 Fair value estimation (Continued)

(a) *Financial assets and liabilities (Continued)*

(i) *Fair value hierarchy (Continued)*

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities and for instruments where climate risk gives rise to a significant unobservable adjustment.

(ii) *Valuation techniques used to determine fair values*

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments; and
- for other financial instruments — discounted cash flow analysis.

All of the resulting fair value estimates are included in level 2, where the fair values have been determined based on present values and the discount rates used were adjusted for counterparty or own credit risk. The group did not change any valuation techniques in determining the level 2 and level 3 fair values.

Notes to the Consolidated Financial Statements

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.4 Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the shorter and longer term.

Taking into account the Group's financial resources, its internally generated cash and banking facilities, the directors of the Company believe that the Group has sufficient capital to meet its liquidity needs for at least twelve months from 31 December 2025.

There were no undrawn banking facilities available to the Group as at 31 December 2025 and 2024.

The table below analyses the non-derivative financial liabilities of the Group into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date. The amounts disclosed in the table were the contractual undiscounted cash flows and the earliest date the Group can be required to pay. Balances within twelve months equal their carrying balances as impact from discounting is not significant.

	Less than 1 year RMB'000	More than 1 year RMB'000	Total RMB'000
At 31 December 2025			
Trade payables	21,750	—	21,750
Other payables and accruals	16,720	21,367	38,087
Lease liabilities	46,457	72,252	118,709
Borrowings	40,000	—	40,000
	<u>124,927</u>	<u>93,619</u>	<u>218,546</u>
At 31 December 2024			
Trade payables	28,744	—	28,744
Other payables and accruals	8,756	18,048	26,804
Lease liabilities	58,653	107,093	165,746
	<u>96,153</u>	<u>125,141</u>	<u>221,294</u>

Notes to the Consolidated Financial Statements

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.5 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings and lease liabilities, less cash and cash equivalents and term deposits. Total capital is calculated as "equity" as shown in the consolidated statement of financial position. As at 31 December 2025 and 2024, the Group has a net cash position.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

4.1 Current and deferred taxation

The Group is subject to income taxes mainly in Chinese Mainland. Significant judgement is required in determining provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred income tax provisions in the periods in which such determination is made.

Deferred income tax assets relating to certain temporary differences and tax losses are recognised as management considers it is probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. Where the expectation is different from the original estimate, such differences will impact the recognition of deferred income tax assets and tax expense in the periods in which such estimate is changed.

Notes to the Consolidated Financial Statements

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

4.2 Depreciation

Property, plant and equipment, investment properties and right-of-use assets are depreciated on a straight-line basis over the estimated useful lives of the assets. The Group reviews the estimated useful lives of the assets regularly in order to determine the amount of depreciation expense to be recorded during any reporting period. The useful lives are based on the Group's historical experience with similar assets. The depreciation expense for future periods is adjusted if there are material changes from previous estimates.

4.3 Determination of lease terms

In determining the lease terms, the Group considers all facts and circumstances that create an economic incentive to exercise an extension option or not to exercise a termination option. Extension options are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). Potential future cash outflows have not been included in the lease liability because it is not reasonably certain that the leases will be extended (or not terminated). The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

4.4 Impairment of plant and equipment and right-of-use assets

Each of the bars is identified as a CGU by management in the impairment assessment. Internal and external sources of information are reviewed at the end of each reporting period to assess whether any bars display impairment indicators. The recoverable amount of each of the bars with impairment indicators identified is assessed at the end of each reporting period based on the higher of fair value less costs of disposal and value-in-use calculation of the relevant CGU.

Management's judgements are involved in the determination of VIU of the related CGU which is assessed based on the assumptions used in the compilation of the underlying future cash flow forecast. The key assumptions adopted by management include forecasted revenue, forecasted raw material costs-to-revenue ratio, forecasted employee benefit and manpower service expenses-to-revenue ratio, and discount rates.

4.5 Impairment of trade receivables

The Group makes allowances on receivables based on assumptions about risk of default and expected loss rates. The Group used judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in Note 3.2 (b).

Notes to the Consolidated Financial Statements

5 REVENUE AND SEGMENT INFORMATION

The Company is an investment holding company and its subsidiaries now comprising the Group are principally engaged in bar operations and franchise business.

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 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 years ended 31 December 2025 and 2024, all of the Group’s revenues are from contracts with customers. Please refer to Note 2.2.9 for details of accounting policies on revenue recognition.

(a) Disaggregation of revenue

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

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Revenue from self-operated bars	355,682	557,513
Revenue from sales of goods to franchisees	182,232	184,626
Revenue from provision of franchising services to franchisees:		
Franchising services — gross	19,183	36,820
Less: amortization of prepayment to franchisees as a reduction of service fees charged to franchisees (<i>Note 18(b)</i>)	(18,088)	(26,753)
Franchising services — net	1,095	10,067
	539,009	752,206
Disaggregated by timing of revenue recognition:		
— Point in time	537,914	742,139
— Over time	1,095	10,067
	539,009	752,206

No customers contributed over 10% of the total revenue of the Group for the years ended 31 December 2025 and 2024.

Notes to the Consolidated Financial Statements

5 REVENUE AND SEGMENT INFORMATION (CONTINUED)

(b) Segment revenue by customers' geographical location

The Group's revenue by geographical location, which is determined by the operation's locations, is as follows:

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Chinese Mainland	510,893	731,954
Outside of Chinese Mainland	28,116	20,252
	<u>539,009</u>	<u>752,206</u>

(c) Non-current assets by geographical location

As at 31 December 2025 and 2024, most of the Group's non-current assets (other than deposits and prepayments, intangible assets and deferred tax assets) were located in the Chinese Mainland.

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Chinese Mainland	282,273	329,454
Outside of Chinese Mainland	22,645	17,134
	<u>304,918</u>	<u>346,588</u>

(d) Liabilities related to contracts with customers

	31 December	
	2025 RMB'000	2024 RMB'000
Contract liabilities	<u>28,803</u>	<u>34,688</u>

Contract liabilities of the Group represent non-refundable initial fees received from franchisees which are recognised as revenue on a straight-line basis over the expected franchise period.

During the year ended 31 December 2025, revenue of approximately RMB8,467,000 (2024: RMB9,802,000) related to the aforementioned upfront initial fees are recognised.

Notes to the Consolidated Financial Statements

5 REVENUE AND SEGMENT INFORMATION (CONTINUED)

(d) Liabilities related to contracts with customers (Continued)

The amount of transaction prices allocated to the remaining unsatisfied or partially unsatisfied performance obligations as at 31 December 2025 are as follows:

	31 December 2025 RMB'000	31 December 2024 RMB'000
Amount expected to be recognised as revenue		
— Within one year	14,386	13,470
— More than one year but less than four years	14,417	21,218
	28,803	34,688

6 OTHER EXPENSES

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Logistics and warehousing-related costs	26,103	31,370
Software development fees	6,498	4,104
Service fees to third-party platform service providers	5,848	7,698
Office expenses	2,623	4,142
Repair and maintenance	2,674	3,858
Auditor's remuneration		
— Audit services	2,380	2,680
— Non-audit services	—	250
Cleaning and garbage handling fees	847	1,543
Others	13,805	14,751
	60,778	70,396

7 OTHER INCOME

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Government grants	484	532
Rental income (Note 16)	1,050	438
	1,534	970

Notes to the Consolidated Financial Statements

8 OTHER GAINS/(LOSSES), NET

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Loss on disposal of plant and equipment (a)	(462)	(41,174)
Loss on rental deposits (a)	(285)	(7,969)
Penalties and compensation for early termination (a)	(567)	(5,004)
Gain on termination of leases (a)	14,013	27,615
Exchange (losses)/gains	(23,394)	35,171
Fair value changes of financial assets at fair value through profit or loss-net	10,813	—
	118	8,639

- (a) Due to the Group's strategic consideration of bars' optimization and adjustments including the closure of certain bars, the Group incurred net gains/(losses) arising from the aggregation of loss on disposal of plant and equipment, loss on rental deposits, penalties and compensation for early termination and gain on termination of leases during the years ended 31 December 2025 and 2024.

