

What's Hot Today:

► Jiumaojiu (9922.HK) – 2023 results inline, store expansion will drive future growth

- Revenue grew 49%, mainly driven by store expansion (+31% YoY)
- The Mgt targets 130-160 restaurant openings in 2024

2023 results inline. Jiumaojiu (JMJ) achieved a revenue of RMB5.99bn (+49% YoY) and a net profit of RMB453mn (+820% YoY), inline with the profit alert statement. The growth was mainly driven by 1) 31% increase in the number of restaurants to 726 and 2) same store sales recovery. For 2H23, JMJ's revenue stood at RMB3.11bn (+47% YoY) with a net profit of RMB231mn. The company declared a final dividend of 15 HK cents for a full-year payout of 43%.

Store expansion plan. By the end of 2023, JMJ operated a total of 726 restaurants, including 578 Tai Er, 77 JMJ, and 62 Song Chongqing Hot Pot. It plans to open 130-160 restaurants in 2024 consisting of 95-120 Tai Er restaurants and 35-40 Song Chongqing Hot Pot restaurants. Besides the self-operated store expansion, the Mgt said the newly launched franchise model has received many queries but it is too early to make expansion guidance.

ASP dropped due to menu adjustments. In 2023, ASP of Tai Er and Song Chongqing Hotpot dropped by 3/12% YoY, respectively to RMB75/113, respectively. The Mgt explained that they have adjusted the menu under the challenging consumption environment.

OPM improved. In 2023, JMJ's operating profit margin was 10.6% (+5.8pp YoY), due to efficiency improvements per mgt. In 2H23, JMJ's OPM continued to improved with a 8.4% OPM (+5.8pp YoY).

Our view: We believe JMJ's topline growth will be supported by increasing scale. Although consumption sentiment was low in 2M24, we think the confidence will gradually recover with the economy. The ticker is trading at 10.4x FY24 P/E.

Risk: 1) weaker than expected economy; 2) slower than expected expansion (Research Department)

China & HK Indices	CLOSE	1D	YTD
HSI	16,473	-0.2%	-3.4%
HSCEI	5,754	-0.1%	-0.2%
HSCCI	3,487	0.1%	4.1%
CSI300	3,525	-0.5%	2.8%
Shanghai A	3,173	-0.7%	8.8%
Shanghai B	251	-1.3%	8.8%
Shenzhen A	1,829	-1.9%	-4.8%
Shenzhen B	1,082	-0.0%	0.2%

Key Int'l Indices	CLOSE	1D	YTD
Dow Jones	39,313	-0.4%	4.3%
S&P 500	5,218	-0.3%	9.4%
Nasdaq	16,384	-0.3%	9.1%
NIKKEI Index	40,483	0.2%	21.0%
FTSE Index	7,917	-0.2%	2.4%
CAC Index	8,151	-0.0%	8.1%
DA X Index	18,261	0.3%	9.0%

Commodities	CLOSE	1D	YTD
GOLD (US\$/oz.)	2,171	0.3%	5.3%
STEEL (US\$/oz.)	2,136	-0.4%	-3.9%
SILVER (US\$/oz.)	24	0.0%	3.7%
CRUDE OIL (US\$/bbl)	81	-8.8%	14.6%
COFFER (US\$/oz.)	8,873	-0.9%	3.7%
ALUMINIUM (US\$/oz.)	2,326	1.1%	-2.4%
PLATINUM (US\$/oz)	904	0.7%	-8.8%
ZINC (US\$/oz.)	2,485	-1.1%	-6.1%
WHEAT (US\$/bu)	555	0.0%	-11.5%
CORN (US\$/bu)	437	-0.3%	-9.7%
SUGAR (US\$/lb)	N/A	N/A	N/A
SOYBEAN (US\$/bu)	1,209	1.4%	-7.8%
PVC (US\$/t)	N/A	N/A	11.7%
CRB	288	0.8%	3.0%
BDI			4.9%

Exchange Rates	USD	HKD	EUR	JPY	CHF	RMB
USD		7.822	0.923	151.420	0.899	7.211
HKD	0.128		0.118	19.358	11.499	0.922
EUR	1.084	8.477		164.090	1.026	7.814
JPY	0.007	5.166	0.609		0.594	0.048
CHF	1.112	8.697	1.026	168.344		8.018
RMB	0.139	1.085	0.128	21.007	0.125	

