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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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

FINANCIAL HIGHLIGHTS			
KEY FINANCIAL PERFORMANCE AND RATIOS			
For the year ended 31 December	2025	2024	Changes
	RMB'000	RMB'000	
Revenue	911,461	996,497	-8.5%
Gross profit	249,647	282,068	-11.5%
Gross profit margin	27.4%	28.3%	-0.9% points
(Loss)/profit attributable to equity shareholders of the Company	(2,241)	21,130	-110.6%
Adjusted EBITDA ⁽¹⁾	80,558	101,306	-20.5%
(Loss)/earnings per share			
– Basic	RMB(0.003)	RMB0.028	
– Diluted	RMB(0.003)	RMB0.028	
Final dividend per share (proposed)	RMB0.030	RMB0.020	
As at 31 December	2025	2024	Changes
	RMB'000	RMB'000	
Total assets	1,751,265	1,943,865	-9.9%
Net cash position ⁽²⁾	380,792	415,079	-8.3%
Net current assets	200,952	182,113	10.3%
Total equity attributable to equity shareholders of the Company	1,204,970	1,219,861	-1.2%
Return on equity ⁽³⁾	-0.2%	1.7%	-1.9% points
Net asset per share	RMB1.6	RMB1.6	
Finished goods turnover days ⁽⁴⁾	13 days	12 days	
Trade receivables turnover days ⁽⁵⁾	8 days	4 days	

Notes:

- (1) Adjusted EBITDA is not measure of performance under HKFRS Accounting Standards. This measure does not represent, and should not be used as substitute for, net profit or cash flows from operations as determined in accordance with HKFRS Accounting Standards. Therefore, it is not necessarily an indication of whether cash flow will be sufficient to fund the cash requirements of the Group. In addition, Adjusted EBITDA referred to in this announcement does not have a standardised meaning prescribed by HKFRS Accounting Standards and therefore may not be comparable to other similarly titled measures used by other listed issuers. The reconciliation from (loss)/profit for the year to Adjusted EBITDA and related explanation notes are set out in the section headed “Management Discussion and Analysis” on page 26 of this announcement.
- (2) Net cash position is equal to the sum of restricted bank deposits and cash and bank balances net of bank borrowings.
- (3) Return on equity is equal to loss or profit attributable to equity shareholders divided by total shareholders’ equity at the end of the relevant year.
- (4) Finished goods turnover days is equal to the average balance of finished goods divided by the cost of sales and multiplied by the number of days in the relevant year.
- (5) Trade receivables turnover days is equal to the average balance of trade receivables divided by the revenue and multiplied by the number of days in the relevant year.

RESULTS

The Board of Directors of Qinqin Foodstuffs Group (Cayman) Company Limited (the “Company”) is pleased to announce the consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2025, together with the comparative figures for the previous year, as follows:

CONSOLIDATED INCOME STATEMENT

		2025	2024
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	3	911,461	996,497
Cost of goods sold	4	<u>(661,814)</u>	<u>(714,429)</u>
Gross profit		249,647	282,068
Distribution cost and selling expenses	4	(123,851)	(128,236)
Administrative expenses	4	(137,149)	(140,291)
Other income and other gains – net	5	<u>12,525</u>	<u>6,618</u>
Operating profit		1,172	20,159
Finance income	6	9,921	12,781
Finance costs	6	<u>(9,206)</u>	<u>(8,743)</u>
Finance income – net		<u>715</u>	4,038
Share of net loss of an associate		<u>(709)</u>	<u>(133)</u>
Profit before income tax		1,178	24,064
Income tax expense	7	<u>(3,419)</u>	<u>(2,934)</u>
(Loss)/profit for the year		<u>(2,241)</u>	<u>21,130</u>
(Loss)/earnings per share			
– Basic (loss)/earnings per share (expressed in RMB per share)	8	<u>RMB (0.003)</u>	<u>RMB0.028</u>
– Diluted (loss)/earnings per share (expressed in RMB per share)	8	<u>RMB (0.003)</u>	<u>RMB0.028</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	2025	2024
	RMB'000	RMB'000
(Loss)/profit for the year	(2,241)	21,130
Other comprehensive income/(loss)		
<i>Items that may not be reclassified to profit or loss</i>		
Gain on revaluation of investment properties, net of tax	5,229	1,044
Fair value losses on financial assets at fair value through other comprehensive income, net of tax	<u>(1,275)</u>	<u>(3,837)</u>
Other comprehensive income/(loss) for the year, net of tax	<u>3,954</u>	<u>(2,793)</u>
Total comprehensive income for the year	<u>1,713</u>	<u>18,337</u>

CONSOLIDATED BALANCE SHEET

		2025	2024
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
Assets			
Non-current assets			
Property, plant and equipment		887,330	1,011,799
Construction-in-progress		9,257	15,407
Right-of-use assets	<i>10</i>	50,581	70,465
Investment properties	<i>11</i>	88,234	34,232
Intangible assets		1,091	1,417
Prepayments for non-current assets		6,538	5,852
Deferred income tax assets		21,774	22,027
Investment in an associate	<i>12</i>	9,561	10,270
Financial assets at fair value through other comprehensive income	<i>13</i>	17,167	18,867
		<u>1,091,533</u>	<u>1,190,336</u>
Current assets			
Inventories		110,277	129,174
Trade receivables	<i>14</i>	24,199	15,037
Other receivables, prepayments and deposits		11,614	17,795
Financial assets at fair value through profit or loss	<i>15</i>	2,000	2,000
Current income tax recoverable		–	1,977
Restricted bank deposits		31,260	43,171
Cash and bank balances		456,812	544,375
		636,162	753,529
Assets classified as held for sale		23,570	–
		<u>659,732</u>	<u>753,529</u>
Total assets		<u><u>1,751,265</u></u>	<u><u>1,943,865</u></u>

CONSOLIDATED BALANCE SHEET (Continued)

		2025	2024
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
Equity			
Share capital		6,433	6,433
Other reserves		691,993	699,907
Retained earnings		<u>506,544</u>	<u>513,521</u>
Total equity		<u>1,204,970</u>	<u>1,219,861</u>
Liabilities			
Non-current liabilities			
Borrowings	17	84,320	143,734
Deferred income tax liabilities		<u>3,195</u>	<u>8,854</u>
		<u>87,515</u>	<u>152,588</u>
Current liabilities			
Trade and bills payables	16	276,048	316,148
Other payables and accrued charges		96,812	160,804
Contract liabilities		56,556	65,731
Current income tax liabilities		6,289	–
Borrowings	17	<u>22,960</u>	<u>28,733</u>
		458,665	571,416
Liabilities associated with assets classified as held for sale		<u>115</u>	<u>–</u>
		<u>458,780</u>	<u>571,416</u>
Total liabilities		<u>546,295</u>	<u>724,004</u>
Total equity and liabilities		<u>1,751,265</u>	<u>1,943,865</u>

1 GENERAL INFORMATION

Qinqin Foodstuffs Group (Cayman) Company Limited (the “**Company**”) was incorporated in the Cayman Islands on 14 January 2016 as an exempted company with limited liability under the Companies Act of the Cayman Islands. The address of the Company’s registered office is Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands. The address of the Company’s principal business place is Unit 2601, 26th Floor, Admiralty Centre, Tower 1, 18 Harcourt Road, Admiralty, Hong Kong.