Additional details on the impairment of plant and equipment are set out in Note 14.

9 EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS) AND MANPOWER SERVICE EXPENSES

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Wages, salaries, and other benefits	61,881	79,257
Pension costs — defined contribution schemes (Note a)	7,537	12,180
Total employee benefit expenses (including directors' remunerations)	69,418	91,437
Manpower service expenses (Note b)	43,711	82,311
	113,129	173,748

Notes to the Consolidated Financial Statements

9 EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS) AND MANPOWER SERVICE EXPENSES (CONTINUED)

(a) Pensions costs — defined contribution plans

Hong Kong

Retirement benefit costs — defined contribution schemes

The Group has arranged for its Hong Kong employees to join the Mandatory Provident Fund Scheme (the “**MPF Scheme**”), a defined contribution scheme managed by an independent trustee. Under the MPF Scheme, the Group and its employees make monthly contributions to the scheme at 5% of the employees' earnings as defined under the Mandatory Provident Fund legislation. Both the Group's and the employees' mandatory contributions were subject to a certain cap per month. During the year ended 31 December 2025, no forfeited contributions were utilised by the Group to reduce its contributions for the current year (2024: Nil).

The PRC

As stipulated under the relevant rules and regulations in the PRC, the subsidiaries operating in the PRC contribute to state-sponsored retirement plans for its employees. For the years ended 31 December 2025 and 2024, depending on the provinces of the employees' registered residences and their current region of work, the subsidiaries contributed certain percentages of the basic salaries of its employees and had no further obligations for the actual payment of pensions or postretirement benefits beyond the contributions. The state-sponsored retirement plans are responsible for the entire pension obligations payable to the retired employees.

Singapore

The Group is required to contribute a certain percentage of the salaries of the employees in Singapore under Central Provident Fund, and has no further obligations for the actual payment of pensions or post-retirement benefits beyond the contributions.

(b) Manpower service expenses

During the years ended 31 December 2025 and 2024, the Group entered into certain manpower service arrangements with several external manpower service agents in Chinese Mainland. Under these arrangements, certain of the Group's manpower requirements were fulfilled by these agents at agreed service fees whereas the human resources provided were directly employed by the relevant service organisations. The individuals providing services to the Group do not have any employment relationship with the Group.

Notes to the Consolidated Financial Statements

9 EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS) AND MANPOWER SERVICE EXPENSES (CONTINUED)

(c) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group including 2 and 1 director for the years ended 31 December 2025 and 2024, respectively, whose emoluments are reflected in the analysis presented in Note 32. The emoluments payable to the remaining 3 and 4 individuals for the years ended 31 December 2025 and 2024 are as follows:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Wages, salaries, and other benefits	2,129	2,428
Pension costs — defined contribution plans	79	131
	<u>2,208</u>	<u>2,559</u>

The emoluments fell within the following band:

	Year ended 31 December	
	2025	2024
	Number of individuals	Number of Individuals
Emolument band Below HKD1,000,000	<u>3</u>	<u>4</u>

During the years ended 31 December 2025 and 2024, no emoluments were paid by the Group to any of the directors or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

Notes to the Consolidated Financial Statements

10 FINANCE INCOME AND COSTS

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Finance income		
Interest income on bank deposits	21,876	48,364
Finance costs		
Interest expenses on lease liabilities (Note 25(c))	(6,289)	(11,191)
Interest expenses on borrowings (Note 26)	(1,145)	—
	(7,434)	(11,191)
Finance income, net	14,442	37,173

11 INCOME TAX EXPENSE

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Current income tax		
— PRC corporate income tax expense	—	—
Deferred income expense (Note 27)	3,850	1,409
Income tax expense	3,850	1,409

(a) Hong Kong profits tax

During the years ended 31 December 2025 and 2024, no provision for Hong Kong profits tax has been made at the rate of 16.5% as the Group did not derive any income subject to Hong Kong profits tax during the years ended 31 December 2025 and 2024.

(b) PRC corporate income tax

During the years ended 31 December 2025 and 2024, the Group's subsidiaries in the PRC are subject to corporate income tax ("CIT") at a standard rate of 25%, except for Shenzhen Helens Management Co., Ltd. which is an enterprise established in the Qianhai Shenzhen-Hong Kong Modern Services Industry Cooperation Zone ("Qianhai Zone") and is engaged in business that falls within the catalogue for CIT preferential treatments of Qianhai Zone and therefore subject to a preferential corporate income tax rate of 15%.

Notes to the Consolidated Financial Statements

11 INCOME TAX EXPENSE (CONTINUED)

(c) Profits tax in other regions

During the years ended 31 December 2025 and 2024, no provision for Singapore and Japan profits tax has been made as the Group did not derive any income subject to Singapore and Japan tax during the years ended 31 December 2025 and 2024.

The taxation on the Group's profit before income tax differs from the theoretical amounts that would arise using the weighted average tax rate applicable to subsidiaries now comprising the Group as follows:

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Profit/(Loss) before income tax	37,804	(76,567)
Tax calculated at the applicable tax rates of the respective subsidiaries	15,437	(23,724)
Tax effect of:		
Expenses not deductible for tax purpose	337	422
Tax losses and temporary differences not recognised for deferred tax assets	18,779	71,307
Tax effect of non-taxable income	(5,355)	(7,936)
Utilisation of deductible temporary differences and unrecognised tax loss previously not recognised	(8,860)	(11,887)
Recognition of deferred tax assets for tax losses and temporary differences previously not recognised	(16,488)	(26,773)
Income tax expense	3,850	1,409

Notes to the Consolidated Financial Statements

12 EARNINGS PER SHARE

(a) Basic

The basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the years ended 31 December 2025 and 2024.

	Year ended 31 December	
	2025	2024
Profit/(Loss) for the year attributable to owners of the Company (RMB'000)	33,954	(77,976)
Weighted average number of ordinary shares in issue (Thousand) (Note 23)	1,253,579	1,260,817
Basic profit/(loss) per share (RMB)	<u>0.027</u>	<u>(0.062)</u>

(b) Diluted

There were no dilutive potential ordinary shares during the year ended 31 December 2025 and 2024. Accordingly, diluted profit/(loss) per share for the year ended 31 December 2025 and 2024 is the same as basic profit per share.

13 DIVIDENDS

During the year ended 31 December 2025, the Company declared and paid dividends of approximately RMB277,600,000 (2024: RMB593,105,000) to its shareholders.

On 31 March, 2026, the Board recommended the payment of a final dividend of RMB0.0554 per ordinary share of the Company in issue out of the share premium account of the Company for the year ended December 31, 2025.

