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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, collectively as the “**Group**”) pursuant to Rule 13.09(2)(a) 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 of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that based on a preliminary review and assessment of the Group’s draft unaudited consolidated management accounts for the six months ended 30 June 2023 (the “**Period**”) and the information currently available to the Board, it is expected that the Group may record (i) an increase in revenue of approximately RMB37 million from approximately RMB532 million for the six months ended 30 June 2022 to approximately RMB569 million for the Period, representing an increase of approximately 7% for the Period as compared to the corresponding period in 2022, and (ii) an increase in consolidated net profit of approximately RMB22 million from approximately RMB4 million for the six months ended 30 June 2022 to approximately RMB26 million for the Period, representing an increase of approximately 4.8 times.

The increase in revenue and net profit of the Group for the Period was mainly attributable to the following factors:

- (i) the overall sales volume of the Group's products increased during the Period, which was due to the Group's continuous expansion of distribution channels and the increase in sales in new snack food chains. In addition, several new production bases of the Group have increased the overall production capacity, thereby facilitated the development and growth of product sales in local surrounding areas nearby the new production bases. During the Period, the selling prices of the Group’s products were adjusted upwards when compared to the same period last year, and the cost of raw materials decreased slightly, resulting in an increase in gross profit and gross profit margin of approximately RMB22 million and 2% respectively for the Period when compared to the corresponding period in 2022;

- (ii) the Group held unlisted investment fund units which were measured at fair value through profit or loss. During the Period, the Group disposed of such unlisted investment fund units and recorded a net loss of approximately RMB8 million (for the six months ended 30 June 2022: net loss arising from changes in fair value through profit or loss of approximately RMB14 million). The relevant net loss for the Period decreased by approximately RMB6 million as compared to the corresponding period in 2022; and
- (iii) during the Period, the amount of government grants received by the Group from various local government authorities in Mainland China decreased by approximately RMB5 million compared to the same period in 2022.

The Company is still in the process of finalising the financial results of the Group for the Period. This positive profit alert announcement is only based on the Board's preliminary review and assessment of the draft unaudited consolidated management accounts of the Group for the Period and information currently available to the Board which are subject to finalisation and other potential adjustments, if any, and have not been reviewed or audited by the Company's auditor or reviewed by the Audit Committee of the Company. Shareholders and potential investors of the Company are advised to read carefully the results announcement of the Company for the Period, which is expected to be published in August 2023.

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, 21 July 2023

As of the date of this announcement, the Board comprises 11 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 (Chief Executive Officer); four are non-executive Directors, namely 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.