The Company is an investment holding company and its subsidiaries (together, the “**Group**”) are principally engaged in the manufacturing, distribution and sale of food and snack products in the People’s Republic of China (the “**PRC**”).

The Company’s shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) since 8 July 2016.

The ultimate holding company of the Company is Sure Wonder Limited, a company incorporated in the British Virgin Islands (“**BVI**”), which is wholly owned by Mr. Hui Ching Lau. The ultimate controlling party of the Group is Mr. Hui Ching Lau.

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES INFORMATION

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”) and by the disclosure requirements of the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared under the historical cost convention, except for investment properties and certain financial assets measured at fair value.

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES INFORMATION

(Continued)

(1) Amended standards adopted by the Group

The Group has applied the following amendments to a HKFRS Accounting Standard for the first time for their annual reporting period commencing on 1 January 2025:

Amendments to HKAS 21 Lack of Exchangeability

The application of the amendments to a HKFRS Accounting Standard in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

(2) New and amended standards not yet adopted

The following new and amendments to HKFRS Accounting Standards relevant to the Group have been issued but are not effective for the financial year beginning on 1 January 2025 and have not been early adopted by the Group:

Standards		Effective for annual periods beginning on or after
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity	1 January 2026
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards — Volume 11	1 January 2026
HKFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027

HKFRS 18 Presentation and Disclosure in Financial Statements, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 Presentation of Financial Statements. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the income statement; provides disclosures on management-defined performance measures in the notes to the financial statements and improves aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and HKFRS 7 Financial Instruments: Disclosures – Gain or loss on derecognition. Minor amendments to HKAS 7 Statement of Cash Flows and HKAS 33 Earnings per Share are also made.

3 REVENUE AND SEGMENT INFORMATION

An analysis of the Group's revenue and contribution to the operating profit by business segments is as follows:

	Year ended 31 December 2025				Group RMB'000
	Jelly Products RMB'000	Crackers and Chips RMB'000	Seasoning Products RMB'000	Confectionery and Other Products RMB'000	
Revenue – recognised at a point in time					
Sales to external customers	486,652	297,047	62,191	65,571	911,461
Cost of goods sold	(358,297)	(211,018)	(40,035)	(52,464)	(661,814)
Results of reportable segments	128,355	86,029	22,156	13,107	249,647

A reconciliation of results of reportable segments to loss for the year is as follows:

Results of reportable segments	249,647
Distribution cost and selling expenses	(123,851)
Administrative expenses	(137,149)
Other income and other gains – net	12,525
Finance income	9,921
Finance costs	(9,206)
Share of net loss of an associate	(709)
Profit before income tax	1,178
Income tax expense	(3,419)
Loss for the year	(2,241)

Other segment information is as follows:

Depreciation and amortisation charges					
Allocated	44,252	24,100	5,616	7,537	81,505
Unallocated					65
					81,570
Capital expenditures					
Allocated	16,991	11,651	5,524	1,541	35,707
Unallocated					–
					35,707

3 REVENUE AND SEGMENT INFORMATION (Continued)

	Year ended 31 December 2024				Group RMB'000
	Jelly Products RMB'000	Crackers and Chips RMB'000	Seasoning Products RMB'000	Confectionery and Other Products RMB'000	
Revenue – recognised at a point in time					
Sales to external customers	530,638	311,725	73,684	80,450	996,497
Cost of goods sold	(378,837)	(225,393)	(48,079)	(62,120)	(714,429)
Results of reportable segments	<u>151,801</u>	<u>86,332</u>	<u>25,605</u>	<u>18,330</u>	<u>282,068</u>

A reconciliation of results of reportable segments to profit for the year is as follows:

Results of reportable segments	282,068
Distribution cost and selling expenses	(128,236)
Administrative expenses	(140,291)
Other income and other gains – net	6,618
Finance income	12,781
Finance costs	(8,743)
Share of net loss of an associate	(133)
Profit before income tax	24,064
Income tax expense	(2,934)
Profit for the year	<u>21,130</u>

Other segment information is as follows:

Depreciation and amortisation charges					
Allocated	<u>45,351</u>	<u>26,501</u>	<u>5,701</u>	<u>8,334</u>	85,887
Unallocated					<u>81</u>
					<u>85,968</u>
Capital expenditures					
Allocated	<u>4,716</u>	<u>2,441</u>	<u>2,550</u>	<u>3,203</u>	12,910
Unallocated					<u>9</u>
					<u>12,919</u>

3 REVENUE AND SEGMENT INFORMATION (Continued)

Geographical information

Over 90% of the Group's revenue and operating profit were generated from the sales in the PRC and over 90% of the Group's non-current assets were located in the PRC, therefore no geographical information is presented in accordance with HKFRS 8 Operating Segments.

Major customers

None of the Group's sales to a single customer accounting to 10% or more of the Group's total revenue for both years, therefore no major customer information is presented in accordance with HKFRS 8 Operating Segments.

4 EXPENSES BY NATURE

Expenses included in cost of goods sold, distribution and selling expenses and administrative expenses were analysed as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Raw materials and consumables used	433,506	490,083
Changes in inventories of work-in-progress and finished goods	15,166	6,445
Employee benefit expense, including directors' emoluments	191,453	196,798
Utilities and various office expenses	83,319	90,670
Transportation and packaging expenses	54,349	56,960
Depreciation of property, plant and equipment	79,828	83,715
Travelling expenses	16,358	18,136
Marketing and advertising expenses	12,299	8,037
Research and development expenses	6,543	6,052
(Reversal of)/provision for decline in value of inventories	(501)	1,006
Short-term lease expenses (<i>note 10</i>)	966	1,222
Amortisation of right-of-use assets (<i>note 10</i>)	1,416	1,876
Auditor's remuneration	1,300	1,260
Amortisation of intangible assets	326	377
Others	26,486	20,319
	<hr/>	<hr/>
Total cost of goods sold, distribution cost and selling expenses and administrative expenses	922,814	982,956

5 OTHER INCOME AND OTHER GAINS – NET

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Government grants	5,105	1,754
Net fair value gain on investment properties (<i>note 11</i>)	1,128	3,287
Compensation payment from suppliers	1	58
Gain on early termination of a lease contract	–	3,061
Impairment loss of construction-in-progress	(6,683)	–
Penalty income	976	1,083
Gains on write-off of payables	788	337
Gains/(losses) on disposal of property, plant and equipment – net	5,084	(6,026)
Operating lease income	6,708	4,060
Others	(582)	(996)
	<u>12,525</u>	<u>6,618</u>

Government grants received during the year primarily comprised financial subsidies received from various local government authorities in the PRC. There are no unfulfilled conditions or contingencies relating to these government grants.

6 FINANCE INCOME AND FINANCE COSTS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Finance income:		
Exchange gains, net	–	741
Interest income from bank deposits	9,921	12,040
	<u>9,921</u>	<u>12,781</u>
Finance costs:		
Interest expense for borrowings	(5,431)	(7,058)
Interest expense for lease liabilities	–	(151)
Exchange losses, net	(2,719)	–
Other finance charges	(1,056)	(1,534)
	<u>(9,206)</u>	<u>(8,743)</u>
Finance income – net	<u>715</u>	<u>4,038</u>

7 INCOME TAX EXPENSE

Hong Kong Profits Tax has not been provided as the Group did not generate any assessable profits arising in Hong Kong during the year (2024: Nil). Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Current income tax – PRC Enterprise Income Tax (“EIT”)	1,083	1,635
Current income tax – PRC withholding tax	1,377	762
Deferred income tax, net	959	537
	<hr/>	<hr/>
Income tax expense	3,419	2,934
	<hr/> <hr/>	<hr/> <hr/>

Under the Law of the PRC on EIT (the “EIT Law”) and Implementation Regulation of the EIT Law, the statutory income tax rate of the Company and its PRC subsidiaries is 25% for both years.