Notes to the Consolidated Financial Statements

14 PROPERTY, PLANT AND EQUIPMENT

	Buildings RMB'000	Office equipment RMB'000	Computer equipment RMB'000	Furniture and fixture RMB'000	Motor and vehicle RMB'000	Leasehold improvement RMB'000	Total RMB'000
At 1 January 2024							
Cost	211,082	10	800	176,056	5,925	268,338	662,211
Accumulated depreciation	(10,947)	(10)	(414)	(54,127)	(183)	(96,839)	(162,520)
Exchange adjustments	—	—	—	(7)	—	—	(7)
Impairment losses	—	—	—	(12,387)	—	(63,874)	(76,261)
Net book amount	<u>200,135</u>	<u>—</u>	<u>386</u>	<u>109,535</u>	<u>5,742</u>	<u>107,625</u>	<u>423,423</u>
Year ended 31 December 2024							
Opening net book amount	200,135	—	386	109,535	5,742	107,625	423,423
Additions	—	—	26	3,273	509	4,404	8,212
Transfer to investment properties (Note 16)	(31,477)	—	—	(12,866)	—	—	(44,343)
Depreciation	(5,393)	—	(181)	(22,487)	(995)	(34,495)	(63,551)
Disposals	—	—	(122)	(1,690)	(1,761)	(40,316)	(43,889)
Impairment losses	(36,392)	—	(14)	(17,572)	—	(7,975)	(61,953)
Exchange adjustments	—	—	—	7	—	5	12
Closing net book amount	<u>126,873</u>	<u>—</u>	<u>95</u>	<u>58,200</u>	<u>3,495</u>	<u>29,248</u>	<u>217,911</u>
At 31 December 2024							
Cost	177,491	6	400	132,004	4,641	122,776	437,318
Accumulated depreciation	(14,226)	(6)	(291)	(50,785)	(1,146)	(59,772)	(126,226)
Exchange adjustments	—	—	—	7	—	5	12
Impairment losses	(36,392)	—	(14)	(23,026)	—	(33,761)	(93,193)
Net book amount	<u>126,873</u>	<u>—</u>	<u>95</u>	<u>58,200</u>	<u>3,495</u>	<u>29,248</u>	<u>217,911</u>

Notes to the Consolidated Financial Statements

14 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Buildings RMB'000	Office equipment RMB'000	Computer equipment RMB'000	Furniture and fixture RMB'000	Motor and vehicle RMB'000	Leasehold improvement RMB'000	Total RMB'000
At 1 January 2025							
Cost	177,491	6	400	132,004	4,641	122,776	437,318
Accumulated depreciation	(14,226)	(6)	(291)	(50,785)	(1,146)	(59,772)	(126,226)
Exchange adjustments	—	—	—	7	—	5	12
Impairment losses	(36,392)	—	(14)	(23,026)	—	(33,761)	(93,193)
Net book amount	<u>126,873</u>	<u>—</u>	<u>95</u>	<u>58,200</u>	<u>3,495</u>	<u>29,248</u>	<u>217,911</u>
Year ended 31 December 2025							
Opening net book amount	126,873	—	95	58,200	3,495	29,248	217,911
Additions	2,130	—	—	4,039	515	9,258	15,942
Transfer to investment properties (Note 16)	(27,732)	—	—	(9,401)	—	—	(37,133)
Depreciation	(3,876)	—	(35)	(13,141)	(919)	(14,902)	(32,873)
Disposals	—	—	(60)	(882)	(2,077)	(399)	(3,418)
Impairment losses	—	—	—	(277)	—	(298)	(575)
Exchange adjustments	—	—	—	11	—	17	28
Closing net book amount	<u>97,395</u>	<u>—</u>	<u>—</u>	<u>38,549</u>	<u>1,014</u>	<u>22,924</u>	<u>159,882</u>
At 31 December 2025							
Cost	139,869	6	32	108,694	1,917	122,664	373,182
Accumulated depreciation	(14,232)	(6)	(18)	(52,333)	(903)	(64,032)	(131,524)
Exchange adjustments	—	—	—	18	—	22	40
Impairment losses	(28,242)	—	(14)	(17,830)	—	(35,730)	(81,816)
Net book amount	<u>97,395</u>	<u>—</u>	<u>—</u>	<u>38,549</u>	<u>1,014</u>	<u>22,924</u>	<u>159,882</u>

Notes to the Consolidated Financial Statements

14 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Impairment assessment for bars

Management reviews the performance of each bar at the end of each reporting period to identify impairment indicators, and performs impairment assessment where impairment indicator is identified.

Each of the bars is identified as a cash generating unit (“CGU”) by management in the impairment assessment. The recoverable amount of each of the bars with impairment indicators identified is assessed at the end of each reporting period.

As a result of the continuous changes in the PRC and overseas economy and operating environment, the Group has experienced negative conditions including closure and suspension of operation of certain bars, lukewarm customer consumptions for certain periods of time during the years ended 31 December 2025 and 2024, and the consequential decline in operating results of certain bars.

The management of the Group therefore concluded that there were impairment indicators identified on the plant and equipment and right-of-use assets of certain bars and conducted impairment assessment on these bars.

The recoverable amount of each CGU is determined based on value-in-use calculations derived from cash flow projections forecasted by management covering the remaining lease term, which is higher than the fair value less costs of disposal. The cash flows are discounted using pre-tax discount rates primarily ranging from 16.86% to 24.47% as at 31 December 2025 (2024: 16.73% to 23.84%). The discount rates used reflect the specific risks relating to the restaurant and beverage industries in which the relevant CGUs operate and the CGUs themselves. The discount rates used have been reassessed as at 31 December 2025 and increase in discount rates are primarily attributable to overall increase in the market risk premium of the market and the risk of the restaurant and beverage industries due to macroeconomic uncertainties.

Other than discount rates, other key assumptions for the value-in-use calculations related to the estimation of CGUs’ cash flows included forecasted revenue, forecasted raw material costs-to-revenue ratio, employee benefit and manpower service expenses-to-revenue ratio, which are estimated based on the CGUs’ past performance and management’s plan for these CGUs. All of these assumptions have been reassessed as at 31 December 2025 taking into account the uncertainties on how the forward-looking customer consumptions in the PRC will recover from the continuous changes in the economy and operating environment.

Based on the results of the impairment assessment conducted, the carrying amount of certain bars exceeded their recoverable amount and therefore impairment of approximately RMB575,000 and RMB4,374,000 (Note 25(c)) was recognised for these bars’ plant and equipment and right-of-use assets, respectively, in the Group’s consolidated statement of comprehensive income for the year ended 31 December 2025 (2024: RMB11,938,000 and RMB23,833,000, respectively).

Furthermore, due to the closure of certain bars during the years ended 31 December 2025 and 2024, the Group disposed of certain plant and equipment with an aggregate carrying amount of approximately RMB3,418,000 (2024: RMB43,889,000) for cash proceeds of approximately RMB2,956,000 (2024: RMB2,715,000), resulting in a loss of approximately RMB462,000 (2024: RMB41,174,000).

Notes to the Consolidated Financial Statements

14 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Impairment assessment for properties

For the Group's headquarter building, the Group recognised the portion held for own use under "property plant and equipment" and the leased-out portion under "investment properties", both of which were measured at cost. Management performs impairment assessment for these properties where impairment indicator is identified.

