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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, 2022 (the “**Period**”), the Group is expected to record (i) revenue of approximately RMB1,899.0 million for the Period, representing a decrease of approximately 6.1% as compared to revenue of RMB2,021.5 million for the corresponding period in 2021; and (ii) a profit attributable to equity shareholders of the Company of not less than RMB55.0 million for the Period, representing a decrease of no more than 70.4% as compared to a profit attributable to equity shareholders of the Company of RMB186.0 million for the corresponding period in 2021. Based on the information currently available, the Board is of the view that such expected decreases are primarily attributable to the following reasons:

- (i) due to the resurgence of novel coronavirus pneumonia (COVID-19) (the “**Pandemic**”) in mainland China during the Period, the dine-in services of certain restaurants, including restaurants located in tier-one and tier-two cities, were suspended or restricted for varying duration in the first half of 2022 in compliance with the measures implemented by government authorities to curb the outbreak of the Pandemic, while those restaurants still incurred certain fixed operating costs such as rental expenses and employees remuneration;
- (ii) despite the impact of the Pandemic, the Group sustained to its expansion plan, and thus incurred additional expansion-related expenses. In the first half of 2022, the Group opened 37 new restaurants, which comprise 35 Tai Er restaurants and 2 Song Chongqing Hot Pot Factory restaurants. The Group believes that the opening of these new restaurants will contribute to the Group’s business performance and strategic development in the future; and
- (iii) recognition of an unrealized net foreign exchange loss of approximately RMB20.6 million that arose from advances by the Company to its subsidiaries as a result of the depreciation of Renminbi against Hong Kong Dollars in the first half of 2022, which was a one-off non-cash item.

The Group has been closely reviewing the performance of its restaurants and adjusted its business strategies from time to time to mitigate the impact of the Pandemic on the Group's business operations. To improve the operating performance of the Group, the Group implemented several cost-saving initiatives to reduce costs on rentals, staff costs, raw materials and consumables used as well as other operating expenses. The Group has also adopted a moderate approach in the timeframe of its restaurant network expansion plan and adjusted its restaurant network expansion plan according to market condition.

The Company is in the process of finalizing the interim results for the Period. Consequently, the information contained in this announcement is based solely on the 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 actual results of the Group for the Period may differ from what is disclosed in this announcement and are subject to final review and/or necessary adjustments. Detailed financial results of the Group for the Period are expected to be published in the interim results announcement in August 2022.

**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, August 1, 2022

*As at the date of this announcement, the Board comprises Mr. Guan Yihong as chairman and executive director and Mr. Li Zhuoguang, Ms. Cui Longyu and Mr. He Chengxiao as executive directors, and Mr. Deng Tao, Ms. Tang Zhihui and Ms. Zhu Rui as independent non-executive directors.*