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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)

PROFIT ALERT ANNOUNCEMENT

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 year ended 31 December 2020 and the information currently available to the Group, it is expected that the Group may record an increase in revenue and gross profit for the year ended 31 December 2020 as compared to 2019 by approximately 15% and 3%, respectively. The increase in revenue and gross profit was due to the increase in overall sales volume, which was mainly attributable to the Group’s continuous adjustments on product mix and sales strategies, its focus on new products development to enrich the product portfolio, and the development of e-commerce business.

Despite the fact that the Board expects increases in revenue and gross profit in 2020, the consolidated net profit of the Group for the year ended 31 December 2020 is expected to substantially decrease approximately by 80% as compared to 2019, which reduction was mainly attributable to the following:

- (i) the one-off gain on disposal of certain land use rights and property of the Group in 2019 of approximately RMB23.8 million, whereas there was no such disposal gain in 2020;
- (ii) as the Hong Kong dollar (“**HKD**”) and the United States Dollar (“**USD**”) depreciated against the Renminbi (“**RMB**”) in 2020, the Group recorded a foreign exchange loss in relation to its cash and cash equivalent denominated in HKD and USD totaling approximately RMB12.2 million, whereas a foreign exchange gain of RMB13.1 million was recorded in 2019 when HKD and USD appreciated against RMB; and

- (iii) the Group strategically invested additional efforts and resources into e-commerce channels to achieve sales volume growth and increased the percentage of new retail channels to facilitate further long-term growth of the Group's business. Based on its strategic decision, the products sold by the Group through e-commerce channels in 2020 carry a lower net selling price due to higher intensity of product promotional activities and channel expenses, resulting in a net loss recorded on e-commerce business for the year, and also offsetting the increase in gross profit and net profit driven by the increase in overall sales volume.

The Company is still in the process of finalising the financial results of the Group for the year ended 31 December 2020. This profit alert announcement is only based on the Board's preliminary assessment of the draft unaudited consolidated management accounts of the Group and information currently available to the Board which are subject to finalisation and other potential adjustments, if any, and have not been confirmed or audited by the Company's auditor. Shareholders and potential investors of the Company are advised to read carefully the results announcement of the Company for the year ended 31 December 2020, which is expected to be published in March 2021.

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, 26 February 2021

As of the date of this announcement, the Board comprises 12 directors, of which three are executive Directors, namely Mr. Hui Ching Lau (Chairman), Mr. Wong Wai Leung (Chief Financial Officer and Company Secretary) and Mr. Wu Wenxu; 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.