As a result of the continuous changes in the PRC economy and operating environment, the Group has experienced decline in its overall operating results and the commercial property market has also declined during the year ended 31 December 2024 and 2025.

The management of the Group therefore concluded that there were impairment indicators identified on these properties and conducted impairment assessment. The recoverable amount is determined with reference to the fair value less cost of disposal, which is higher than the value-in-use. The fair value measurements categorised within Level 3. Based on the valuation performed by an independent professional valuer (the "Valuation"), management assessed the fair value less cost of disposal for the properties under "property plant and equipment" and "investment properties" to be approximately RMB128,550,000 and RMB68,450,000 (Note 16), respectively, as at 31 December 2025 (2024:RMB174,372,000 and RMB33,001,000).

The Valuation used the market approach by making reference to comparable sales transactions as available in the same local region with similar characteristics as the Group's properties. The unit price of these comparable ranges from approximately RMB10,000 to RMB10,426 (2024: RMB10,000 to RMB10,619) per square metre, and adjustments and analysis have been considered for various factors including but not limited to the differences in locations between the comparable and the properties to arrive at the fair value for the properties.

Based on the results of the impairment assessment conducted, the recoverable amount exceeded their carrying amount of these properties and therefore no impairment loss (2024: RMB50,015,000 and RMB9,466,000) (Note 16) was recognised for the properties under "property plant and equipment" and "investment properties", respectively, in the Group's consolidated statement of comprehensive income for the year ended 31 December 2025.

Notes to the Consolidated Financial Statements

15 INTANGIBLE ASSETS

	System software RMB'000
At 1 January 2024	
Cost	147
Accumulated amortisation	(89)
	<hr/>
Net book amount	58
	<hr/> <hr/>
Year ended 31 December 2024	
Opening net book amount	58
Amortisation	(17)
	<hr/>
Closing net book amount	41
	<hr/> <hr/>
At 31 December 2024	
Cost	147
Accumulated amortisation	(106)
	<hr/>
Net book amount	41
	<hr/> <hr/>
At 1 January 2025	
Cost	147
Accumulated amortisation	(106)
	<hr/>
Net book amount	41
	<hr/> <hr/>
Year ended 31 December 2025	
Opening net book amount	41
Amortisation	(17)
	<hr/>
Closing net book amount	24
	<hr/> <hr/>
At 31 December 2025	
Cost	147
Accumulated amortisation	(123)
	<hr/>
Net book amount	24
	<hr/> <hr/>

Notes to the Consolidated Financial Statements

16 INVESTMENT PROPERTIES

	<i>RMB'000</i>
At 1 January 2024	
Cost	—
Accumulated depreciation	—
	<hr/>
Net book amount	—
	<hr/> <hr/>
Year ended 31 December 2024	
Opening net book amount	—
Transfer from property, plant and equipment (<i>Note 14</i>)	44,343
Depreciation	(1,876)
Impairment losses (<i>Note 14</i>)	(9,466)
	<hr/>
Closing net book amount	33,001
	<hr/> <hr/>
At 31 December 2024	
Cost	50,662
Accumulated depreciation	(8,195)
Accumulated Impairment losses	(9,466)
	<hr/>
Net book amount	33,001
	<hr/> <hr/>

Notes to the Consolidated Financial Statements

16 INVESTMENT PROPERTIES (CONTINUED)

	<i>RMB'000</i>
At 1 January 2025	
Cost	50,662
Accumulated depreciation	(8,195)
Accumulated Impairment losses	(9,466)
	<hr/>
Net book amount	33,001
	<hr/> <hr/>
Year ended 31 December 2025	
Opening net book amount	33,001
Transfer from property, plant and equipment (<i>Note 14</i>)	37,133
Depreciation	(3,267)
Impairment losses (<i>Note 14</i>)	—
	<hr/>
Closing net book amount	66,867
	<hr/> <hr/>
At 31 December 2025	
Cost	110,926
Accumulated depreciation	(23,392)
Accumulated Impairment losses	(20,667)
	<hr/>
Net book amount	66,867
	<hr/> <hr/>

During the year ended 31 December 2025, certain portions of the Group's properties previously held for own use were leased out to tenants under operating leases with rentals payable quarterly or semi-annually for rental yields. Such change in use for these portions resulted in their reclassification from "property, plant and equipment" to "investment properties" which the Group continues to measure using cost model.

As at 31 December 2025 and 2024, the fair value less cost of disposal of the Group's investment properties were approximately RMB68,450,000 (2024: RMB33,001,000). These fair values are determined by the directors of the Company with reference to a valuation performed by an independent professional valuer using the market approach. Accordingly, management performed impairment assessment and no impairment loss was recognised (2024: RMB9,466,000) for these investment properties in the Group's consolidated statement of comprehensive income. For details, refer to Note 14.

Notes to the Consolidated Financial Statements

16 INVESTMENT PROPERTIES (CONTINUED)

The following amounts have been recognised in the consolidated statement of comprehensive income for the investment properties:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Rental income from operating leases (Note 7)	1,050	438
Direct operating expenses from property that generated rental income	(113)	(92)
	<u>937</u>	<u>346</u>

17 FINANCIAL INSTRUMENTS BY CATEGORIES

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Financial assets		
Financial assets carried at amortised cost		
Other receivables and deposits (Note 18)	23,545	27,520
Trade receivables (Note 20)	26,239	28,407
Cash and bank balances (Note 22)	588,916	806,424
Financial assets carried at fair value FVPL (Note 21)	55,824	—
	<u>694,524</u>	<u>862,351</u>
Financial liabilities		
Financial liabilities carried at amortised cost		
Trade payables (Note 28)	21,750	28,744
Other payables and accruals (Note 29)	38,087	26,804
Lease liabilities (Note 25)	102,402	145,432
	<u>162,239</u>	<u>200,980</u>

Notes to the Consolidated Financial Statements

18 PREPAYMENTS, DEPOSITS, AND OTHER RECEIVABLES

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Non-current portion		
Rental and other deposits	10,516	13,805
Prepayment made to a related party (Note 31(b))	5,885	7,455
Other prepayments (b)	3,381	16,728
	<u>19,782</u>	<u>37,988</u>
Current portion		
Rental and other deposits	3,205	4,112
Prepayments	10,201	12,505
Other tax receivable	18,429	28,782
Other prepayments (b)	1,507	6,248
Others	9,824	9,603
	<u>43,166</u>	<u>61,250</u>

- (a) As at 31 December 2025 and 2024, the carrying amounts of deposits and other receivables approximated their fair values and were primarily denominated in RMB.
- (b) Other prepayments represent subsidies to certain franchisees for initial capital expenditures to the franchisees. These subsidies are amortised on a straight-line basis over the franchise period which aligns with the franchisee's access to the franchise rights. During the year ended 31 December 2025, amortisation of approximately RMB18,088,000 (2024: RMB26,753,000) was recognised as a reduction of service fees charged to franchisees.

19 INVENTORIES

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Food ingredients, beverages, and consumables	<u>15,548</u>	<u>20,122</u>

The cost of inventories recognised as expenses and included in the consolidated statement of comprehensive income during the year ended 31 December 2025 amounted to approximately RMB222,829,000 (2024: RMB316,344,000).