Market Sentiment	CURRENT	5D
CDS Monitor - USD SR 5Y		
Greece		N/A
Ireland	83	-2.4%
Italy	139	-0.6%
Portugal	207	-0.0%
Spain	108	0.3%
VIX	13	-8.0%

Source: Bloomberg

Latest Research Reports		
Date	Company	Analyst
29/02/2024	Xinyi Solar (968.HK)	Research Department
29/02/2024	Xinyi Energy (3868.HK)	Research Department
26/02/2024	Conant Optical (2276.HK)	Research Department
05/01/2024	Aeon Credit (900 HK)	Ensley Liu
13/10/2023	Aeon Credit (900 HK)	Howard Wong
17/04/2023	Xtep International (1368 HK)	Eason Cui
14/04/2023	Perfect Medical (1830 HK)	Research Department
03/04/2023	Meidong Auto (1268 HK)	Eason Cui
31/03/2023	Prosperous Industrial (1731 HK)	Research Department
28/03/2023	Yongda (3669 HK)	Eason Cui
17/03/2023	361 Degrees (1361 HK)	Eason Cui
13/03/2023	DONGFANG ELECTRIC (1072 HK)	Eason Cui
01/03/2023	Xinyi Energy (3868 HK)	Eason Cui
28/02/2023	Xinyi Glass (868 HK)	Ken Li
13/02/2023	Auto monthly update	Eason Cui
10/02/2023	Yuexiu Property (123 HK)	Ken Li
18/01/2023	Yongda (3669 HK)	Eason Cui
17/01/2023	Xtep (1368 HK)	Eason Cui
04/01/2023	Auto monthly update	Eason Cui
02/12/2022	Perfect Medical (1830 HK)	Research Department
01/12/2022	XPeng (9868 HK)	Eason Cui

Fig 1: JMJ's financial summary and forecast (consensus)

RMB mn	2021	2022	2023	2024E	2025E	2026E
Revenue	4,180	4,006	5,986	8,179	10,235	11,859
Growth	54%	-4%	49%	37%	25%	16%
Gross profit	2,642	2,559	3,844	5,233	6,559	7,600
Gross profit margin	63.2%	63.9%	64.2%	64.0%	64.1%	64.1%
Net profit	340	49	453	710	920	1,051
Net profit margin	8.1%	1.2%	7.6%	8.7%	9.0%	8.9%
EPS (RMB)	0.23	0.03	0.31	0.50	0.65	0.76
P/E	22.4	172.1	16.7	10.4	8.0	6.8

Source: Bloomberg, Company report, Sunwah Kingsway Research

Fig 2: JMJ's brands performance

RMB mn	2022	2023	YoY%	1H22	2H22	1H23	2H23	YoY%
Revenue	4,006	5,986	49%	1,899	2,107	2,879	3,106	47%
Tai Er	3,108	4,477	44%	1,486	1,623	2,188	2,289	41%
Jiumaojiu	606	630	4%	312	293	318	312	6%
Song Chongqing Hot Pot	260	807	210%	82	178	352	454	155%
Other	32	73	127%	20	13	21	52	314%
Gross profit	2,559	3,844	50%	1,235	1,323	1,837	2,007	52%
Operating profit	195	637	226%	139	57	375	262	363%
Net profit	49	453	820%	58	-8	222	231	-2846%
Operating profit margin	4.9%	10.6%	5.8pp	7.3%	2.7%	13.0%	8.4%	5.8pp
Tai Er	14.3%	19.3%	5pp	16.5%	12.4%	21.3%	17.4%	5.1pp
Jiumaojiu	12.9%	17.6%	4.7pp	11.7%	14.1%	19.2%	16.0%	1.9pp
Song Chongqing Hot Pot	-1.9%	12.2%	14.2pp	-1.4%	-2.2%	13.7%	11.1%	13.3pp
Net profit margin	1.2%	7.6%	6.3pp	3.0%	-0.4%	7.7%	7.4%	7.8pp