Deferred income tax is calculated on temporary differences under the liability method using the prevailing tax rates applicable to the PRC subsidiaries of the Group.

The profits of PRC subsidiaries of the Group derived since 1 January 2008 are subject to withholding tax at a rate of 5% upon the distribution of such profits to foreign investors in Hong Kong.

The Group is liable for withholding taxes on dividends distributed by those subsidiaries established in the PRC in respect of earnings generated from 1 January 2008. Deferred taxation has not been provided for in the consolidated financial statements in respect of temporary differences attributable to accumulated profits of the PRC subsidiaries amounting to RMB42,891,000 (2024: RMB45,766,000) as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. As at 31 December 2025, deferred income tax liabilities of approximately RMB2,145,000 (2024: RMB2,288,000) have not been recognised for the withholding tax that would be payable on such unremitted earnings of those PRC subsidiaries.

8 (LOSS)/EARNINGS PER SHARE

(a) Basic

Basic (loss)/earnings per share is calculated by dividing the (loss)/profit attributable to equity shareholders of the Company by the weighted average number of ordinary shares in issue during the year.

	2025	2024
(Loss)/profit attributable to equity shareholders of the Company (<i>RMB'000</i>)	<u>(2,241)</u>	<u>21,130</u>
Weighted average number of ordinary shares for the purpose of calculating basic (loss)/earnings per share	<u>754,857,499</u>	<u>755,096,557</u>
Basic (loss)/earnings per share	<u><u>RMB(0.003)</u></u>	<u><u>RMB0.028</u></u>

(b) Diluted

Diluted (loss)/earnings per share is the same as basic (loss)/earnings per share for the years ended 31 December 2025 and 2024, as the share options had no dilutive effect on ordinary shares for the year because the exercise price of the Company's share options was higher than the average market price of the Company's shares in the year.

9 DIVIDENDS

The final dividend in respect of the year ended 31 December 2024 of RMB0.02 per share (equivalent to HKD0.021668 per share), amounting to RMB15,102,000 in aggregate, was approved by the shareholders of the Company at the annual general meeting held on 16 May 2025, and subsequently paid in June 2025.

A final dividend in respect of the year ended 31 December 2025 of RMB0.03 per share, amounting to approximately RMB22,614,000 was proposed by the Board of Directors at a meeting held on 18 March 2026, subject to the final approval by the shareholders of the Company at the annual general meeting to be held on 18 May 2026. These financial statements do not reflect this dividend payable.

The proposed final dividend of RMB0.03 per share, which will be payable in HKD by cash, is equivalent to HKD0.034063 per share in accordance with the average exchange rate of HKD to RMB as announced by the People's Bank of China on 17 March 2026, the business day preceding the date of this announcement.

10 LEASES (INCLUDING LAND USE RIGHTS)

Right-of-use assets as at year end:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Right-of-use assets		
Land use rights	<u>50,581</u>	<u>70,465</u>

Movements in right-of-use assets during the year are analysed as follows:

	Buildings <i>RMB'000</i>	Land use rights <i>RMB'000</i>	Total <i>RMB'000</i>
At 1 January 2024	4,363	72,960	77,323
Transfer to investment properties (<i>note 11</i>)	–	(723)	(723)
Early termination of a lease contract (<i>note (b)</i>)	(4,259)	–	(4,259)
Amortisation charges (<i>note 4</i>)	<u>(104)</u>	<u>(1,772)</u>	<u>(1,876)</u>
At 31 December 2024 and 1 January 2025	–	70,465	70,465
Transfer to investment properties (<i>note 11</i>)	–	(1,696)	(1,696)
Transfer to assets classified as held for sale	–	(16,772)	(16,772)
Amortisation charges (<i>note 4</i>)	<u>–</u>	<u>(1,416)</u>	<u>(1,416)</u>
At 31 December 2025	<u>–</u>	<u>50,581</u>	<u>50,581</u>

Note (a): As at 31 December 2025, certain land use rights of the Group that are situated within the Jinjiang Industrial Zone, Fujian Province, the PRC, with carrying amount of approximately RMB5,744,000 (2024: RMB5,892,000) were still in the process of applying for the ownership certificates.

Note (b): In previous years, the Group leased a production property with rental period of 10 years. The lease was early terminated during the year ended 31 December 2024.

10 LEASES (INCLUDING LAND USE RIGHTS) (Continued)

The total cash outflow for short-term leases in 2025, not considering the receipt of government grant, was RMB966,000 (2024: RMB1,222,000).

The Group leases various office, warehouses and staff dormitory. Rental contracts are typically made for fixed periods within 1 year.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants.

11 INVESTMENT PROPERTIES

RMB'000

Fair value

At 1 January 2024	–
Transfer from construction-in-progress	28,830
Transfer from right-of-use assets (note 10)	723
Surplus on valuation	1,392
Increase in fair value recognised in profit or loss (note 5)	<u>3,287</u>
At 31 December 2024 and 1 January 2025	34,232
Transfer from property, plant and equipment	44,205
Transfer from right-of-use assets (note 10)	1,696
Surplus on valuation	6,973
Increase in fair value recognised in profit or loss (note 5)	<u>1,128</u>
At 31 December 2025	<u><u>88,234</u></u>

11 INVESTMENT PROPERTIES (Continued)

During the year ended 31 December 2025, the Group transferred certain factory units located in the PRC classified under property, plant and equipment and right-of-use assets (2024: construction-in-progress and right-of-use assets) to investment properties and leased them to independent third parties for rental income. Upon transfer to investment properties, the assets were revalued with a surplus on valuation of RMB6,973,000 (2024: RMB1,392,000) credited to property revaluation reserve.

All of the Group's property interests held under operating leases to earn rentals or for capital appreciation purpose are measured using the fair value model and are classified and accounted for as investment properties.

The Group leases out these factory units under operating leases with rentals payable monthly with lease term of 1 to 10 years. The lease contract does not contain residual value guarantee and/or lessee's option to purchase the property at the end of lease term.

The fair value of the Group's investment properties at the date of transfer and at 31 December 2025 and 2024 was determined by independent qualified professional valuers. The Group's finance department works closely with the professional valuers to establish the appropriate valuation techniques and inputs to the model. The team reports the findings to the senior management and the audit committee of the Company at the balance sheet date to explain the causes of fluctuations in the fair value of the properties.

12 INVESTMENT IN AN ASSOCIATE

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
At 1 January	10,270	10,403
Share of result	<u>(709)</u>	<u>(133)</u>
At 31 December	<u><u>9,561</u></u>	<u><u>10,270</u></u>

Hangzhou Zhuanxiang

In September 2021, the Group invested RMB11,520,000 in Hangzhou Zhuanxiang Culture Communication Co., Ltd. (杭州磚巷文化傳播有限公司) (“**Hangzhou Zhuanxiang**”) for a 30.00% equity interest in Hangzhou Zhuanxiang with one board seat. Hangzhou Zhuanxiang was established on 28 March 2016 and is in the business of the manufacture and sale of customised beer products.

