



Chanson International Holding Announces First Half of Fiscal Year 2025 Financial Results

2025-09-04

URUMQI, China, Sept. 4, 2025 /PRNewswire/ -- Chanson International Holding (Nasdaq: CHSN) (the "Company" or "Chanson"), a provider of bakery, seasonal, and beverage products through its chain stores in China and the United States, today announced its unaudited financial results for the six months ended June 30, 2025.

Mr. Gang Li, Chairman of the Board of Directors and Chief Executive Officer of the Company, commented, "In the first half of fiscal year 2025, despite facing various challenges, we have shown resilience and adaptability in a dynamic market. With the revenue growth we achieved, we have successfully maintained our gross margins at above 40%, by enforcing cost control measures and enhancing operating efficiency. Additionally, with an increased cash reserve as of June 30, 2025, we are in a solid position to manage market uncertainties. As we move forward, we remain confident in our long-term growth strategy and execution capabilities. Our expansion initiatives in both the United States and China are expected to remain a key focus of our growth. We aim to further drive revenue by attracting new customers and encouraging repeat business from existing ones. We aim to achieve these results by strengthening opportunistic purchasing, optimizing inventory management, maintaining strong store conditions, and effectively marketing both current and new product offerings. We believe that those efforts will help us navigate short-term headwinds and support long-term growth in the near future."

First Half of Fiscal Year 2025 Financial Summary

- Total revenue was \$8.7 million, compared to \$7.5 million for the same period of last year.
- Gross profit was \$3.9 million, compared to \$3.1 million for the same period of last year.
- Gross margin was 44.5%, compared to 41.5% for the same period of last year.
- Net loss was \$1.0 million, compared to net income of \$0.02 million for the same period of last year.
- Basic and diluted loss per share were \$2.87, compared to basic and diluted earnings per share \$0.15 for the same period of last year.

First Half of Fiscal Year 2025 Financial Results

Revenue

Total revenue was \$8.7 million for the six months ended June 30, 2025, which increased by 15.2%, from \$7.5 million for the same period of last year. The increase in revenue was due to increased revenue from the stores in China (the "China Stores"), which was partially offset by decreased revenue from the stores in the United States (the "United States Stores").

China Stores

Revenue from the China Stores was \$7.8 million for the six months ended June 30, 2025, which increased by \$1.3 million or 19.7%, from \$6.5 million for the same period of last year. The increase was mainly due to the increased revenue from bakery products as well as from other products.

- Revenue from bakery products was \$7.2 million for the six months ended June 30, 2025, which increased by 20.8%, from \$5.9 million for the same period of last year. The increase was mainly attributed to the increased revenue generated by the newly opened bakery stores, as nineteen bakery stores have been opened since the second half of fiscal year 2024.
- Revenue from other products was \$0.63 million for the six months ended June 30, 2025, which increased by 8.5%, from \$0.58 million for the same period of last year. The increase was mainly due to increased revenue from seasonal products, which was partially offset by decreased revenue from beverage products. Revenue from seasonal products was \$0.51 million for the six months ended June 30, 2025, which increased by 39.0% from \$0.36 million for the same period of last year. The increase was due to increased revenue from group purchases from corporate customers of the China Stores, as we offered more sales promotions and price discounts to attract more customers and received more group purchases orders. Revenue from beverage products was \$0.12 million for the six months ended June 30, 2025, a decrease by 42.9% from \$0.22 million for the same period of last year. The opening of new stores by several well-known coffee chain brands in Xinjiang, offering products at very low prices to gain market share, provided customers with more choices and contributed to a decline in beverage product revenue at our China Stores. As of June 30 2025, two coffee bakery stores were closed, one in fiscal year 2024 and another in the six months ended June 30, 2025.

United States Stores

Revenue from the U.S. Stores was \$0.9 million for the six months ended June 30, 2025, which decreased by 13.2% from \$1.0 million for the same period of last year. The decrease was mainly due to decreased revenue from bakery products and eat-in services, which was partially offset by the slightly increased revenue from beverage products.

- Revenue from bakery products was \$0.22 million for the six months ended June 30, 2025, which decreased by 10.1% from \$0.24 million for the same period of last year. The decrease was due to the decreased revenue from Chanson 23rd Street LLC ("Chanson 23rd Street") and Chanson 1293 3rd Ave LLC ("Chanson 3rd Ave"). Facing increased competition from competitors operating in the same area, Chanson 23rd Street suspended its business operation of bakery products and eat-in services in April 2025 and Chanson 3rd Ave suspended all business

operation in January 2025. However, the decrease in revenue from bakery products was partially offset by the increased revenue from Chanson Broadway as we implemented a series of performance-enhancing measures, including extending business hours, optimizing the products mix and offering more sales promotions and price discounts to attract more customers.