Source: Company report, Sunwah Kingsway Research

Fig 3: JMJ's operating data

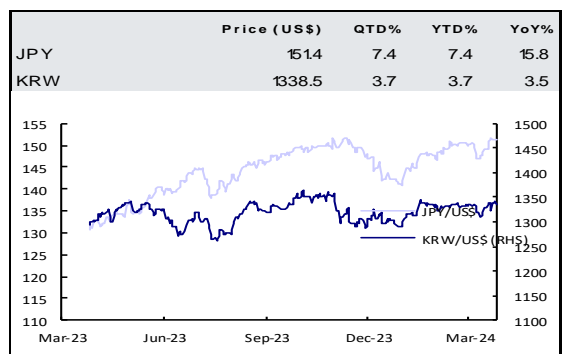
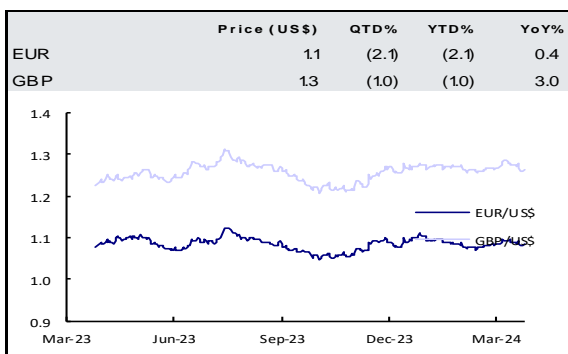
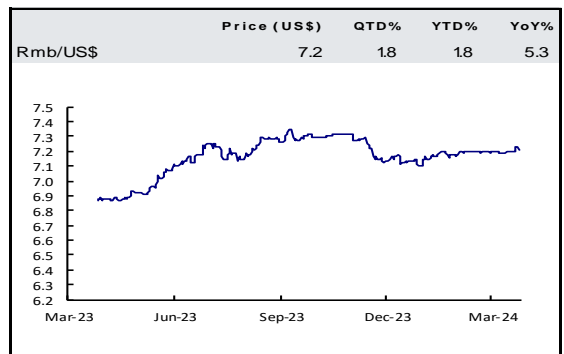
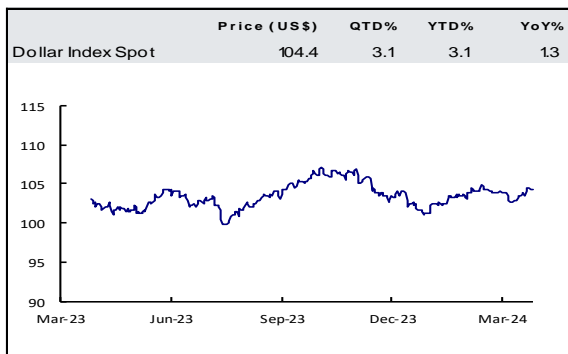
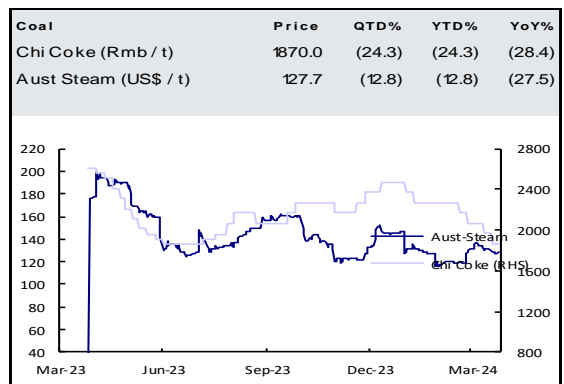
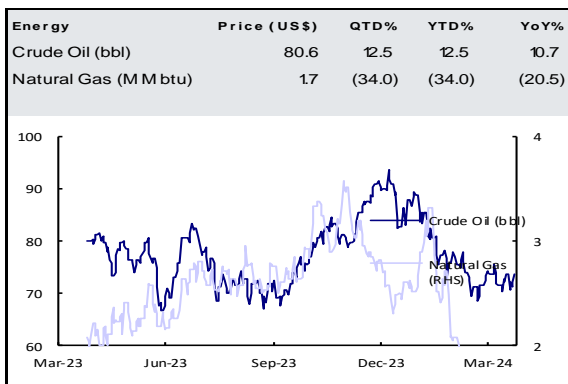
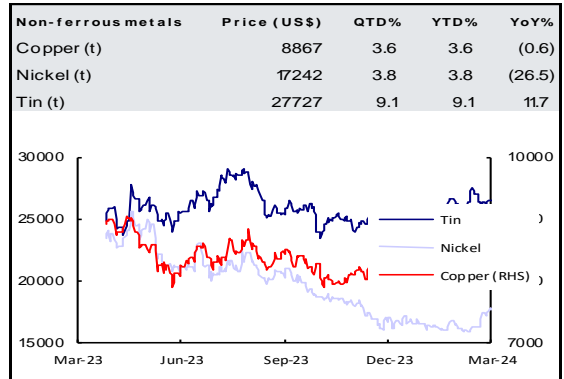
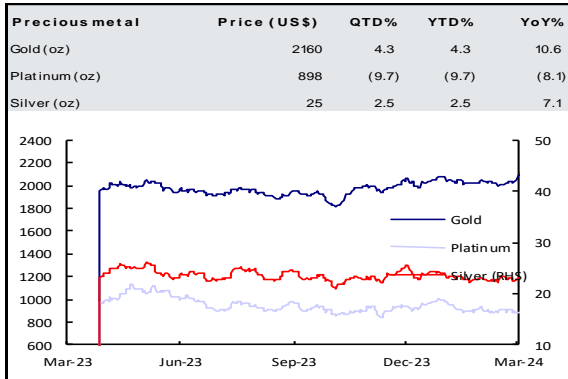
RMB mn	2021	2023	2023	1H22	2H22	1H23	2H23
Revenue	4,180	4,006	5,986	1,899	2,107	2,879	3,106
Tai Er	3,292	3,108	4,477	1,486	1,623	2,188	2,289
Jiumaojiu	760	606	630	312	293	318	312
Song Chongqing Hot Pot	87	260	807	82	178	352	454
Other	40	32	73	20	13	21	52
Store number	470	556	726	475	556	621	726
Tai Er	350	450	578	384	450	496	578
Jiumaojiu	83	76	77	77	76	75	77
Song Chongqing Hot Pot	9	27	62	11	27	43	62
Other	28	3	9	3	3	7	9
ASP (RMB)							
Tai Er	80	77	75	78	76	75	75
Jiumaojiu	59	55	58	58	52	59	57
Song Chongqing Hot Pot	129	128	113	130	127	120	108
Seat turn							
Tai Er	3.4	2.6	3.0	2.9		3.1	
Jiumaojiu	1.9	1.6	1.8	1.8		1.7	
Song Chongqing Hot Pot		2.5	2.8	2.4		2.8	