13 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Unlisted equity investments		
At 1 January	18,867	23,561
Fair value changes	<u>(1,700)</u>	<u>(4,694)</u>
At 31 December	<u><u>17,167</u></u>	<u><u>18,867</u></u>

As at 31 December 2025 and 2024, the Group held equity investments in a number of consumer products companies and foodstuff and beverage manufacturing companies.

The Group intended to invest in these unlisted equity investments for long-term purposes and did not expect any immediate disposal of these unlisted equity investments in the short term. Accordingly, these unlisted equity investments are classified as non-current assets and designated at FVOCI.

14 TRADE RECEIVABLES

The credit period ranges from 30 to 105 days (2024: 30 to 90 days). The ageing analysis of trade receivables based on invoice date, before provision for impairment, as at 31 December 2025 was as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 30 days	22,166	13,384
31 – 180 days	1,972	1,613
181 – 365 days	<u>61</u>	<u>40</u>
	<u><u>24,199</u></u>	<u><u>15,037</u></u>

15 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Unlisted equity investment	<u><u>2,000</u></u>	<u><u>2,000</u></u>

16 TRADE AND BILLS PAYABLES

At 31 December 2025, the ageing analysis of trade and bills payables based on invoice date or issue date was as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 30 days	65,441	82,890
31 – 180 days	210,414	232,686
181 – 365 days	151	194
Over 365 days	42	378
	<u>276,048</u>	<u>316,148</u>

17 BORROWINGS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Current		
Bank loans – unsecured	–	1,000
Bank loans – secured	22,960	27,733
	<u>22,960</u>	<u>28,733</u>
Non-current		
Bank loans – unsecured	–	7,500
Bank loans – secured	84,320	136,234
	<u>84,320</u>	<u>143,734</u>
Total borrowings	<u>107,280</u>	<u>172,467</u>

17 BORROWINGS (Continued)

The secured borrowings of the Group as at 31 December 2025 and 2024 were secured by the Group's land use rights and buildings.

For the year ended 31 December 2025, the weighted average effective interest rates on borrowings were 2.78% (2024: 2.71%).

The carrying amounts of borrowings are denominated in RMB.

The fair values of borrowings approximate their carrying amounts as of the balance sheet date.

The maturity analysis of borrowings is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
The carrying amounts of the above borrowings are repayable:		
– Within one year	22,960	28,733
– Within a period of more than one year but not exceeding two years	25,020	38,733
– Within a period of more than two years but not exceeding five years	59,300	100,081
– Within a period of more than five years	–	4,920
	<u>107,280</u>	<u>172,467</u>
Less: Amounts due within one year shown under current liabilities	<u>(22,960)</u>	<u>(28,733)</u>
Amounts shown under non-current liabilities	<u><u>84,320</u></u>	<u><u>143,734</u></u>

The exposure of borrowings is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Variable-rate borrowings	<u><u>107,280</u></u>	<u><u>172,467</u></u>

MANAGEMENT DISCUSSION AND ANALYSIS

Qinqin Foodstuffs Group (Cayman) Company Limited (the “**Company**”) and its subsidiaries (collectively the “**Group**”) is a renowned food and snacks company with strong brand recognition in the People’s Republic of China (the “**PRC**”). The Group is principally engaged in the manufacturing, distribution and sale of jelly products, crackers and chips, seasoning products, confectionery, rice wine and other food and snacks products under “Qinqin (親親)”, “Shangerry (香格里拉)” and “A Snack Shop (親親物語)” brands.

INDUSTRY ENVIRONMENT

In 2025, China’s food and snack market remained intensely competitive, with both domestic and international brands vying for consumer attention and market share. The rapid emergence of new snack food chains and sales channels has affected the performance of traditional sales channels such as unchained grocers, supermarkets, and convenience stores. After a period of robust expansion, the new snack food chains sector’s growth rate has moderated; many branded chains have slowed new store openings and shifted focus to operational optimization in response to market saturation and heightened competition.

The Group also faced challenges such as pricing pressure arising from increased consumer sensitivity to price, the ongoing need for innovation to sustain product lifecycles, and the imperative to strengthen brand recognition. The young generation, acting as influential trendsetters, has demonstrated a clear preference for high-quality, reliable products and personalized consumption experiences. These evolving expectations require the Group to innovate continuously and respond nimbly to changes in consumer demand.

Amid this dynamic environment, the Group remains proactive by implementing timely strategies with the target of revenue and profit growth, counterbalancing rising costs, and mitigating operating risks. As consumer awareness of health and living standards improves, purchasing behavior is shifting toward value-for-money products emphasizing flavor, nutrition, enjoyment, and functional benefits. Companies in the industry must swiftly introduce innovative, high-quality, and nutritious products to keep pace with changing consumer preferences.

Additionally, intensifying competition from imported brands and rising input costs, such as raw materials and labor, are reshaping the competitive landscape. Nevertheless, the Group remains confident in the long-term growth potential of China's snack food industry, supported by continued economic development and growing consumer demand.

BUSINESS OVERVIEW

For the year ended 31 December 2025 (the “**Reporting Period**”), the Group's total revenue was approximately RMB911.5 million (2024: RMB996.5 million), representing a decrease of approximately RMB85.0 million or 8.5% year-on-year. The decrement was mainly due to reduced sales through traditional sales channels, partially offset by increased sales to snack food chains, OEM manufacturing business and export business. In addition, due to the difference in the timing of the Chinese New Year (the traditional peak sales season), the Chinese New Year in 2025 fell earlier in January, while that in 2026 occurred later in mid-February, resulting in the peak ordering periods before Chinese New Year in both years not being fully captured within the Reporting Period, and consequently leading to an overall decline in revenue for 2025.

For the Reporting Period, the Group's gross profit and gross profit margin both decreased. Gross profit for the Reporting Period was approximately RMB249.7 million (2024: RMB282.1 million), representing a decrease of approximately RMB32.4 million or 11.5% year-on-year; gross profit margin was 27.4% (2024: 28.3%), representing a decrease of approximately 0.9 percentage points year-on-year. During the Reporting Period, the Group recorded a loss for the year attributable to the equity shareholders of the Company of approximately RMB2.2 million, as compared to a profit for the year attributable to the equity shareholders of the Company of approximately RMB21.1 million for the year ended 31 December 2024, representing a decrease in net profit of approximately RMB23.3 million year-on-year.

The decrease in gross profit, gross profit margin and net profit of the Group in the Reporting Period was mainly attributable to the following combined net factors:

- (i) the Group recorded a decline in revenue mainly due to reduced sales through traditional sales channels, partially offset by increased sales to snack food chains, OEM manufacturing business and export business. The overall decrease in sales volume also led to reduced economies of scale, contributing to a decrease in gross profit and gross profit margin of approximately RMB32.4 million and 0.9 percentage points respectively for the Reporting Period when compared to 2024;
- (ii) the Group recorded gain on disposal of property, plant and equipment of RMB5.1 million in the Reporting Period (2024: loss of RMB6.0 million). This one-off disposal gain was mainly arose from the completion of sale of land use rights, the associated production plant and properties of the Group's former production base located in Xiantao City, Hubei Province, the PRC; and
- (iii) the Group recorded a one-off impairment loss on construction in progress of RMB6.7 million in the Reporting Period as the Group decided not to further proceed on a construction development project located in Xiaogan City, Hubei Province, the PRC.