No write-downs of inventories to net realisable value were charged to the consolidated statement of comprehensive income during the years ended 31 December 2025 and 2024, respectively.

Notes to the Consolidated Financial Statements

20 TRADE RECEIVABLES

	As at 31 December 2025 RMB'000	As at 31 December 2024 RMB'000
Trade receivables	43,238	45,355
Loss allowance (Note 3.2(b))	(16,999)	(16,948)
	<u>26,239</u>	<u>28,407</u>

Trade receivables mainly arose from sales of goods and provision of franchising services to franchisees, and the credit terms of 1 year are granted for these receivables.

At 31 December 2025 and 2024, the ageing analysis of the trade receivables based on recognition date at the end of reporting period were as follows:

	As at 31 December 2025 RMB'000	As at 31 December 2024 RMB'000
0–180 days	40,146	44,319
1–2 years	3,092	1,036
	<u>43,238</u>	<u>45,355</u>

21 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The movement of the financial assets at FVPL is set out below:

	As at 31 December	
	2025 RMB'000	2024 RMB'000
At the beginning of the period	—	—
Additions	702,771	—
Disposal	(657,606)	—
Changes in fair value through profit or loss	10,813	—
Currency translation differences	(154)	—
	<u>55,824</u>	<u>—</u>

Notes to the Consolidated Financial Statements

22 CASH AND BANK BALANCES

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Cash and cash equivalents	143,481	131,802
Term deposits with original maturity over three months	443,832	671,832
Restricted cash	1,603	2,790
	588,916	806,424
Maximum exposure to credit risk (excluding cash on hand)	588,567	805,951

As at 31 December 2025 and 2024, the carrying amounts of cash and bank balances approximated their fair values.

As at 31 December 2025, restricted cash held at banks of approximately RMB1,603,000 (as at 31 December 2024: RMB2,790,000) were restricted for contractual disputes.

The carrying amounts of the Group's cash and bank balances were denominated in the following currencies:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
RMB	115,010	109,120
USD	462,752	694,123
HKD	7,729	967
SGD	3,126	1,759
VND	187	254
JPY	112	201
	588,916	806,424

Cash and bank balances (excluding cash on hand) earned interest at floating rates based on daily deposits rate. As at 31 December 2025 and 2024, the carrying amounts of cash and bank balances approximated their fair values.

As at 31 December 2025, cash and bank balances of the Group amounting to approximately RMB99,585,000 (as at 31 December 2024: RMB25,644,000), were deposited with the banks in the Chinese Mainland where the remittance of funds out of the Chinese Mainland is subject to the rules and regulations of foreign exchange control promulgated by the government of the PRC.

Notes to the Consolidated Financial Statements

23 SHARE CAPITAL

Authorised

	Number of ordinary shares	Nominal value of ordinary shares <i>USD</i>
As at 31 December 2025 and 2024	<u>500,000,000,000,000</u>	<u>50,000</u>

Issued

	Number of ordinary shares	Nominal value of ordinary shares* <i>USD</i>	Share capital <i>RMB</i>
As at January 1, 2025	<u>1,265,477,524</u>	<u>0.101</u>	<u>1</u>
As at 31 December 2025	<u>1,265,477,524</u>	<u>0.101</u>	<u>1</u>

* The values of ordinary shares are rounded to the nearest thousandth.

Note:

- (a) During the year ended 31 December 2025, the Group repurchased 10,475,000 of its own shares. The total amount paid to repurchase the shares was approximately RMB15,647,000 and was charged to reserves.
- (b) As at 31 December 2025 and 2024, 14,661,257 shares and 4,661,257 shares were held by the Post-IPO RSU Scheme, which are controlled and consolidated by the Group as structured entities and the above shares held for the purpose of restricted share award schemes are included in reserves.

Notes to the Consolidated Financial Statements

24 RESERVES

	Share premium RMB'000	Treasury Share RMB'000	Statutory reserve RMB'000	Exchange reserve RMB'000	Share-based compensation reserve RMB'000	Retained earnings/ (accumulated losses) RMB'000	Total RMB'000
As at 1 January 2024	2,713,307	(6,614)	23,766	10,447	595,974	(1,515,474)	1,821,406
Profit for the year	—	—	—	—	—	(77,976)	(77,976)
Currency translation differences	—	—	—	(31,535)	—	—	(31,535)
Dividend declared and paid (Note 13)	(593,105)	—	—	—	—	—	(593,105)
Cancellation of ordinary shares (Note 23)	(6,614)	6,614	—	—	—	—	—
Appropriation for statutory surplus reserve (*)	—	—	5,670	—	—	(5,670)	—
As at 31 December 2024	2,113,588	—	29,436	(21,088)	595,974	(1,599,120)	1,118,790
As at 1 January 2025	2,113,588	—	29,436	(21,088)	595,974	(1,599,120)	1,118,790
Profit for the year	—	—	—	—	—	33,954	33,954
Currency translation differences	—	—	—	15,167	—	—	15,167
Dividend declared and paid (Note 13)	(277,600)	—	—	—	—	—	(277,600)
Repurchase of ordinary shares that are not yet canceled (Note 23)	—	(15,647)	—	—	—	—	(15,647)
Appropriation for statutory surplus reserve (*)	—	—	4,450	—	—	(4,450)	—
As at 31 December 2025	1,835,988	(15,647)	33,886	(5,921)	595,974	(1,569,616)	874,664

Appropriation for statutory surplus reserve

In accordance with the PRC Company Law and the articles of association, the PRC subsidiaries of the Group are required to appropriate 10% of its profits after tax, as determined in accordance with Accounting Standards for Business Enterprises and other applicable regulations, to the statutory surplus reserve until such reserve reaches 50% of its registered capital. The appropriation to the reserve must be made before any distribution of dividends to shareholders. Apart from the statutory surplus reserve, discretionary surplus reserve can be appropriated according to the resolution of shareholders' meeting. The surplus reserve can be used to offset previous years' losses, if any, and part of the statutory surplus reserve can be capitalized as the PRC subsidiary's capital provided that the amount of surplus reserve remaining after the capitalization shall not be less than 25% of its capital.

Notes to the Consolidated Financial Statements

25 LEASES

(a) The Group's leasing activities

The Group leases various properties and the rental contracts are typically made for fixed periods of 3 to 8 years.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes. None of the Group's leases contain variable lease payment terms that are linked to sales generated from the leased premises.

Certain of the Group's leases contain extension options to allow the Group to notify and negotiate with the lessors on renewal of leases a few months in advance before the expiry of leases. Termination options are also included in a number of the Group's property leases and exercisable by the Group. Options which are reasonably certain to be exercised are taken into account when determining lease terms and measuring lease liabilities.

(b) Amounts recognised in the consolidated statements of financial position

The consolidated statements of financial position included the following amounts relating to leases:

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Right-of-use assets-properties		
Opening net book amount	95,676	182,779
Additions	27,240	55,263
Depreciation charge	(36,097)	(60,786)
Impairment losses (Note 14)	(4,374)	(23,833)
Exchange adjustments	116	24
Derecognition from termination of leases	(4,392)	(57,771)
	<u>78,169</u>	<u>95,676</u>
Lease liabilities		
Non-current portion	60,220	93,847
Current portion	42,182	51,585
	<u>102,402</u>	<u>145,432</u>

As at 31 December 2025 and 31 December 2024, the carrying amounts of the Group's right-of-use assets and lease liabilities were primarily denominated in RMB.

