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Blue Moon Group Holdings Limited

藍月亮集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6993)

PROFIT WARNING

This announcement is made by Blue Moon Group Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) 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 in the Listing Rules) under Part XIVA of the Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders (the “**Shareholders**”) and potential investors of the Company that, based on preliminary information including the unaudited management accounts of the Group:

- the revenue of the Group is expected to be approximately HK\$8,500 million for the year ended 31 December 2024 (“**FY2024**”), representing an increase of approximately 16% as compared to the revenue of approximately HK\$7,324 million for the year ended 31 December 2023 (“**FY2023**”);
- the gross profit margin of the Group is expected to remain stable at approximately 61% for FY2024; and
- the Group expects to record a consolidated loss attributable to equity holders of the Company of approximately HK\$700 million to HK\$750 million for FY2024. The consolidated loss attributable to equity holders of the Company for the six months ended 30 June 2024 was approximately HK\$664 million, whereas the consolidated profit attributable to equity holders of the Company for FY2023 was approximately HK\$325 million.

The Group recognizes that the key to promoting the industry into a new era is to change the traditional perception of laundry and raise public awareness of efficient and convenient cleaning methods. The Group revolutionized the liquid laundry detergent market with its Zhizun series of concentrated liquid laundry detergents. The Group has actively carried out laundry science popularization and disseminated scientific cleaning methods to drive the learning of cleaning-related knowledge and solve daily laundry problems. It launched the campaign of “Scientific Laundry Across China” (科學洗衣中國行) and provided difficult-to-clean washing services. The Group promoted the development of its intellectual property rights and enhanced brand reputation through multiple online and offline channels.

These efforts have yielded positive feedbacks from consumers. The matrix of learning content built up from the Group’s knowledge-based marketing efforts is gradually penetrating into the market, influencing consumers and leading to the transformation of consumption behavior. The Group recorded an increase in sales across all product categories and all sales channels except for direct sales to key account channels and recorded an overall increase in sales of not less than approximately 16% in FY2024 as compared to FY2023, leading to a higher gross profit for FY2024. The sales recorded from the new e-commerce channel increased by approximately 2.1 times in FY2024 as compared to FY2023. Due to the increased selling activities in FY2024, there was a corresponding increase in selling and distribution expenses, including expenses for the promotion of new products, the expansion of business in developing new e-commerce channels and brand building, resulting in a consolidated loss of approximately HK\$700 million to HK\$750 million in FY2024. However, the Group believes that its strategic investments and efforts will substantially change the way consumers live, bringing unprecedented convenience and surprises.

In face of the evolving changes in consumption patterns and consumption needs, the Group has strategically adjusted its product placement and sales model on e-commerce platforms to reach out to consumers more effectively and enhance its overall online presence. The Group has also increased its selling and distribution expenses on online e-commerce platforms in FY2024 which will help consolidate its market position on these online e-commerce platforms and fuel long-term sales growth. During the “Double 11 Shopping Festival” in FY2024, the Group kept its leading position and ranked first in terms of cumulative sales on multiple major e-commerce platforms, which demonstrates that the Group’s strategies are forward-looking and effective.

Leading consumers to accept a series of innovative products and cleaning methods will undoubtedly require time, significant investment, and extensive promotion. This is a strategic investment and decision of the Group, indicating the coming of a new era of laundry industry and the innovation of cleaning methods. All of these efforts aim to benefit consumers and promote the upgrade of the industry. We firmly believe that, through continuous investment in knowledge-based marketing and market cultivation, the Group will lead China’s laundry industry into a new era.

The Board is of the view that despite the expected consolidated loss, the overall operation of the Group remains sound, and the financial position of the Group remains healthy. Based on preliminary information including the unaudited management accounts of the Group, as at 31 December 2024, the cash and cash equivalents of the Group amounted to approximately HK\$5,300 million.

The information contained in this announcement is only based on the Company’s preliminary assessment of information including the unaudited management accounts of the Group currently available which has not been reviewed by its auditors nor reviewed or approved by the audit committee of the Board. The above information may therefore be different from the audited consolidated annual results of the Group for FY2024. The Company is in the process of preparing for and finalizing the annual results for FY2024 and expects to publish the annual results announcement of the Company on or before 31 March 2025.

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

By Order of the Board
Blue Moon Group Holdings Limited
PAN Dong
Chairman & Executive Director

Hong Kong, 10 January 2025

As at the date of this announcement, the Board comprises Ms. PAN Dong, Mr. LUO Qiuping, Ms. LUO Dong, Mr. POON Kwok Leung and Ms. XIAO Haishan as Executive Directors; and Mr. Bruno Robert MERCIER, Ms. NGAN Edith Manling and Mr. HU Yebi as Independent Non-executive Directors.