Jelly products

Sales of jelly products in the Reporting Period were approximately RMB486.7 million (2024: RMB530.6 million), representing a decrease of approximately 8.3% year-on-year, and accounting for 53.4% (2024: 53.2%) of total revenue of the Group. Gross profit was approximately RMB128.4 million (2024: RMB151.8 million), representing a decrease of approximately 15.4% year-on-year. Gross profit margin was approximately 26.4% (2024: 28.6%), representing a decrease of approximately 2.2 percentage points year-on-year.

With the rapid growth of new snack food chains in PRC, sales of the Group's jelly products through distributors to traditional sales channels such as unchained grocers and supermarket have been decreased. During the Reporting Period, although the Group has recorded an increase in sales through new snack food chains, OEM manufacturing business and export business, such increase could not fully offset by the decrease in sales of jelly products through traditional sales channels, which contributed to the overall decrease in sales. In addition, sales of jelly products of the Group during the Reporting Period have been negatively impacted by the competition resulting from the introduction of lower-priced products by competitors. Due to the difference in the timing of the Chinese New Year (the traditional peak sales season), the Chinese New Year in 2025 fell earlier in January, while that in 2026 occurred later in mid-February, resulting in the peak ordering periods before Chinese New Year in both years not being fully captured within the Reporting Period, and consequently leading to an overall decline in revenue for 2025. As the Group's sales volume and gross profit both decreased in the Reporting Period, this also led to reduced economies of scale, contributing to a decrease in gross profit margin.

Although sales of jelly products decreased in 2025 and did not meet the target of the Group, the Group will continue to implement strategies and measures to increase sales and improve the profitability of this segment.

Crackers and Chips

Sales of crackers and chips in the Reporting Period were approximately RMB297.0 million (2024: RMB311.7 million), representing a decrease of approximately 4.7% year-on-year, and accounting for 32.6% (2024: 31.3%) of total revenue of the Group. Gross profit was approximately RMB86.0 million (2024: RMB86.3 million), representing a decrease of approximately 0.4% year-on-year. Gross profit margin was approximately 29.0% (2024: 27.7%), representing an increase of approximately 1.3 percentage points year-on-year.

The decline in sales was mainly attributable to worse performance than expected in traditional sales channels. During the Reporting Period, sales generated from snack food chains have been increased. The Group also continued to expand its export business to other countries and developed OEM business to increase utilization of its production facilities, which partly offset the decrease in sales in the decrease in traditional sales channels. During the Reporting Period, the Group continued to optimize its product portfolio and sales strategies, and focused on expanding and launching new product lines to stimulate sales and improve profitability in this segment and as a result, gross profit margin has been improved due to the change in product mix.

Seasoning Products

Sales of seasoning products in the Reporting Period were approximately RMB62.2 million (2024: RMB73.7 million), representing a decrease of approximately 15.6% year-on-year, and accounting for 6.8% (2024: 7.4%) of total revenue of the Group. Gross profit was approximately RMB22.2 million (2024: RMB25.6 million), representing a decrease of approximately 13.3% year-on-year. Gross profit margin was approximately 35.7% (2024: 34.7%), representing an increase of approximately 1.0 percentage points year-on-year.

During the Reporting Period, the decline in sales was primarily due to the Group's strategy to focus on major and profitable products while reducing the number of category of product. To improve the business performance of this segment, the Group also made adjustment on certain product prices, customers and channels with the aim of maintaining competitiveness in this challenging market segment. As a result, although sales decreased during the Reporting Period, the gross profit margin improved compared to the prior year.

Confectionery and Other Products

Confectionery and other products include confectionary products, new snack products under the brand of "A Snack Shop (親親物語)" such as candies, dried fruits, nuts, biscuits, bakery and dried meat and vegetarian snack products and rice wine and sesame candy products. Sales of confectionery and other products in the Reporting Period were approximately RMB65.6 million (2024: RMB80.5 million), representing a decrease of approximately 18.5% year-on-year, and accounting for 7.2% (2024: 8.1%) of total revenue of the Group. Gross profit was approximately RMB13.1 million (2024: RMB18.3 million), representing a decrease of approximately 28.4% year-on-year. Gross profit margin was approximately 20.0% (2024: 22.7%), representing a decrease of approximately 2.7 percentage points year-on-year.

The decrease in sales during the Reporting Period was mainly attributable to the Group's refinement of its product portfolio in this segment, including a prudent reduction of certain lower-profitability OEM bakery products and confectionery products in the increasingly competitive mass-market confectionery segment. These optimisation measures enabled the Group to better allocate resources to high-margin and self-branded products, but also led to a temporary decline in sales volume and gross profit margin contribution from confectionery and other products during the Reporting Period.

Distribution Cost and Selling Expenses

Distribution cost and selling expenses mainly represented staff costs, transportation costs, marketing and advertising expenses and other selling related expenses. Distribution cost and selling expenses in the Reporting Period were approximately RMB123.9 million (2024: RMB128.2 million), representing a decrease of 3.4% year-on-year, and accounting for 13.6% (2024: 12.9%) of total revenue of the Group. The year-on-year decrease in distribution costs and selling expenses was mainly attributable to lower staff bonuses and transportation costs, which reflected the decline in sales and sales volume during the Reporting Period. The overall decrease was partially offset by an increase in marketing and advertising expenses of RMB4.1 million, as the Group stepped up its promotional efforts across various sales channels to enhance the visibility of its products.

Administrative Expenses

Administrative expenses mainly represented staff costs, depreciation of property, plant and equipment, property and land-use taxes, utilities and various office expenses and other administrative expenses. Administrative expenses in the Reporting Period were approximately RMB137.2 million (2024: RMB140.3 million), representing a decrease of 2.2% year-on-year, and accounting for 15.1% (2024: 14.1%) of total revenue of the Group. The year-on-year decrease was mainly attributable to the decrease in depreciation of property, plant and equipment and property and amortization charges totaling RMB4.4 million since the Group closed down a production base last year and part of the Group's property, plant and equipment were fully depreciated during the Reporting Period.

Adjusted EBITDA

The (loss)/profit for the year is the primary performance indicator of the Group, which reflects the totality of the Group's performance based on HKFRS Accounting Standards and has been discussed in the management discussion in this announcement. The relevant disclosures on Adjusted EBITDA are intended to provide an additional measure for investors to understand the Group's core operating performance based on elimination of impact that the management considers is not reflective of the core operations of the Group.