- Revenue from beverage products remained relatively stable at \$0.64 million for the six months ended June 30, 2025, with a slight increase by 1.9% from \$0.63 million for the same period of last year. The increase was due to the increased revenue of beverage products generated by Chanson Broadway, resulting from implementation of the performance-enhancing measures as mentioned above. The increase was partially offset by the decreased revenue from Chanson 23rd Street, primarily attributable to increased competition from competitors operating in the same area, as well as the decreased revenue from Chanson 3rd Ave resulting from the suspension of business operation as mentioned above.
- Revenue from eat-in services was \$0.05 million for the six months ended June 30, 2025, which decreased by 72.9% from \$0.17 million for the same period of last year. As mentioned above, Chanson 23rd Street suspended its business operation of bakery products and eat-in services in April 2025 and Chanson 3rd Ave suspended all business operation in January 2025, hence, revenue from eat-in services decreased for the six months ended June 30, 2025.

Gross Profit and Gross Margin

Gross profit was \$3.9 million for the six months ended June 30, 2025, which increased by 23.6% from \$3.1 million for the same period of last year. Gross margin was 44.5% for the six months ended June 30, 2025, which increased by 3.0 percentage points from 41.5% for the same period of last year.

Operating Expenses

Operating expenses were \$5.1 million for the six months ended June 30, 2025, compared to \$3.7 million for the same period of last year.

- Selling expenses were \$2.8 million for the six months ended June 30, 2025, which increased by 26.3%, from \$2.2 million for the same period of last year, mainly due to an increase in selling expenses of \$0.6 million from the China Stores. The increase in the China Stores was primarily attributable to (i) an increase in salaries and welfare benefit expenses of \$0.21 million, as the China Stores hired additional sales staff for the new stores; (ii) an increase in online platform service fees of \$0.14 million, resulting from the increased online sales on the third-party platform during the six months ended June 30, 2025; and (iii) an increase in rental expenses, renovation expenses and electricity expenses of \$0.08 million, as twenty-three stores have been opened since the second half of fiscal year 2024.
- General and administrative expenses were \$2.2 million for the six months ended June 30, 2025, which increased by 53.7 % from \$1.5 million for the same period of last year. The increase was primarily due to an increase in allowance for credit losses of \$0.5 million. On April 3, 2023, we entered a loan agreement with Liberty Asset Management Capital Limited (the "Borrower") to lend the Borrower \$2.0 million for two years, with a maturity date of April 3, 2025. Due to the Borrower's financial distress, we collected \$1.5 million upon maturity of the loan, and the remaining balance of 0.5 million was charged off and recognized as the bad debt written-off. The increase in general and administrative expenses was also attributable to the increased audit, legal and professional service fees due to issuance of additional equity security during the six months ended June 30, 2025.

Net Income (Loss)

Net loss was \$1.0 million for the six months ended June 30, 2025, compared to net income of \$0.02 million for the same period of last year.

Basic and Diluted Earnings (Loss) per Share

Basic and diluted loss per share were \$2.87 for the six months ended June 30, 2025, compared to basic and diluted earnings per share of \$0.15 for the same period of last year.

Balance Sheet

As of June 30, 2025, the Company had cash of \$22.1 million, compared to \$12.1 million as of December 31, 2024.

Cash Flow

Net cash used in operating activities was \$0.4 million for the six months ended June 30, 2025, compared to net cash provided by \$0.8 million for the same period of last year.

Net cash provided by investing activities was \$1.5 million for the six months ended June 30, 2025, compared to \$1.4 million for the same period of last year.

Net cash provided by financing activities was \$8.6 million for the six months ended June 30, 2025, compared to \$0.4 million for the same period of last year.

About Chanson International Holding

Founded in 2009, Chanson International Holding is a provider of bakery, seasonal, and beverage products through its chain stores in China and the United States. Headquartered in Urumqi, China, Chanson directly operates stores in Xinjiang, China and New York, United States. Chanson currently manages 60 stores in China, and three stores in New York City while selling on digital platforms and third-party online food ordering platforms. Chanson offers not only packaged bakery products but also made-in-store pastries and eat-in services, serving freshly prepared bakery products and extensive beverage products. Chanson aims to make healthy, nutritious, and ready-to-eat food through advanced facilities based on in-depth industry research, while creating a comfortable and distinguishable store environment for customers. Chanson's dedicated and highly-experienced product development teams constantly create new products that reflect market trends to meet customer demand. For more information, please visit the Company's website: <http://ir.chanson-international.net/>.