Source: Company report, Sunwah Kingsway Research

Kingsway coverage list

Name	Ticker	Market Cap (HK\$'m)	Price (HK\$)	1D (%)	Rec.	TP (HK\$)	Upside (%)	PER (X)*			Dividend FY2	Absolute performance			Latest update date
								Hist	FY1	FY2		5D%	1M%	3M%	
HANG SENG INDEX	HSI		16,473.64	(0.2)				8.7	8.0	7.5	4.7%	(1.6)	(1.0)	0.8	
HANG SENG CHINA ENT IND	HSCEI		5,754.65	(0.1)				8.1	7.8	6.8	4.2%	(1.6)	0.5	4.8	
CSI 300 INDEX	SHSZ300		3,525.76	(0.5)				13.1	13.1	9.9	3.0%	(2.2)	2.1	6.0	
FUYAO GLASS	3606 HK	115,408	38.80	1.2	LONG	41.50	7.0	16.6	14.5	12.4	4.4%	(0.8)	(1.1)	3.5	1-Sep-20
BEUR	3718 HK	1,778	0.50	1.0	LONG	1.80	260.0	5.8	3.7	2.8	9.6%	0.0	(3.8)	6.4	30-Mar-21
BINJIANG SERVICES	3316 HK	4,843	17.52	4.7	LONG	23.50	34.1	9.1	6.6	5.2	11.1%	4.9	1.3	12.3	N/A
BYDE	285 HK	66,470	29.50	(3.9)	NEUTRAL	17.60	(40.3)	22.4	16.0	12.0	1.2%	(3.1)	(0.7)	(13.2)	N/A
CHINA LILANG	1234 HK	5,712	4.77	(0.8)	LONG	5.32	11.5	9.9	8.5	7.7	8.6%	12.2	14.9	15.2	N/A
CHINASOFT INTL	354 HK	13,983	4.81	(3.0)	LONG	12.80	166.1	23.5	15.0	11.4	1.1%	(13.0)	(4.4)	(17.4)	27-Oct-20
CHINA TIAN LUN GAS	1600 HK	4,703	4.79	0.0	LONG	8.70	81.6	9.4	7.1	6.1	4.6%	0.0	10.1	37.6	26-Feb-20
DUIBA GROUP	1753 HK	345	0.32	6.7	LONG	5.55	1634.4	8.1	N/A**	N/A**	N/A**	16.4	12.3	16.4	N/A
EDVANTAGE GROUP	382 HK	2,775	2.43	(0.4)	LONG	4.50	85.2	4.0	3.5	3.1	8.8%	(9.7)	(7.3)	1.7	3-May-22
EVERGREEN PG	1962 HK	325	0.50	(2.9)	LONG	1.75	253.5	6.3	N/A**	N/A**	N/A**	(4.8)	(2.9)	(1.0)	26-Jan-21
HUAHONG SEMI	1347 HK	34,479	15.46	(2.0)	NEUTRAL	26.30	70.1	9.6	23.8	11.9	0.0%	(9.7)	(4.1)	(13.6)	29-Jul-21
KINGDEE INTL	268 HK	32,880	9.15	(2.7)	NEUTRAL	17.62	92.6	N/A**	N/A**	105.5	0.0%	0.4	11.6	(15.1)	20-Aug-20
MEIDONG AUTO	1268 HK	3,998	2.97	(2.0)	LONG	19.76	565.3	16.3	27.1	7.7	6.0%	(5.1)	(7.8)	(29.8)	3-Apr-23
MINGYUAN CLOUD	909 HK	4,875	2.51	(0.4)	NEUTRAL	28.00	1015.5	N/A**	N/A**	100.6	0.6%	7.3	5.5	(7.4)	N/A
PLOVER BAY TECH	1523 HK	2,663	2.42	2.5	LONG	1.70	(29.8)	12.1	10.3	9.1	1.2%	7.1	5.8	26.1	6-Aug-20
POU SHENG INTL	3813 HK	3,675	0.69	0.0	LONG	2.80	305.8	6.7	5.3	4.4	7.4%	1.5	16.9	1.5	16-Nov-20
Q TECH	1478 HK	3,589	3.03	(6.2)	NEUTRAL	4.97	64.0	40.1	10.3	7.1	0.8%	(7.3)	(3.8)	(28.0)	10-Aug-22
SUNNY OPTICAL	2382 HK	47,161	43.00	(1.6)	LONG	160.80	274.0	39.4	19.9	15.0	1.1%	(21.5)	(17.4)	(38.7)	17-Aug-22
TRYLY INTL	732 HK	2,434	0.77	5.5	LONG	2.80	263.6	N/A**	N/A**	N/A**	N/A**	1.3	5.5	6.9	8-Apr-21
XINYI ENERGY	3868 HK	9,247	1.12	0.0	LONG	1.62	44.6	8.8	7.6	6.7	7.4%	(4.3)	0.9	(18.2)	29-Feb-24
XINYI GLASS	868 HK	34,920	8.27	(1.2)	LONG	18.60	124.9	6.4	6.0	6.1	8.2%	(7.7)	11.9	(1.2)	28-Feb-23
XINYI SOLAR	968 HK	54,876	6.16	(2.4)	LONG	7.20	16.9	13.1	10.5	8.2	5.7%	(1.4)	54.8	47.7	29-Feb-24
XTEP INTL	1368 HK	12,468	4.72	(3.1)	LONG	11.91	152.3	10.7	9.4	8.1	5.9%	4.0	11.3	6.8	17-Apr-23
YONGDA AUTO	3669 HK	4,530	2.35	(5.2)	LONG	6.73	186.4	3.7	5.0	3.8	9.4%	(9.6)	0.9	(15.2)	28-Mar-23
YUEXU PROPERTY	123 HK	18,074	4.49	0.4	LONG	13.00	189.5	3.1	3.9	3.7	9.8%	(6.8)	(18.4)	(27.5)	10-Feb-23
WEIMOB	2013 HK	5,673	2.03	(1.0)	LONG	14.40	609.4	N/A**	N/A**	1871.8	0.0%	(8.1)	(4.7)	(24.5)	25-Nov-21