The following table sets out the reconciliation from (loss)/profit for the year to Adjusted EBITDA and explanation notes:

For the year ended 31 December		2025	2024
	<i>Notes</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>
(Loss)/profit for the year (HKFRS measure)		(2,241)	21,130
Finance income	<i>(i)</i>	(9,921)	(12,781)
Finance costs (excluded other finance charges)	<i>(i)</i>	8,150	7,209
Income tax	<i>(i)</i>	3,419	2,934
Depreciation	<i>(i)</i>	79,828	83,715
Amortisation	<i>(i)</i>	1,742	2,253
		<hr/>	<hr/>
EBITDA (non-HKFRS measure)	<i>(i)/(v)</i>	80,977	104,460
Added: Share of net loss of an associate	<i>(ii)</i>	709	133
Deducted: Net fair value gain on investment properties	<i>(iii)</i>	(1,128)	(3,287)
		<hr/>	<hr/>
Adjusted EBITDA (non-HKFRS measure)	<i>(iv)/(v)</i>	80,558	101,306
		<hr/> <hr/>	<hr/> <hr/>

Notes:

- (i) EBITDA represents profit or loss for the year before finance income, finance costs (excluded other finance charges), income tax, depreciation and amortisation. In the opinion of the directors, it is an additional tool for users of the financial information to understand the cash profit generated by the Group's operations, by eliminating the impact of taxes, interest income (finance income), cost of debts (finance costs) and non-cash depreciation of right-of-use assets and property, plant and equipment and amortisation. EBITDA can also represent the financial outcome of operating management decisions by eliminating the impact of non-operating management decisions, such as tax expenses, interest income, interest expenses, depreciation and amortisation, which enables shareholders and investors to assess the substantive profitability of the Group net of income and expenses dependent on financing decisions, tax strategy, and discretionary depreciation schedules.

- (ii) Share of net loss of an associate is not reflective of the daily business operations of the Group, and the removal of such loss would enable the users of the financial information to better understand the core operating performance of the Group.
- (iii) Net fair value gain on investment properties reflects the fair value changes of the Group's investment properties held by the Group. The Group's investment properties are factory buildings held for rental purpose, are not part of the Group's core business operations and are subject to periodic fair value changes with fair value gains or losses recognised in the consolidated income statement. The directors considered that such gains or losses are not indicative of the Group's daily business operations and removal of such gains or losses would enable the users of the financial information to better understand the core operating performance of the Group.
- (iv) The relevant disclosures on Adjusted EBITDA in this announcement are intended to provide an additional measure for shareholders and investors to understand the Group's core operating performance by elimination of impacts that the management considers not reflective of the core operations of the Group.
- (v) EBITDA and Adjusted EBITDA are not measures of performance under HKFRS Accounting Standards. These measures do not represent, and should not be used as substitute for, net profit or cash flows from operations as determined in accordance with HKFRS Accounting Standards. Therefore, they are not necessarily indications of whether cash flow will be sufficient to fund the cash requirements of the Group. In addition, EBITDA and Adjusted EBITDA referred to in this announcement do not have a standardised meaning prescribed by HKFRS Accounting Standards and therefore may not be comparable to other similarly titled measures used by other listed issuers.

Strategic Development Investment Projects

As part of the strategic development plans and business expansion strategies of the Group, the Group has invested in a number of consumer goods companies with synergy with the Group's business. In the Reporting Period, the Group had no new investment projects. These companies mainly engage in the production or sale of food, beverage and alcohol products in the PRC and abroad.

During the Reporting Period, the fair value of these investments decreased by approximately RMB1.7 million (2024: RMB4.7 million), and a fair value loss through other comprehensive income (net of tax) of approximately RMB1.3 million (2024: RMB3.8 million) was recognised by the Group.

Product Development and Upgrade

The Group is committed to developing popular, natural and healthy products with high nutritious value and quality. The Group's product management center, leveraging its outstanding, professional and technical talents as well as research and development capabilities for innovative products, has enhanced its creativity in areas such as product development, packaging design and brand marketing. The Group continued to invest in product innovation, production facilities and quality inspection equipment, thereby ensuring the speed and efficiency of the development and launching of new products.

Promotion and Marketing

The Group will continue to strengthen the management of distribution channels and retail terminals, increase the number of retail sales points, and expand product sales in the areas surrounding production bases. The Group will continue to focus on promoting key products and crossover products, re-optimize key products and upgrade their packaging, so as to better support brand exposure.

The Group made full use of social media including WeChat, Weibo, TikTok, Xiaohongshu and bilibili to establish effective interaction with young consumers, took an advantage of fan economy and built a private community for large-scale marketing exposure to increase its brand awareness.

In addition, the Group will continue to cooperate with certain strategic partners to jointly promote the Group's and their products on e-commerce channels, food fairs and exhibition to attract new customers.

Channel Expansion

Along with product upgrades, the Group continued to broaden its existing distributors network by expanding to new channels such as snack food branded stores, convenience stores, campus snack stores and gas stations. The rapid growth of new snack food chains in PRC has posed an impact on the business of certain traditional sales channels such as unchained grocers, supermarkets and convenience stores as the price of the products sold at the new snack food chains were usually lower than the retail price sold at traditional sales channels.

During the Reporting Period, the Group's sales through new snack food chains have increased which partly compensate on the decrease in sales through traditional channels. Although the new snack food chains sector's growth rate has moderated, the Group will continue to expand its distribution network through snack food chains and other new sales channels.

The Group's development strategies on its e-commerce business was to reduce the sales of low-margin products through e-commerce channels, and increasing the proportion of the sales of self-produced products with higher gross profit to improve the overall profitability of the Group. The e-commerce business will continue to promote and sell products through online platforms and live streaming channels, and employ e-commerce as the main channel for the Group's brand promotion and launch of new products. With the advantages of the Group's production bases and supply chain, transportation and distribution costs will be reduced and the Group will aim to increase its overall revenue and profits. Besides, the Group will continue to actively cooperate with new retailers such as Alibaba, JD and Pinduoduo to develop new retail channels. On this basis, the Group believes that it will further realise growth for this business and generate profits for the Group in the future.

The Group also expanded its presence in the export business and OEM manufacturing sectors. During the Reporting Period, the Group successfully acquired new overseas clients. Leveraging the exceptional factory environment and product quality, the sales volume in the OEM manufacturing business has seen continued growth. The Group will commit to further expand the export and OEM operations and actively pursuing new opportunities to drive long-term growth.

Production Facilities Improvement

The Group has formulated a clear development plan for its production facilities and equipment. In the past few years, the Group completed the development and construction of new production bases located in different regions in the PRC including Xiantao City, Hubei Province, Xiaogan City, Hubei Province, Jining City, Shandong Province, and Meishan City, Sichuan Province and the expansion project for the production base in Quanzhou City, Fujian Province. Not only did it improve the production capacity, quality and efficiency of the Group for its long-term development, it also reduced supply chain logistics costs and laid the foundation for further expanding the sales of products in the local surrounding areas.

During the Reporting Period, the Group decided not to proceed further with a construction development project located in Xiaogan City, Hubei Province, PRC. The project was initially planned to build manufacturing facilities with showroom functions to promote the Group's development in the local food manufacturing industry. After considering the change in economic environment, business development prospects, and the expected return and profitability, the Group decided to discontinue the construction and dispose of 100% equity interest of Xiaogan Qinqin F&B Co., Ltd ("**Xiaogan F&B**"), a subsidiary of the Group which held the construction development project. As a result, the Group recorded a one-off impairment loss on construction in progress of RMB6.7 million during the Reporting Period (2024: nil). In February 2026, the Group entered into a sale and purchase agreement with an entity which is ultimately controlled by a government body of Xiaogan City and completed the disposal of 100% equity interest in Xiaogan F&B.

The total capital expenditure of the Group in the Reporting Period regarding revamping of existing production bases projects was approximately RMB35.7 million. The Group believes that the long-term development and future profit growth of the enterprise will be driven by the optimisation of the Group's resources, the continuous upgrades on plants and equipment to improve its production facilities, production processes and product quality, as well as the improvement of production capacity and efficiency.