Forward-Looking Statements

Certain statements in this announcement are forward-looking statements. These forward-looking statements involve known and unknown risks and uncertainties and are based on the Company's current expectations and projections about future events that the Company believes may affect its

financial condition, results of operations, business strategy and financial needs. Investors can find many (but not all) of these statements by the use of words such as "approximates," "believes," "hopes," "expects," "anticipates," "estimates," "projects," "intends," "plans," "will," "would," "should," "could," "may" or other similar expressions. The Company undertakes no obligation to update or revise publicly any forward-looking statements to reflect subsequent occurring events or circumstances, or changes in its expectations, except as may be required by law. Although the Company believes that the expectations expressed in these forward-looking statements are reasonable, it cannot assure you that such expectations will turn out to be correct, and the Company cautions investors that actual results may differ materially from the anticipated results and encourages investors to review other factors that may affect its future results in the Company's registration statement and other filings with the U.S. Securities and Exchange Commission.

For investor and media inquiries, please contact:

Chanson International Holding
Investor Relations Department
Email: IR@chansoninternational.com

Ascent Investor Relations LLC
Tina Xiao
Phone: +1-646-932-7242
Email: investors@ascent-ir.com

**CHANSON INTERNATIONAL HOLDING AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS**

	June 30, 2025	December 31, 2024
	(Unaudited)	(Audited)
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 22,092,155	\$ 12,102,763
Accounts receivable	2,412,842	991,467
Inventories	712,040	738,773
Long term loan to a third-party, current	-	2,000,000
Prepaid expenses and other current assets	2,255,097	2,595,417
	27,472,134	18,428,420
NON-CURRENT ASSETS:		
Operating lease right-of-use assets	11,207,618	11,021,615
Property and equipment, net	5,322,405	4,444,473
Intangible assets, net	244,375	262,500
Long term security deposits	681,011	944,170
Long term debt investment	6,359,014	6,359,014
Long term prepaid expenses	275,949	315,642
	24,090,372	23,347,414
TOTAL ASSETS	\$ 51,562,506	\$ 41,775,834
LIABILITIES		
CURRENT LIABILITIES:		
Short-term bank loans	\$ 418,576	\$ 1,507,159
Current portion of long-term bank loans	306,956	-
Accounts payable	2,443,259	2,127,740
Due to a related party	2,811	772,489
Taxes payable	174,290	48,712
Deferred revenue	7,228,151	6,697,964
Operating lease liabilities, current	2,221,418	2,325,390
Other current liabilities	929,801	662,963
	13,725,262	14,142,417
NON-CURRENT LIABILITIES		
Operating lease liabilities, non-current	9,135,236	9,207,971
Long-term bank loans	4,157,853	-
	13,293,089	9,207,971
TOTAL LIABILITIES	27,018,351	23,350,388
COMMITMENTS AND CONTINGENCIES (Note 15)		
SHAREHOLDERS' EQUITY		
Ordinary shares, \$0.08 par value, 62,500,000 shares authorized; 643,411 shares and 341,247 shares issued and outstanding as of June 30, 2025 and December 31, 2024, respectively:*		
Class A ordinary share, \$0.08 par value, 55,000,000 shares authorized; 572,536 shares and 270,372 shares issued and outstanding as of June 30, 2025 and December 31, 2024, respectively	45,802	21,629
Class B ordinary share, \$0.08 par value, 7,500,000 shares authorized; 70,875 shares issued and outstanding as of June 30, 2025 and December 31, 2024, respectively	5,670	5,670
Additional paid-in capital	24,610,553	17,724,592
Statutory reserve	661,924	661,924
(Accumulated deficit) retained earnings	(657,455)	391,338
Accumulated other comprehensive loss	(122,339)	(379,707)
TOTAL SHAREHOLDERS' EQUITY	24,544,155	18,425,446
TOTAL LIABILITIES AND SHAREHOLDERS'	\$ 51,562,506	\$ 41,775,834

