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Jiumaojiu International Holdings Limited

九毛九国际控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 9922)

PROFIT WARNING

This announcement is made by Jiumaojiu International Holdings Limited (九毛九国际控股有限公司) (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the assessment of the latest information currently available to the Board and a preliminary review of the unaudited consolidated management accounts of the Group for the six months ended June 30, 2024 (the “**Period**”), the Group is expected to record (i) revenue of approximately RMB3,064.0 million for the Period, representing an increase of approximately 6.4% as compared to that of RMB2,879.4 million for the corresponding period in 2023, and yet (ii) a profit attributable to equity shareholders of the Company of no less than RMB67.0 million for the Period, representing a decrease of no more than 69.8% as compared to that of RMB222.2 million for the corresponding period in 2023.

Based on the information currently available, the Board is of the view that such expected decrease in profit attributable to equity shareholders of the Company for the Period was mainly attributable to:

- (i) the relatively high comparable base for the Period due to the recovery of the Group’s business operation from COVID-19 pandemic and the receipt of government grants during the six months ended June 30, 2023;
- (ii) the decrease in revenue per restaurant due to decreases in both average spending per customer and table turnover rates of the Group’s restaurants resulted from a shift in consumer habits as affected by changes in the external environment;
- (iii) the effect of cost control measures implemented by the Group on reducing restaurant opening and operating costs or expenses lagging behind the decrease in its revenue per restaurant. As a result, the Group is expected to have negative operating leverage during the Period; and
- (iv) impairment losses of property, plant and equipment and right-of-use assets incurred during the Period, which is expected to be no more than RMB40.0 million.

The Group has been closely monitoring the market condition and adjusting its business strategies and operations from time to time to reduce negative impact. The Group has taken/will take the following measures to improve its operating performance: (i) introduction of new business models such as the franchise and cooperative model and the satellite store model for its delivery services; (ii) optimization of menu offerings and food prices; (iii) optimization of employee incentive mechanism to stimulate the initiative of frontline operational staff; and (iv) enhancement of cost control measures to further improve operational efficiency.

Information contained in this announcement is based solely on the Board's preliminary assessment of the latest information available to the Board as at the date of this announcement and the unaudited consolidated management accounts of the Group for the Period, which have not been confirmed or reviewed by the Company's auditors or the audit committee of the Board. The Company is in the process of finalizing the interim results for the Period. The actual results of the Group for the Period may differ from what is disclosed in this announcement. Detailed financial results of the Group for the Period are expected to be published in the interim results announcement in August 2024.

Shareholders and investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
Jiumaojiu International Holdings Limited
Guan Yihong
Chairman

Hong Kong, July 19, 2024

As at the date of this announcement, the Board comprises Mr. Guan Yihong as chairman and executive director, Mr. He Chengxiao as chief executive officer and executive director, Ms. Cui Longyu and Mr. Su Danman as executive directors, and Ms. Tang Zhihui, Ms. Zhu Rui and Ms. Wang Xiaomei as independent non-executive directors.