Market Watch – Major Commodities and Currencies



Source: Bloomberg

US Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
New home Sales	MoM		25-Mar-24
Durable Goods Orders	MoM		26-Mar-24
Consumer Confidence	MoM		26-Mar-24
Initial Jobless Claims	WoW		28-Mar-24
GDP	QoQ		28-Mar-24
Wholesale Inventories	MoM		29-Mar-24
Personal Income & Spending	MoM		29-Mar-24
ISM Manufacturing PMI	MoM		1-Apr-24
Factory Orders	MoM		2-Apr-24
Trade Balance	MoM		4-Apr-24
Employment Report	MoM		5-Apr-24
CPI	MoM		10-Apr-24
PPI	MoM		11-Apr-24
Business Inventories	MoM		15-Apr-24
Retail Sales	MoM		15-Apr-24
Housing Starts / Building Permits	MoM		16-Apr-24
Industrial Production	MoM		16-Apr-24
Existing Home Sales	MoM		18-Apr-24
Auto Sales	MoM		

China Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
PMI Manufacturing	MoM		31-Mar-24
Foreign Exchange Reserves	QoQ		7-Apr-24
Money Supply - M2	MoM		9-Apr-24
PPI	MoM		11-Apr-24
CPI	MoM		11-Apr-24
Trade Balance	MoM		12-Apr-24
Retail Sales	MoM		16-Apr-24
Industrial Production	MoM		16-Apr-24
GDP	YoY		16-Apr-24

Hong Kong Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
Trade Balance	MoM		26-Mar-24
Money Supply - M2	MoM		28-Mar-24
Retail Sales	MoM		3-Apr-24
PMI	MoM		5-Apr-24
Foreign Currency Reserve	MoM		9-Apr-24
Unemployment Rate	MoM		18-Apr-24
CPI	MoM		23-Apr-24
GDP	QoQ		2-May-24
Producer Prices Index	QoQ		14-Jun-24
Industrial Production	QoQ		14-Jun-24
Composite Interest Rate	MoM		

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Notice of interest disclosure filed by substantial shareholders for the two previous trading days			
Name of listed corporation	Name of substantial share holder	No. of shares bought/sold/involved	Average price per share
ENN Energy Holdings Ltd.	WANG Dongzhi	5,000(L)	HKD 62.2000
Budweiser Brew ing Co. APAC Ltd.	Craps Jan Eli B.	1,754,159(L)	HKD 0.0000
Finsoft Financial Investment Holdings Ltd.	Zhang Xiongfeng	7,920,000(L)	HKD 0.0810
FriendTimes Inc.	Friends Together Holdings Limited	64,870,000(L)	HKD 0.0000
FriendTimes Inc.	TMF Trust (HK) Limited	64,870,000(L)	HKD 0.0000
Genscript Biotech Corporation	Zhu Li	28,094(L)	HKD 14.5197
Grand Pharmaceutical Group Ltd.	Zhou Chao	49,500(L)	HKD 4.0500
KPa-BM Holdings Ltd.	Wai Yat Kin	10,000(L)	HKD 0.3000
KPa-BM Holdings Ltd.	Yip Pak Hung	10,000(L)	HKD 0.3000
Liu Chong Hing Investment Ltd.	Alba Holdings Limited	88,000(L)	HKD 4.6480
Liu Chong Hing Investment Ltd.	LIU LIT CHI	88,000(L)	HKD 4.6480
Minsheng Education Group Co. Ltd.	Li Xuechun	500,000(L)	HKD 0.2801
Minsheng Education Group Co. Ltd.	民生集团有限公司	500,000(L)	HKD 0.2801
Samsonte International S.A.	KORBAS TOM	350,000(L)	HKD 28.4874
Samsonte International S.A.	KORBAS TOM	350,000(L)	HKD 23.3100
Sino Land Co. Ltd.	Ng Chee Siong	20,000(L)	HKD 8.2390
Sirnaomics Ltd. - B	Dai Xiaochang	1,163,600(L)	HKD 8.1251
Tai Hing Group Holdings Ltd.	Chan Wing On	143,000(L)	HKD 0.8928
Tai Hing Group Holdings Ltd.	Leung Yi Ling	143,000(L)	HKD 0.8928
UMP Healthcare Holdings Ltd.	Sun Yiu Kwong	50,000(L)	HKD 0.4850
Wai Hung Group Holdings Ltd.	Chen Guanqi	31,432,500(L)	HKD 0.7559
Wai Hung Group Holdings Ltd.	Daily Charm Inc.	31,432,500(L)	HKD 0.7559
Xinte Energy Co., Ltd. - H Shares	上海宁泉资产管理有限公司	1,376,000(L)	HKD 10.0834

Source: HKEx

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