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Volcano Spring International Holdings Limited

火山邑動國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1715)

PROFIT WARNING

This announcement is made by Volcano Spring International Holdings Limited (the “**Company**” and its subsidiaries, collectively the “**Group**”) 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 in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and the potential investors that, based on the unaudited consolidated management accounts of the Group for the six months ended 30 June 2024 and information currently available to the Company, the Group expects to record a net loss after tax of not less than approximately RMB23.0 million for the six months ended 30 June 2024, as compared with a net loss after tax of approximately RMB20.6 million for the corresponding period in 2023.

During the six months ended 30 June 2024, the Group continued to suffer from deteriorating economic growth as well as high inflation and interest rates. Consumers remained prudent about spending. These factors had an adverse impact on the Group’s financial performance. The increase in expected net loss for the six months ended 30 June 2024 is primarily attributed to (i) a decrease in revenue by approximately 40% from approximately RMB51.7 million for the six months ended 30 June 2023; and (ii) an increase in impairment loss on financial assets by approximately RMB3.2 million, but partially offset by the decrease in selling and distribution expenses.

The Company is still in the process of preparing the consolidated financial results of the Group for the six months ended 30 June 2024. The information contained in this announcement is only based on the information currently available to the Company and the preliminary review by the Board on the unaudited consolidated management accounts of the Group for the six months ended 30 June 2024, which have not been reviewed or audited by the independent auditors and/or the audit committee of the Company. The actual financial results of the Group for the six months ended 30 June 2024 may differ from what is disclosed in this announcement. Shareholders and potential investors are advised to read carefully the interim results announcement of the Company for the six months ended 30 June 2024, which is expected to be published in August 2024 in accordance with the requirements of the Listing Rules.

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

By order of the Board
Volcano Spring International Holdings Limited
Zhao Jie
Executive Director

Hong Kong, 8 August 2024

As at the date of this announcement, the executive Directors of the Company are Mr. Zhao Jie, Madam Maeck Can Yue and Mr. Wu Huizhang, and the independent non-executive Directors of the Company are Mr. Wang Shih-fang, Mr. Shen Shujing, Mr. Lin Dongming and Mr. Li Wei.