

TARGET

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T U E S D A Y

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JIUMAOJIU INTERNATIONAL HOLDINGS LTD:

SHANGHAI'S LOSS IS HONGKONG'S GAIN

Jiumaojiu International Holdings Ltd () (Code: 9922, Main Board, The Stock Exchange of Hongkong Ltd) is hurting, financially, following the outbreak of the (very) contagious coronavirus that has swept through the entire the **People's Republic of China (PRC)** since late December 2019.

And it has spread to many parts of the civilised world.

As a direct result of the fast-moving, viral infection which, as at January 25, 2020, was said to have become air-borne – the ability of microorganisms with regard to a virus to be transmitted via the air or water – on Wednesday, January 29, 2020, Mr Guan Yi Hong (), the Chairman of Jiumaojiu International Holdings Ltd, was forced to publish the following announcement:

'VOLUNTARY ANNOUNCEMENT SUSPENSION OF OPERATION OF RESTAURANTS

'This announcement was made by Jiumaojiu International Holdings Limited () (the "Company", together with its subsidiaries, the "Group") on a voluntary basis.

'In view of the outbreak of novel coronavirus pneumonia (2019-nCoV) epidemic in China (the "Epidemic") since January 2020, a number of provinces and municipalities in China have activated level I — the highest-level response to major public health emergencies and adopted various strict measures to curb the spread of the Epidemic. The

*board of directors of the Company (the “**Board**”) has been paying close attention to the development of the Epidemic and has been making efforts to prevent and control the spread of the virus. As part of the Group’s efforts to facilitate better prevention and control of the virus and ensure the health and safety of its employees and customers, the Group has temporarily suspended the operation of all its restaurants (including both self-operated and franchised restaurants) since January 26, 2020. In consideration of the latest development in respect of the Epidemic, the Board has decided to continue the suspension of operation of all its restaurants (including both self-operated and franchised restaurants) up to and including February 9, 2020. In the event that the suspension needs to be further extended in response to the development of the Epidemic and relevant government policies, the Company will make further announcements in due course.’*

The above announcement must have been extremely painful to Senior Management as well as for the members of the 12,652 workforce of this publicly listed Company that operates 287 restaurants and manages 41 franchised restaurants, covering 39 cities in 15 provinces and four municipalities of the PRC, proper, being separate and distinct of the **Hongkong Special Administrative Region (HKSAR)** of the PRC.

As at the date of **TARGET** (), publishing the analysis of this restaurant-owning Company, it had been reported that more than 350 victims of the coronavirus had died in the PRC, proper, with more than 17,238 cases of the virus, having been confirmed.

The **World Health Organisation (WHO)**, last Friday (January 31, 2020), declared that the new coronavirus had become a global emergency.

The Initial Public Offering (IPO) Of Jiumaojiu International Holdings Ltd

Jiumaojiu International Holdings Ltd published and disseminated its Global Offering Prospectus on December 30, 2019.

The Company Offered a total of 333.40 million \$US0.0000001 Shares at the Indicative Offer Price Per Share, ranging from a low of \$HK5.50 to a high of \$HK6.60.

HKSAR Investors were Offered the opportunity to subscribe to 33.34 million, Offer Shares (the HKSAR Offer Shares tranche) and International Investors – presumably, Institutional Investors, Professional Investors and select, Well-Heeled Investors, along with their corporate entities in which this class of investor has equity control – were induced to subscribe to 300.06 million Offer Shares (the International Offer Shares tranche).

On Tuesday, January 14, 2020, Management announced that the Offer Price Per Share had been struck at \$HK6.60 – the highest level of the Indicative Offer Price Per Share – and that the Company’s coffers had been enriched by about \$HK2,075,600,000 from the Global Offering.

With regard to the HKSAR Offer Shares tranche, the January 14, 2020 announcement stated that a total of 190,329 valid application for Offer Shares had been received ‘*for a total of 21,264,773,000 Hong Kong Offer Shares, representing approximately 637.82 times of (sic) the total number of 33,340,000 Hong Kong Shares initially available for subscription under the Hong Kong Public Offering.*’

In respect of the International Offer Shares tranche, one was informed that it had been ‘*significantly over-subscribed*’, representing about 18.50 times the total number of Offer Shares, initially available under this Shares tranche.

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