Notes to the Consolidated Financial Statements

25 LEASES (CONTINUED)

(c) Amounts recognised in the consolidated statement of comprehensive income

The consolidated statement of comprehensive income included the following amounts relating to leases:

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Depreciation charge of right-of-use assets	36,097	60,786
Finance costs on lease liabilities (Note 10)	6,289	11,191
Impairment losses (Note 14)	(4,374)	(23,833)

(d) Amounts recognised in the consolidated statements of cash flows

During the years ended 31 December 2025 and 2024, the total cash outflows for leases were as follows:

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Cash outflows from operating activities		
Payments for short-term leases (*)	5,370	9,251
Cash outflows from financing activities		
Payment of principal element of lease liabilities	51,865	80,118
Payment of interest element of lease liabilities	6,289	11,191

* Payments for short-term leases were not shown separately, but included in the line of "Profit/(Loss) before income tax" in respect of the net cash generated from operations which were presented in Note 30(a) using the indirect method.

26 BORROWINGS

	As of 31 December 2025 RMB'000	As of 31 December 2024 RMB'000
	Secured with guarantee (a)	40,000

(a) As of 31 December 2025, RMB40,000,000 of borrowings were secured by certain buildings of the Group. The interest rates of these borrowings were ranging from 3.05% to 3.10% per annum and repayable in one year.

Notes to the Consolidated Financial Statements

27 DEFERRED INCOME TAX

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Deferred income tax assets	89,384	97,757
Deferred income tax liabilities	(18,079)	(22,602)
	<u>71,305</u>	<u>75,155</u>

Gross deferred income tax assets

	Lease liabilities	Tax losses	Impairment losses	Total
	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2024	44,481	64,504	10,852	119,837
(Charged)/credited to profit and loss	<u>(21,420)</u>	<u>9,074</u>	<u>(9,734)</u>	<u>(22,080)</u>
As at 31 December 2024	<u>23,061</u>	<u>73,578</u>	<u>1,118</u>	<u>97,757</u>
As at 1 January 2025	23,061	73,578	1,118	97,757
(Charged)/credited to profit and loss	<u>(4,734)</u>	<u>(5,874)</u>	<u>2,235</u>	<u>(8,373)</u>
As at 31 December 2025	<u>18,327</u>	<u>67,704</u>	<u>3,353</u>	<u>89,384</u>

Notes to the Consolidated Financial Statements

27 DEFERRED INCOME TAX (CONTINUED)

Gross deferred tax liabilities

	Rights-of-use assets RMB'000	Total RMB'000
As at 1 January 2024	(43,273)	(43,273)
Charged to profit and loss	20,671	20,671
	<u> </u>	<u> </u>
As at 31 December 2024	<u>(22,602)</u>	<u>(22,602)</u>
As at 1 January 2025	(22,602)	(22,602)
Charged to profit and loss	4,523	4,523
	<u> </u>	<u> </u>
As at 31 December 2025	<u>(18,079)</u>	<u>(18,079)</u>

Deferred income tax assets are recognised for tax losses and deductible temporary differences carried forward to the extent that the realisation of the related tax benefit through the future taxable profits is probable. As at 31 December 2025, the Group did not recognise deferred income tax assets in respect of losses and deductible temporary differences of approximately RMB1,093,928,000 (2024: RMB1,149,381,000). Save as unrecognised tax losses amounting to approximately RMB77,298,000 (2024: RMB64,677,000) attributable to overseas subsidiaries and do not have an expiry date, the remaining unrecognised tax losses will expire within 5 years.

The PRC subsidiaries of the Group have undistributed earnings of approximately RMB41,684,000 as at 31 December 2025 (2024: RMB43,844,000), which, if paid out as dividends, would be subject to tax in the hands of the recipient. Assessable temporary differences exist, but no deferred tax liabilities have been recognised as the parent entity is able to control the timing of distributions of dividends from the PRC subsidiaries and is not expected to distribute these profits in the foreseeable future.

Notes to the Consolidated Financial Statements

28 TRADE PAYABLES

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Trade payables	<u>21,750</u>	<u>28,744</u>

As at 31 December 2025 and 2024, the aging analysis of trade payables, based on invoice date, were as follows:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
0–90 days	<u>21,750</u>	<u>28,744</u>

The carrying amounts of the Group's trade payables were denominated in the following currencies:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
RMB	19,045	25,769
SGD	2,259	1,681
VND	417	1,294
JPY	29	—
	<u>21,750</u>	<u>28,744</u>

As at 31 December 2025 and 2024, the carrying amounts of trade payables approximated their fair values.

Notes to the Consolidated Financial Statements

29 OTHER PAYABLES AND ACCRUALS

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Non-current portion		
Refundable deposits from franchisees	<u>21,367</u>	18,048
	<u>21,367</u>	<u>18,048</u>
Current portion		
Salary, staff welfare payables and manpower service	6,692	8,897
Others	<u>12,596</u>	3,751
	<u>19,288</u>	<u>12,648</u>

As at 31 December 2025 and 2024, the carrying amounts of other payables and accruals approximated their fair values.

The carrying amounts of the Group's other payables and accruals were denominated in the following currencies:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
RMB	39,365	29,078
SGD	911	1,305
HKD	242	248
VND	86	65
JPY	<u>51</u>	—
	<u>40,655</u>	<u>30,696</u>

Notes to the Consolidated Financial Statements

30 NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

(a) Reconciliation of profit/(loss) before income tax to net cash generated from operations

	Year ended 31 December	
	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Profit/(Loss) before income tax	37,804	(76,567)
Adjustments for:		
Other gains, net (Note 8)	(118)	(8,639)
Finance income (Note 10)	(21,876)	(48,364)
Finance costs (Note 10)	7,434	11,191
Depreciation of right-of-use assets (Note 25)	36,097	60,786
Depreciation of property, plant and equipment (Note 14)	32,873	63,551
Depreciation of Investment property (Note 16)	3,267	1,876
Impairment losses of plant and equipment and right-of-use assets (Notes 14 and 25)	4,949	85,786
Impairment losses of investment properties (Note 16)	—	9,466
Amortisation of intangible assets (Note 15)	17	17
Net impairment losses of trade receivables (3.2(b))	51	16,707
Listing expenses	—	13,287
	100,498	129,097
Changes in working capital:		
— Inventories	4,574	95
— Prepayments, deposits and other receivables	36,005	16,551
— Contract liabilities	(5,885)	25,518
— Trade receivables	2,117	(24,295)
— Trade payables	(6,994)	(1,973)
— Other payables and accruals	11,366	19,557
Net cash generated from operations	141,681	164,550

Notes to the Consolidated Financial Statements

30 NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)

(b) The reconciliations of liabilities arising from financing activities are as follows:

	Lease liabilities RMB'000	Dividend payable RMB'000
As at 1 January 2024	255,673	—
Interest expenses on lease liabilities (Note 25(c))	11,191	—
Cash flows		
— Payment of principal element of lease liabilities (Note 25(d))	(80,118)	—
— Payment of interest element of lease liabilities (Note 25(d))	(11,191)	—
Dividend paid (Note 13)	—	(593,105)
Other non-cash movements		
— Additions of lease liabilities	55,263	—
— Derecognition of lease liabilities from termination of leases	(85,386)	—
— Dividend declared (Note 13)	—	593,105
	<u>145,432</u>	<u>—</u>
As at 31 December 2024	145,432	—
As at 1 January 2025	145,432	—
Interest expenses on lease liabilities (Note 25(c))	6,289	—
Cash flows		
— Payment of principal element of lease liabilities (Note 25(d))	(51,865)	—
— Payment of interest element of lease liabilities (Note 25(d))	(6,289)	—
— Dividend paid (Note 13)	—	(277,600)
Other non-cash movements		
— Additions of lease liabilities	27,240	—
— Derecognition of lease liabilities from termination of leases	(18,405)	—
— Dividend declared (Note 13)	—	277,600
	<u>102,402</u>	<u>—</u>
As at 31 December 2025	102,402	—

Notes to the Consolidated Financial Statements

30 NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)

(c) In the consolidated cash flow statement, proceeds from disposal of plant and equipment comprise:

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Net book amount (Note 14)	3,418	43,889
Loss on disposal of plant and equipment (Note 8)	(462)	(41,174)
	<u>2,956</u>	<u>2,715</u>
Proceeds from disposal of plant and equipment	<u>2,956</u>	<u>2,715</u>

(d) Major non-cash transactions

Apart from non-cash transactions disclosed in Note (b) above and the transfer of certain properties from “property, plant and equipment” to “investment properties” in Note 16, during the year ended 31 December 2025 and 2024, service fee income receivables of approximately RMB19,364,000 (2024: RMB27,111,000) were settled through offsetting payable to franchisees pursuant to certain offsetting agreements entered among the Group and the franchisees.

31 RELATED PARTY TRANSACTIONS AND BALANCES

Related parties are those parties that have the ability to control, jointly control or exert significant influence over the other party in holding power over the investee; exposure, or rights, to variable returns from its involvement with the investee; and the ability to use its power over the investee to affect the amounts of the investor’s returns. Parties are also considered to be related if they are subject to common control or joint control. Related parties may be individuals or other entities.

The Controlling Shareholder is disclosed in Note 1.

Major related parties that had transactions with the Group during the years ended 31 December 2025 and 2024 were as follows:

Name of the related parties	Relationship with the Group
Mr. Xu Bingzhong	Controlling Shareholder
ZCYF (HK) LIMITED	A company owned as to 25% by Mr.Xu Bingzhong
Shenzhen Jiangzhu Technology Co., Ltd.	A company owned as to 25% by Mr.Xu Bingzhong
Shenzhen Zhuchao Jiujiu Technology Co., Ltd.	A company owned as to 25% by Mr.Xu Bingzhong

Notes to the Consolidated Financial Statements

31 RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

(a) Transactions with related parties

Same as disclosed elsewhere in the consolidated financial statements, during the years ended 31 December 2025 and 2024, the following transactions were carried out with related parties at terms mutually agreed by both parties:

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Purchase of plant and equipment	1,772	4,846
	<u>1,772</u>	<u>4,846</u>

(b) Balances with related parties

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Trade nature		
Prepayments to a related party (Note 18)		
— Shenzhen Jiangzhu Technology Co., Ltd.	5,885	7,455
	<u>5,885</u>	<u>7,455</u>

Notes to the Consolidated Financial Statements

32 BENEFITS AND INTEREST OF DIRECTORS

(a) Directors' emoluments

The remuneration of each director is set out below:

	Fees <i>RMB'000</i>	Salary <i>RMB'000</i>	Discretionary bonus <i>RMB'000</i>	Allowances and benefits in kind <i>RMB'000</i>	Employer's contribution to pension scheme <i>RMB'000</i>	Share-based payments expenses <i>RMB'000</i>	Total <i>RMB'000</i>
For the year ended							
31 December 2024							
Directors							
— Mr. Xu Bingzhong	—	249	—	—	14	—	263
— Ms. Cai Wenjun	—	62	1	—	19	—	82
— Ms. Yu Zhen	—	607	—	—	17	—	624
— Mr. He Daqing	—	267	—	144	30	—	441
	<u>—</u>	<u>1,185</u>	<u>1</u>	<u>144</u>	<u>80</u>	<u>—</u>	<u>1,410</u>
Independent Non-Executive Directors							
— Mr. Li Dong	200	—	—	—	—	—	200
— Mr. Wang Renrong	200	—	—	—	—	—	200
— Mr. Wong Heung Ming, Henry	200	—	—	—	—	—	200
	<u>600</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>600</u>

Notes to the Consolidated Financial Statements

32 BENEFITS AND INTEREST OF DIRECTORS (CONTINUED)

(a) Directors' emoluments (Continued)

The remuneration of each director is set out below:

	Fees RMB'000	Salary RMB'000	Discretionary bonus RMB'000	Allowances and benefits in kind RMB'000	Employer's contribution to pension scheme RMB'000	Share-based payments expenses RMB'000	Total RMB'000
For the year ended							
31 December 2025							
Directors							
— Mr. Xu Bingzhong	—	2,365	—	—	15	—	2,380
— Ms. Cai Wenjun	—	223	—	108	19	—	350
— Ms. Yu Zhen	—	595	—	—	34	—	629
— Mr. He Daqing	—	268	—	144	30	—	442
	<u>—</u>	<u>3,451</u>	<u>—</u>	<u>252</u>	<u>98</u>	<u>—</u>	<u>3,801</u>
Independent Non-Executive Directors							
— Mr. Li Dong	179	—	—	—	—	—	179
— Mr. Wang Renrong	153	—	—	—	—	—	153
— Mr. Wong Heung Ming, Henry (Note)	106	—	—	—	—	—	106
— Mr. Ler Soon Hock Leonard (Note)	36	—	—	—	—	—	36
	<u>474</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>474</u>

Note: Mr. Wong Heung Ming, Henry tendered his resignation as independent non-executive director with effect from July 11, 2025; Mr. Ler Soon Hock Leonard has been appointed as independent non-executive director of the Company with effect from July 11, 2025.

During the years ended 31 December 2025 and 2024, none of the directors of the Company (i) received or paid any remuneration in respect of accepting office; (ii) received or paid emoluments in respect of services in connection with the management of the affairs of the Company or its subsidiaries' undertaking; and (iii) waived or has agreed to waive any emolument.

Notes to the Consolidated Financial Statements

32 BENEFITS AND INTEREST OF DIRECTORS (CONTINUED)

(b) Directors' retirement benefits and termination benefits

During the years ended 31 December 2025 and 2024, no emoluments, retirement benefits, payments or benefits in respect of termination of directors' services were paid or made, directly or indirectly, to the directors; nor are any payable.

(c) Consideration provided to third parties for making available directors' services

During the years ended 31 December 2025 and 2024, no consideration was provided to third parties for making available directors' services.

(d) Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors

During the years ended 31 December 2025 and 2024, there were no loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors.

(e) Directors' material interests in transactions, arrangements or contracts

During the years ended 31 December 2025 and 2024, no significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the years ended 31 December 2025 and 2024 or at any time during the years ended 31 December 2025 and 2024.

