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Qinqin Foodstuffs Group (Cayman) Company Limited
親親食品集團（開曼）股份有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1583)

POSITIVE PROFIT ALERT

This announcement is made by Qinqin Foodstuffs Group (Cayman) Company Limited (the “**Company**”, and together with its subsidiaries, 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 under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that based on a preliminary review and assessment on the Group’s draft unaudited consolidated management accounts for the eleven months ended 30 November 2019 (the “**Period**”) and the information currently available to the Board, it is expected that the Group may record an increase in its consolidated net profit for the Period by approximately 1.5 times as compared to the consolidated net profit of approximately RMB32.8 million for the year ended 31 December 2018.

Despite the decrease in sales volume and total revenue during the Period, the significant increase in the consolidated net profit is mainly due to the Group focusing on the development of new and high-margin products. During the Period, the Group proactively increased its promotion and related sales expenditures on its new and high-margin products, whilst product promotional activities and expenses on its existing and low-margin products were reduced. These strategic adjustments led to a drop in the sales volume of its existing and low-margin products and a decrease in total revenue during the Period accordingly. However, as the proportion of sales of new and high-margin products to total sales has been increased, together with the impact from sales strategies adjustments to reduce its promotional activities and expenses on its existing and low-margin products, such factors therefore resulted in a proportionately greater decrease in cost of goods sold figure for the Period as compared with total revenue, and the Group’s gross profit margin, operating profit and consolidated net profit have all increased during the Period.

In addition, in order to optimise the Group’s resources and to facilitate the development of new production base, the Group disposed certain land use rights and property with a net gain of approximately RMB22.8 million during the Period, which also resulted in the increase in the consolidated net profit for the Period.

This positive profit alert announcement is only based on the Board's preliminary review and assessment on the Group's draft unaudited consolidated management accounts for the eleven months ended 30 November 2019 and information currently available to the Board which are subject to finalisation and other potential adjustments, if any, and have not been confirmed, reviewed or audited by the Company's auditor. The Directors wish to emphasise that the results of the Group for the year ending 31 December 2019 will be affected by a number of other factors. Further announcement(s) will be made by the Company if there is any significant change to the Group's performance for the year ending 31 December 2019.

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

By Order of the Board of
Qinqin Foodstuffs Group (Cayman) Company Limited
Hui Ching Lau
Chairman and Executive Director

Hong Kong, 17 December 2019

As of the date of this announcement, the Board comprises 11 Directors, of which two are executive Directors, namely Mr. Hui Ching Lau (Chairman) and Mr. Wong Wai Leung (Chief Financial Officer and Company Secretary); five are non-executive Directors, namely Mr. Hui Lin Chit, Mr. Sze Man Bok, Mr. Wu Huolu, Mr. Wu Sichuan and Mr. Wu Yinhang; and four are independent non-executive Directors, namely Mr. Cai Meng, Mr. Chan Yiu Fai Youdey, Mr. Ng Swee Leng and Mr. Paul Marin Theil.