The Group entered into certain construction contracts in relation to the construction of production bases in Jining City, Shandong Province, Xiantao City, Hubei Province and Quanzhou City, Fujian Province, which constituted as disclosable transactions of the Company under Chapter 14 of the Rules Governing the Listing of Securities of the Stock Exchange. For details, please refer to the Company's announcement dated 27 April 2022.

The Group aimed to reduce the impact of increasing labour costs by increasing the automation level of our production facilities. The Group continued to conduct "equipment transformation, production process enhancement and quality improvement" for its production facilities and cooperated with various foreign equipment enterprises for bringing in production lines including jelly products as well as crackers and chips with the world advanced standards. The Group believes that a highly automated production process with technologically-more-advanced equipment will allow the Group to reduce its reliance on labour, improve production efficiency and accelerate the time-to market for our products. In addition, the Group continued to adopt measures to save energy and lower consumption and products defective rate.

The Group strived to provide consumers with healthy and safe products, and it has always strictly complied with the stringent international production standards. Hence, the Group has been awarded the HALAL, SC, KOSHER, ISO14001 and ISO9001 certifications in respect of its production facilities, quality control and management system.

FUTURE PROSPECTS AND STRATEGIES

The Group's strategic initiatives in recent years, particularly to stay focus on investing in new products, channel expansion, information management system and new production facilities and equipment, has laid a firm foundation for the next chapter in the Group's business development.

Although the market is full of challenges, we are looking forward to the future as the Group will continue to focus our efforts in the following areas, to drive further growth of the Group's business and thereby creating greater value for its shareholders.

- Capture the opportunities of consumer upgrades through continuous product innovations, thereby adhering to its diversified and good value-for-money product strategies, focusing on enhancement of product quality, optimisation of product portfolio and strengthening market position of our key products in terms of operation.
- Expand our distribution channels, strengthen our traditional distribution network, expand export and OEM manufacturing business, and further develop other new market access such as snack food branded stores and restaurants channels in order to increase market penetration.
- Continued to improve production facilities, production processes and product quality, to enhance environmental efficiency and move towards green production and to enhance production capacity and efficiency that will meet the long-term development of the Group.
- Refine internal management process and strengthen the integration of various software systems, and promote the adoption of AI and digital transformation to enhance efficiency. Continue investing in talent development and information management system to elevate corporate management standards, improve the Group's operating efficiency and core competitiveness, and further enhance sustainable development of the Group.
- Explore investment opportunities in consumer goods companies with fast-growing potential and synergy with the Group's business, alliances with strategic partners to facilitate long-term development and business growth of the Group.

LIQUIDITY AND CAPITAL RESOURCES

The Group maintained a solid financial position and remained in a net cash position as at 31 December 2025. The Group's net cash position is equal to the sum of restricted bank deposits and cash and bank balances net of bank borrowings. As at 31 December 2025, the Group had restricted bank deposits and cash and bank balances of RMB488.1 million (2024: RMB587.6 million) and bank borrowings of RMB107.3 million (2024: RMB172.5 million).

As at 31 December 2025, the Group's working capital or net current assets was RMB201.0 million (2024: RMB182.1 million). The current ratio, represented by current assets divided by current liabilities, was 1.4 (2024: 1.3). The Group's total equity was RMB1,205.0 million (2024: RMB1,219.9 million), representing a decrease of approximately 1.2%.

Cash and bank balances were mainly denominated in RMB, HKD and USD. The decrease in net cash position from RMB415.1 million as at 31 December 2024 to RMB380.8 million as at 31 December 2025 was mainly attributable to the payment of RMB66.0 million for the purchase of property, plant and equipment, including additions of construction-in-progress, partially offset by net cash generated from operating activities of RMB33.2 million.

As at 31 December 2025, the Group's bank borrowings denominated in RMB bore interest rates ranging from 1.30% to 3.50% per annum (2024: 1.30% to 3.60% per annum) with an effective interest rate of 2.78% (2024: 2.71%). In addition, the Group obtained trade finance facilities with a total limit of RMB405.0 million from banks for the issuance of bills payable to settle trade payables, of which RMB207.1 million (2024: RMB233.0 million) was utilised by the Group as at 31 December 2025. The interest rates of trade finance facilities ranged from 0.59% to 1.25% per annum (2024: 0.78% to 1.35% per annum) with an effective interest rate of 0.80% (2024: 1.03%). Gearing ratio is equal to net debt position of the Group divided by its shareholders' equity. As the Group was in net cash position as at 31 December 2025 and 31 December 2024, no gearing ratio was presented.

In 2025, the Group invested RMB35.7 million in capital expenditure (2024: RMB12.9 million). The capital expenditure was mainly incurred for the purchase of new production equipment, construction of photovoltaic power generation facilities and construction-in-progress projects for certain factories in PRC to facilitate the Group's long term business development. It is expected that the upcoming capital expenditure requirements will be funded by both internal and external resources of the Group. Overall, the Group's financial position remains sound for continued business expansion.

COMMITMENTS AND CONTINGENCIES

As at 31 December 2025, the Group had total capital commitments (contracted but not provided for) of RMB9.8 million (2024: RMB26.2 million).

As at 31 December 2025, the Group had future aggregate minimum lease payments under non-cancellable short-term leases of RMB0.4 million (2024: RMB2.1 million).

The Group had no material contingent liabilities as at 31 December 2025 and 31 December 2024.

SIGNIFICANT INVESTMENTS HELD AND MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Save for those disclosed in this announcement, there were no other significant investments held, nor were there any material acquisitions or disposals of subsidiaries, associates and joint ventures during the year.

CHARGE ON ASSETS

As at 31 December 2025, certain land use rights and buildings of the Group with net book value of RMB264.2 million (2024: RMB362.9 million) were pledged for bank borrowings of RMB107.3 million (2024: RMB164.0 million).

In addition, the Group also had short-term trade finance facilities of RMB207.1 million (2024: RMB225.9 million), which was pledged by the restricted bank deposits of the Group in the amount of RMB31.3 million (2024: RMB43.2 million) as at 31 December 2025.

HUMAN RESOURCES AND MANAGEMENT

As at 31 December 2025, the Group had approximately 2,200 (2024: 2,400) employees. For the year ended 31 December 2025, total employee benefit expenses, including directors' emoluments, was approximately RMB191.5 million (2024: RMB196.8 million). In order to improve the overall profitability and profit margin, the Group has implemented measures to tighten the control over expenses and these measures included simplifying and optimising the department structure. The Group also reduced the use of workers by increasing the automation level of its production facilities. As a result, staff costs decreased accordingly during the year.

The Group aims to create a strong sense of community and a motivating environment for its employees to excel. The Group recruit employees based on a number of factors, including their educational background, work experience and vacancies within the Group. The Group determines employees' compensation based on their qualifications, work experience, position and performance. In addition to salaries, the Group provides a comprehensive range of staff benefits to its employees, including performance or contribution-based bonuses and allowances for meals and free dormitories. Besides, share options may be granted to eligible employees of the Group in accordance with the terms of the share option scheme adopted by the Company.

The Group also committed to continuing education and development of its employees, and the Group provides various education and training programs both internally and externally to cultivate its employees in improving their skills and developing their potential.