Notes to the Consolidated Financial Statements

33 NOTES TO THE STATEMENT OF FINANCIAL POSITION OF THE COMPANY

		As at 31 December	
	Note	2025 RMB'000	2024 RMB'000
Assets			
Non-current assets			
Investment in subsidiaries		6	6
Amounts due from subsidiaries		1,693,477	1,934,673
		<u>1,693,483</u>	<u>1,934,679</u>
Current assets			
Cash and bank balances		6,459	89,163
		<u>6,459</u>	<u>89,163</u>
Total assets		<u>1,699,942</u>	<u>2,023,842</u>
Equity			
Equity attributable to owners of the Company			
Share capital	23	1	1
Reserves		1,692,138	2,013,655
		<u>1,692,139</u>	<u>2,013,656</u>
Total equity		<u>1,692,139</u>	<u>2,013,656</u>
Liabilities			
Current liabilities			
Other payables and accrual		7,803	10,186
		<u>7,803</u>	<u>10,186</u>
Total liabilities		<u>7,803</u>	<u>10,186</u>

The statement of financial position of the Company was approved by the Board of Directors on 31 March 2026 and was signed on its behalf.

Chairman and Chief Executive Officer

Chief Financial Officer

Notes to the Consolidated Financial Statements

33 NOTES TO THE STATEMENT OF FINANCIAL POSITION OF THE COMPANY (CONTINUED)

(a) Reserve movement of the Company

	Share premium RMB'000	Treasury Share RMB'000	Exchange reserve RMB'000	Share-based compensation reserve RMB'000	Accumulated losses RMB'000	Total RMB'000
As at 1 January 2024	2,713,307	(6,614)	(10,884)	594,874	(703,887)	2,586,796
Profit for the year	—	—	—	—	19,964	19,964
Dividend paid (Note 13)	(593,105)	—	—	—	—	(593,105)
Cancellation of ordinary shares (Note 23)	(6,614)	6,614	—	—	—	—
As at 31 December 2024	<u>2,113,588</u>	<u>—</u>	<u>(10,884)</u>	<u>594,874</u>	<u>(683,923)</u>	<u>2,013,655</u>
As at 1 January 2025	2,113,588	—	(10,884)	594,874	(683,923)	2,013,655
Loss for the year	—	—	—	—	(28,270)	(28,270)
Repurchase of ordinary shares (Note 23)	—	(15,647)	—	—	—	(15,647)
Dividend paid (Note 13)	(277,600)	—	—	—	—	(277,600)
As at 31 December 2025	<u>1,835,988</u>	<u>(15,647)</u>	<u>(10,884)</u>	<u>594,874</u>	<u>(712,193)</u>	<u>1,692,138</u>

Notes to the Consolidated Financial Statements

34 SUBSIDIARIES

The Company's major subsidiaries as at 31 December 2025 and 2024 are set out below:

Name of subsidiary	Place and date of incorporation/establishment	Principal activities and place of operation	Issued and paid up capital/registered capital	Effective interest held by the Group as at	
				31 December 2025	31 December 2024
Helens Hill Limited	Hong Kong; 29 December 2017	Bar operations; Hong Kong	HKD1/HKD1	100%	100%
HLS SIN PTE. LTD.	Singapore; 26 September 2023	Bar operations; Singapore	SGD150,000/ SGD300,000	100%	100%
JJR181 Pte. Ltd.	Singapore; 11 April 2022	Bar operations; Singapore	SGD300,000/ SGD300,000	100%	100%
Wuhan City Aoerdesang Catering Services Co., Ltd.* (武漢市奧爾德桑餐飲服務有限公司)	The PRC; 6 February 2018	Bar operations, supply chain; The PRC	RMB441,000,000/ RMB441,000,000	100%	100%
Shanghai Heinstein Catering Management Co., Ltd.* (上海荷因斯泰餐飲管理有限公司)	The PRC; 4 September 2018	Bar operations; The PRC	RMB2,000,000/ RMB2,000,000	100%	100%
Jiangxi Suleiyige Catering Management Co., Ltd.* (江西蘇勒伊格餐飲管理有限公司)	The PRC; 9 April 2018	Bar operations; The PRC	RMB2,000,000/ RMB2,000,000	100%	100%
Suzhou Herdes Catering Management Co., Ltd.* (蘇州赫爾德斯餐飲管理有限公司)	The PRC; 16 July 2018	Bar operations; The PRC	RMB52,000,000/ RMB52,000,000	100%	100%
Shenzhen Helens Enterprise Management Co., Ltd.* (深圳海倫司企業管理有限公司)	The PRC; 20 April 2018	Management service; The PRC	RMB1,110,000,000/ RMB1,110,000,000	100%	100%
Shenzhen Guxiang Fengqing Catering Co., Ltd.* (深圳市古鄉風情餐飲有限責任公司)	The PRC; 23 May 2018	Bar operations, supply chain; The PRC	RMB51,000,000/ RMB51,000,000	100%	100%
Hunan E'aisaisi Catering Management Co., Ltd.* (湖南額艾塞斯餐飲管理有限公司)	The PRC; 29 May 2018	Bar operations; The PRC	RMB52,000,000/ RMB52,000,000	100%	100%
Zhejiang Fuyixiang Catering Services Co., Ltd.* (浙江福怡祥餐飲服務有限公司)	The PRC; 5 June 2018	Bar operations; The PRC	RMB70,000,000/ RMB70,000,000	100%	100%
Zhengzhou Aolinpsi Catering Management Co., Ltd.* (鄭州奧林匹斯餐飲管理有限公司)	The PRC; 21 December 2018	Bar operations; The PRC	RMB1,000,000/ RMB1,000,000	100%	100%
Fuzhou Zhiyingju Catering Management Co., Ltd.* (福州支應居餐飲管理有限責任公司)	The PRC; 12 January 2018	Bar operations; The PRC	RMB5,000,000/ RMB5,000,000	100%	100%
Hefei Mengtesile Catering Management Co., Ltd.* (合肥蒙特斯勒餐飲管理有限公司)	The PRC; 3 July 2018	Bar operations, supply chain; The PRC	RMB1,000,000/ RMB1,000,000	100%	100%
Xi'an Jingshuo Catering Management Co., Ltd.* (西安景樂樂餐飲管理有限公司)	The PRC; 25 February 2021	Bar operations, supply chain; The PRC	RMB2,000,000/ RMB2,000,000	100%	100%
Sichuan Hantengbao Catering Management Co., Ltd.* (四川漢騰堡餐飲管理有限公司)	The PRC; 12 April 2019	Bar operations; The PRC	RMB1,000,000/ RMB1,000,000	100%	100%
Beijing Asimengte Catering Management Co., Ltd.* (北京阿斯蒙特餐飲管理有限責任公司)	The PRC; 20 June 2019	Bar operations; The PRC	RMB1,000,000/ RMB1,000,000	100%	100%
Hebei Dishade Catering Management Co., Ltd.* (河北迪斯哈德餐飲管理有限責任公司)	The PRC; 29 November 2019	Bar operations; The PRC	RMB3,000,000/ RMB3,000,000	100%	100%
Wuhan Furuijiu Enterprise Management Co., Ltd.* (武漢福瑞玖企業管理有限公司)	The PRC; 8 March 2022	Bar operations; The PRC	RMB2,000,000/ RMB2,000,000	100%	100%
Wuhan Xinhui Trading Co., Ltd.* (武漢市鑫輝商貿有限公司)	The PRC; 6 June 2023	Supply chain; The PRC	RMB2,000,000/ RMB2,000,000	100%	100%

* Limited liability company registered in the PRC