

IPO FACT SHEET
Jiumaojiu International Holdings Limited (9922)
ISSUE STATISTICS

Offer Size:	HK\$1,833.70m – HK\$2,200.44m
Placement Tranche:	333.40m
Price:	HK\$5.50 – HK\$6.60
Board lot:	1,000
Entry fee:	HK\$6,666.51
Historical PE	89.2x – 107.0x
Net tangible assets per share:	HK\$1.39 – HK\$1.65
Market Cap (post-IPO):	HK\$7,333.70m – HK\$8,800.40m
Open:	30 Dec 2019
Close:	12.00 noon on 08 Jan 2020
Trading:	15 Jan 2020
Sponsor:	CMB International Capital Limited

Year ended 31 Dec	(RMB'000)	yoy % chg
Revenue		
2017	1,469,183	26.2%
2018	1,892,821	28.8%
Profit for the year/period		
2017	71,647	39.7%
2018	73,848	3.1%

BACKGROUND

- The Group is a leading Chinese cuisine restaurant brand manager and operator in China, focusing on serving cuisines with quick services, and creating a casual and upscale ambience with modern decoration of its restaurants which are primarily located in shopping malls.
- As of the Latest Practicable Date, it operated 287 restaurants and managed 41 franchised restaurants, covering 39 cities in 15 provinces and four municipalities in the PRC. Jiu Mao Jiu and Tai Er are its two leading brands, revenue from which accounted for more than 98% of its total revenue during the Track Record Period.
- According to Frost & Sullivan, its two major brands, Jiu Mao Jiu ranked second among all northwestern Chinese cuisine restaurants in China, and Tai Er ranked first among all Chinese sauerkraut fish restaurants in China, both in terms of revenue in 2018.
- The Group currently manages and operates five self-developed distinctive brands, namely, Jiu Mao Jiu, Tai Er, Double Eggs, Cooking Spicy Kebab and Uncle Chef. It plans to open approximately 370 new self-operated restaurants from 2019 to 2021, among which approximately 240 restaurants are under Tai Er, approximately 54 restaurants are under Jiu Mao Jiu, and approximately 76 restaurants are under its other brands. The Group plans to have approximately 460 new franchised Double Eggs restaurants from 2019 to 2021.

BUSINESS STRATEGIES

- Replicate its success through further expansion.
- Continue to expand into more market segments by pursuing a multi-brand and multi-concept strategy.
- Continue to strengthen its supply and support capabilities.
- Expand into the global markets to gain international presence.

COMPETITIVE STRENGTHS

- Leading Chinese cuisine restaurant brand manager and operator.
- Highly standardized and scalable business model which facilitates rapid growth.
- Its open, innovative and co-winning corporate culture enabling it to keep pace with market trends.
- Relentless pursuit of excellent dining experience by providing quality food and services to build trusted and popular restaurant brands.

- Stringent food safety and quality control system.
- Experienced and competent management team.

KEY RISKS

- The Group's future growth depends on its ability to open and profitably operate new restaurants. It may not be able to successfully enter into new markets.
- The Group may not be able to maintain and increase the sales and profitability of its existing restaurants.
- If the Group cannot obtain desirable restaurant locations or secure renewal of existing leases on commercially reasonable terms, its business, results of operations and ability to implement its growth strategy will be materially and adversely affected.
- Its current restaurant locations may become unattractive, which may have a material adverse effect on its business, financial condition and results of operations.
- If the Group is unable to manage its growth effectively, its business and financial results may be materially and adversely affected.

DIVIDEND POLICY

- No fixed dividend policy.

USE OF PROCEEDS

	HK mn	As a percentage of gross proceeds from the Invitation
To expand its restaurant network.	1,375.6	72.0%
To further strengthen the supply and support capabilities for its restaurants and enhance its centralized procurement system.	133.7	7.0%
To repay part of a syndicated loan facility of HK dollar equivalent of RMB180.0 million arranged by China Merchants Bank Co., Ltd. Hong Kong Branch and a loan facility of RMB9.9 million from China Merchants Bank Co., Ltd., Guangzhou Branch.	210.2	11.0%
For working capital and general corporate purposes.	191.1	10.0%
Total:	1,910.6	100.0%

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