FOREIGN EXCHANGE RISK

The Group operates its businesses primarily in the PRC and its functional currency is RMB. Foreign exchange risk arises mainly from future commercial transactions of sales and purchases with overseas customers and suppliers by the Group and recognised assets or liabilities, such as cash and cash equivalent, term deposits, restricted bank deposits, trade and other receivables, trade and bills payables, and other payables of the Group, which are denominated in HKD, USD and other currencies.

During the year ended 31 December 2025, the Group recorded foreign exchange loss in relation to its cash and cash equivalent in HKD and USD totaling RMB2.7 million (2024: net foreign exchange gain totaling RMB0.7 million). In order to limit this exchange rate risk, the Group closely monitors HKD and USD exposure to an acceptable level by buying or selling foreign currencies at spot rates where necessary. Save as disclosed above, the Group is exposed to minimal foreign exchange risk exposure as the Group focus its sales and purchase within the PRC market.

PROPOSED FINAL DIVIDEND

The board of directors have resolved to recommend the payment of a final dividend of RMB0.03 (2024: RMB0.02) per ordinary share to shareholders, whose names appear in the register of members of the Company on Wednesday, 10 June 2026 (the “**Proposed Final Dividend**”). The Proposed Final Dividend declared in RMB is proposed to be paid in HKD (payable in cash), which is based on the average exchange rate of HKD to RMB as announced by the People’s Bank of China for the business day preceding the date of this announcement. Subject to the passing of the necessary resolution at the forthcoming annual general meeting to be held on Monday, 18 May 2026 (the “**2026 AGM**”), the Proposed Final Dividend will be payable on Thursday, 25 June 2026.

As at the date of this announcement, a total of 1,320,000 treasury shares are held by the Company and registered in the name of the Company. All such shares will not be entitled to receive the Proposed Final Dividend.

OTHER INFORMATION

ANNUAL GENERAL MEETING

The notice of 2026 AGM will be published on the website of the Company (www.fjqinqin.com) and the designated website of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (www.hkexnews.hk), and despatched to shareholders of the Company accordingly.

CLOSURE OF REGISTER OF MEMBERS

(1) For determining the entitlement to attend and vote at the 2026 AGM

For determining the entitlement to attend and vote at the 2026 AGM, the register of members of the Company (the “**Shareholders**”) will be closed from Wednesday, 13 May 2026 to Monday, 18 May 2026 (both days inclusive), during which period no transfer of shares will be registered. The record date will be Monday, 18 May 2026. In order to be eligible to attend and vote at the 2026 AGM, unregistered holders of shares should ensure that all the share transfer documents accompanied by the relevant share certificates must be lodged with the share registrar of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Tuesday, 12 May 2026.

(2) For determining the entitlement to the Proposed Final Dividend

For determining the entitlement to the Proposed Final Dividend for the year ended 31 December 2025, the register of members of the Company will also be closed from Tuesday, 9 June 2026 to Wednesday, 10 June 2026, both days inclusive, during which period no transfer of shares will be registered. The record date will be Wednesday, 10 June 2026. In order to qualify for entitlement to the Proposed Final Dividend, unregistered holders of shares should ensure that all share transfer documents accompanied by the relevant share certificates must be lodged with the share registrar of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Monday, 8 June 2026.

RAISING OF FUNDS AND USE OF PROCEEDS

The Company did not have any unutilised proceeds from fund raising activities brought forward from previous financial years and did not have any fund raising activity during the year ended 31 December 2025 and up to the date of this announcement.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Group recognises the importance of achieving the highest standard of corporate governance consistent with the needs and requirements of its businesses and the best interest of all of its stakeholders, and the Board is fully committed to doing so. The Board believes that high standards of corporate governance provide a framework and solid foundation for the Group to manage business risks, enhance transparency, achieve high standard of accountability and protect stakeholders' interests.

The Group has adopted a corporate governance statement of policy which provides guidance on the application of the corporate governance principles on the Group, with reference to the Corporate Governance Code (the "**CG Code**") as set out in Appendix C1 of the Rules Governing the Listing of Securities (the "**Listing Rules**") on the Stock Exchange.

In the opinion of the Directors, the Company has complied with all code provisions that were in force as set out in the CG Code throughout the year ended 31 December 2025.

COMPLIANCE WITH THE MODEL CODE

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") set out in Appendix C3 to the Listing Rules on the Stock Exchange as the code of conduct for dealing in securities of the Company by the directors of the Company (the "**Directors**"). All Directors have confirmed, upon specific enquiries made by the Company, that they have complied with the required standard set out in the Model Code throughout the year ended 31 December 2025. To ensure Directors' dealings in the securities of the Company (the "**Securities**") are conducted in accordance with the Model Code and securities code of the Company, a Director is required to notify the Chairman in writing and obtain a written acknowledgement from the Chairman prior to any dealings in the Securities.

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has complied with the requirements under Rules 3.10(1), 3.10(2) and 3.10A of the Listing Rules. The Company has received confirmation of independence from all three Independent Non-executive Directors, namely Mr. Chan Yiu Fai Youdey, Mr. Paul Marin Theil and Ms. Tan Wenjie in accordance with Rule 3.13 of the Listing Rules.

The Board, through the Nomination Committee, has reviewed the independence of all Independent Non-executive Directors and concluded that all of them are independent within the definition of the Listing Rules. Furthermore, the Board is not aware of the occurrence of any events which would cause it to believe that the independence of any of the Independent Non-executive Directors has been impaired up to the date of this announcement.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

During the year ended 31 December 2025, the Company repurchased a total of 1,300,000 Shares on the Stock Exchange for an aggregate consideration of HKD1,647,960 before expenses, which are held as treasury shares (as defined under the Listing Rules) of the Company. Details of the Shares repurchased during the Reporting Period are as follows:

Month of purchase in 2025	Number of Shares bought back	Price paid per share		Aggregate consideration (before expenses) (HKD)
		Highest price paid (HKD)	Lowest price paid (HKD)	
August	320,000	1.27	1.26	406,250
October	443,000	1.30	1.22	557,160
November	357,000	1.30	1.25	455,520
December	180,000	1.30	1.23	229,030
Total	1,300,000			1,647,960

The Board believes that such Shares repurchased would benefit the Company and its shareholders, and would lead to an enhancement of the net value of the Company and its assets per share and/or its earnings per share. As at 31 December 2025, the Company held 1,300,000 treasury shares which are held for potential future resale or used for other purposes in compliance with the Listing Rules.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities or transferred any of the Company's treasury shares during the year ended 31 December 2025.

AUDIT COMMITTEE AND REVIEW OF ANNUAL RESULTS

The audit committee, which comprises all three Independent Non-executive Directors of the Company, has reviewed with the management in conjunction with the auditor, the accounting principles and practices adopted by the Group and discussed the internal control, risk management and financial reporting matters including the review of the draft consolidated financial statements of the Group for the year ended 31 December 2025.

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 December 2025 have been agreed by the Company's auditor, Baker Tilly Hong Kong Limited ("**Baker Tilly**"), to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by Baker Tilly in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by Baker Tilly on the preliminary announcement.

ACKNOWLEDGEMENT

On behalf of the Board of Directors, I extend my gratitude to all our staff for their hard work and dedication.

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

Hong Kong, 18 March 2026

As of the date of this announcement, the Board comprises 8 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); two are non-executive Directors, namely Mr. Sze Man Bok and Mr. Wu Yinhang; and three are independent non-executive Directors, namely Mr. Chan Yiu Fai Youdey, Mr. Paul Marin Theil and Ms. Tan Wenjie.