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**ZJLD Group Inc**

**珍酒李渡集團有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 6979)**

## **POSITIVE PROFIT ALERT**

This announcement is made by ZJLD Group Inc (the “**Company**”, together with its subsidiaries, the “**Group**”, “**we**” or “**our**”) pursuant to Rule 13.09 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**”) is pleased to inform the shareholders of the Company (the “**Shareholders**”) and the potential investors that, based on its preliminary assessment of the unaudited consolidated management accounts for the year ended December 31, 2023 of the Company (the “**Management Accounts**”), as well as other relevant information currently available to the Board, the Group expects to record: (i) a revenue of no less than RMB7.0 billion for the year ended December 31, 2023, as compare to a revenue of approximately RMB5.9 billion for the year ended December 31, 2022; (ii) a net profit of no less than RMB2.3 billion for the year ended December 31, 2023, while as compare to a net profit of approximately RMB1.0 billion for the year ended December 31, 2022; and (iii) an adjusted non-International Financial Reporting Standards (“**non-IFRS**”) net profit<sup>Note</sup> for the year ended December 31, 2023 of no less than RMB1.6 billion, while as compare to an adjusted net profit (non-IFRS measure) of approximately RMB1.2 billion for the year ended December 31, 2022.

*Note:* Adjusted net profit (non-IFRS measure) represents profit for the year excluding share-based payment expenses, changes in the fair value of our series A preferred shares and warrants and listing expenses.

The Company believes such expected increase in the net profit of the Group is mainly attributable to, among other things, (i) the increased gross profit resulted from increases in the revenue driven by growths in our four baijiu brands and further improving gross margin due to our continuous efforts in optimizing our product mix through increasing the revenue contribution from our deluxe products; and (ii) the positive fair value accounting adjustment of approximately RMB0.8 billion of our series A preferred shares and warrants issued to Zest Holdings II Pte. Ltd. in connection with its pre-IPO investments in the Company. These adjustments in financial instruments are once off and of non-cash in nature. The warrants were terminated in June 2022 and accordingly we no longer recognize any change in the fair value thereof. Upon completion of the listing of the Company, the Series A Preferred Shares have been automatically converted into ordinary shares of the Company, after which no profit or loss due to changes in the financial instruments will be recognized. As a result, this adjusted item no longer exists after the listing of the Company.

To supplement our consolidated financial statements that are presented in accordance with IFRS, we also use adjusted net profit (non-IFRS measure) as additional financial measure, which is not required by, or presented in accordance with, IFRS. We believe that this non-IFRS measure facilitates comparisons of operating performance from period to period and company to company by eliminating potential impacts of certain items. We believe that this measure provides useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as it helps our management. However, our presentation of adjusted net profit (non-IFRS measure) may not be comparable to similarly titled measure presented by other companies. The use of this non-IFRS measure has limitations as an analytical tool, and should not be considered in isolation from, or as substitute for analysis of, our results of operations or financial condition as reported under IFRS.

The information contained in this announcement is a preliminary assessment by the Board based on the Management Accounts and the information available to it as at the date hereof which has not been audited or reviewed by the auditor of the Company. Further adjustments of the Group's financial results for the year ended December 31, 2023 may be required. Further details of the financial results and performance of the Group for the year ended December 31, 2023 will be announced in March 2024.

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

By Order of the Board  
**ZJLD Group Inc**  
**Mr. Wu Xiangdong**  
*Executive Director and Chairman of the Board*

Hong Kong, March 10, 2024

*As at the date of this announcement, the Board comprises Mr. Wu Xiangdong, Mr. Yan Tao, Ms. Zhu Lin, Mr. Luo Yonghong and Mr. Ng Kwong Chue Paul, as executive directors; Mr. Sun Zheng as non-executive director; and Mr. Yung Tse Kwong Steven, Mr. Li Dong and Ms. Yan Jisheng, as independent non-executive directors.*