EQUITY

* Retrospectively restated for effect of the reverse split on August 18, 2025

CHANSON INTERNATIONAL HOLDING AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
AND COMPREHENSIVE (LOSS) INCOME

	For the Six Months Ended June 30,	
	2025	2024
REVENUE	\$ 8,688,208	\$ 7,542,682
COST OF REVENUE	4,822,856	4,415,407
GROSS PROFIT	3,865,352	3,127,275
OPERATING EXPENSES		
Selling expenses	2,817,128	2,230,905
General and administrative expenses	2,238,769	1,456,499
Total operating expenses	5,055,897	3,687,404
LOSS FROM OPERATIONS	(1,190,545)	(560,129)
OTHER INCOME (EXPENSE)		
Interest expense, net	(78,343)	(25,278)
Other (expense) income, net	(76,487)	314,670
Interest income from long term debt investment	359,014	359,014
Total other income, net	204,184	648,406
(LOSS) PROFIT BEFORE INCOME TAX EXPENSE	(986,361)	88,277
INCOME TAX EXPENSE	(62,432)	(64,865)
NET (LOSS) INCOME	(1,048,793)	23,412
Foreign currency translation gain	257,368	16,207
TOTAL COMPREHENSIVE (LOSS) INCOME	\$ (791,425)	\$ 39,619
(Loss) earnings per ordinary share - basic and diluted	\$ (2.87)	\$ 0.15
Weighted average shares - basic and diluted *	365,523	155,316

* Retrospectively restated for effect of the reverse split on August 18, 2025

CHANSON INTERNATIONAL HOLDING AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the Six Months Ended June 30,	
	2025	2024
Cash flows from operating activities:		
Net (loss) income	\$ (1,048,793)	\$ 23,412
Adjustments to reconcile net (loss) income to net cash		
(used in) provided by operating activities:		
Amortization of operating lease right-of-use assets	1,277,452	1,697,141
Depreciation and amortization	392,976	445,787
Write off of bad debts	500,000	-
Loss on disposal of property and equipment	77,505	-
Accrued interest income from long term debt investment	(359,014)	(359,014)
Interest income from loan to a third-party	-	(44,877)
Changes in operating assets and liabilities:		
Accounts receivable	(1,387,301)	(40,507)
Inventories	37,621	(65,027)
Prepaid expenses and other current assets	372,248	286,121
Long term security deposits	269,171	49,350
Long term prepaid expenses	44,851	32,953
Accounts payable	277,671	213,875
Taxes payable	124,895	(19,020)
Deferred revenue	403,151	299,816
Other current liabilities	255,300	(79,738)
Operating lease liabilities	(1,628,032)	(1,634,128)
Net cash (used in) provided by operating activities	(390,299)	806,144
Cash flows from investing activities:		
Purchase of property and equipment	(310,368)	(34,268)
Proceeds from disposal of property and equipment	-	34,562
Interest income received from long term debt investment	359,014	534,575
Repayment from loans to third parties	1,500,000	862,088
Net cash provided by investing activities	1,548,646	1,396,957
Cash flows from financing activities:		
Proceeds from sales of the Equity Security Units, net of issuance costs	6,910,134	-
Proceeds from short-term bank loans	413,658	422,095
Repayments of short-term bank loans	(1,516,747)	-
Proceeds from long-term bank loans	4,412,355	-
Payments made to a related party	(1,640,710)	(56,298)

Net cash provided by financing activities	<u>8,578,690</u>	<u>365,797</u>
Effect of exchange rate fluctuation on cash and cash equivalents	<u>252,355</u>	<u>57,630</u>
Net increase in cash and cash equivalents	<u>9,989,392</u>	<u>2,626,528</u>
Cash and cash equivalents, beginning of period	<u>12,102,763</u>	<u>1,481,302</u>
Cash and cash equivalents, end of period	<u>\$ 22,092,155</u>	<u>\$ 4,107,830</u>
Supplemental cash flow information		
Cash paid for income taxes	<u>\$ 14,995</u>	<u>\$ 40,889</u>
Cash paid for interest	<u>\$ 74,745</u>	<u>\$ 68,450</u>
Non-cash operating, investing and financing activities		
Property and equipment acquired in settlement of the amount due from a related party	<u>\$ 954,293</u>	<u>\$ -</u>
Reduction of right-of-use assets and operating lease obligations due to early termination of lease agreement	<u>\$ 270,532</u>	<u>\$ 60,277</u>
Right of use assets obtained in exchange for operating lease liabilities	<u>\$ 1,560,535</u>	<u>\$ 1,697,141</u>

 View original content: <https://www.prnewswire.com/news-releases/chanson-international-holding-announces-first-half-of-fiscal-year-2025-financial-results-302547005.html>

SOURCE Chanson International Holding