



亲亲食品

Better Food, Better Life

親親食品集團（開曼）股份有限公司

QINQIN FOODSTUFFS GROUP (CAYMAN) COMPANY LIMITED

INCORPORATED IN THE CAYMAN ISLAND WITH LIMITED LIABILITY

STOCK CODE: 1583



2025

Interim Report

CORPORATE INFORMATION

EXECUTIVE DIRECTORS

Hui Ching Lau (*Chairman*)
Wong Wai Leung (*Chief Financial Officer*)
Wu Wenxu (*Chief Executive Officer*)

NON-EXECUTIVE DIRECTORS

Sze Man Bok
Wu Huolu (retired on 16 May 2025)
Wu Yinhang

INDEPENDENT NON-EXECUTIVE DIRECTORS

Chan Yiu Fai Youdey
Paul Marin Theil
Tan Wenjie

COMPANY SECRETARY

Wong Wai Leung *FCCA CPA*

AUTHORISED REPRESENTATIVES

Sze Man Bok
Wong Wai Leung

REGISTERED OFFICE

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Grand Cayman
KY1-1104
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PLACE OF LISTING AND STOCK CODE

The Stock Exchange of Hong Kong Limited
Stock Code: 1583

HEAD OFFICE IN THE PRC

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Jinjiang City, Fujian Province, PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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LEGAL ADVISERS

Hong Kong
Reed Smith Richards Butler

PRC
Global Law Office

Cayman Islands
Maples and Calder

AUDITORS

Baker Tilly Hong Kong Limited
Certified Public Accountants
Registered Public Interest Entity Auditor
Level 8, K11 ATELIER King's Road
728 King's Road, Quarry Bay
Hong Kong

SHARE REGISTRAR

Tricor Investor Services Limited
17/F, Far East Finance Centre
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FINANCIAL HIGHLIGHTS

KEY FINANCIAL PERFORMANCE AND RATIOS

For the six months ended 30 June	Unaudited 2025 (RMB'000)	Unaudited 2024 (RMB'000)	Changes
Revenue	529,747	563,585	-6.0%
Gross profit	154,203	171,722	-10.2%
Gross profit margin	29.1%	30.5%	-1.4% points
Profit attributable to equity shareholders of the Company	21,551	32,809	-34.3%
Adjusted EBITDA ⁽¹⁾	70,209	78,790	-10.9%
Earnings per share			
— Basic	RMB0.029	RMB0.043	
— Diluted	RMB0.029	RMB0.043	

	Unaudited 30 June 2025 (RMB'000)	Audited 31 December 2024 (RMB'000)	Changes
Total assets	1,683,404	1,943,865	-13.4%
Net cash position ⁽²⁾	277,100	415,079	-33.2%
Net current assets	235,377	182,113	29.2%
Total equity attributable to equity shareholders of the Company	1,231,539	1,219,861	1.0%
Return on equity (annualised) ⁽³⁾	3.5%	1.7%	1.8% points
Net asset per share	RMB1.6	RMB1.6	
Finished goods turnover days ⁽⁴⁾	12 days	12 days	
Trade receivables turnover days ⁽⁵⁾	5 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 report 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 profit for the period to Adjusted EBITDA and related explanation notes are set out in the section headed "Management Discussion and Analysis" on page 35 of this report.
- (2) Net cash position is equal to cash and bank balances net of bank borrowings.
- (3) Return on equity is equal to annualised profit attributable to equity shareholders divided by total shareholders' equity at the end of the relevant period/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 period/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 period/year.

INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

The board of directors of Qinqin Foodstuffs Group (Cayman) Company Limited (the “**Company**”) (the “**Board**”) is pleased to present the unaudited interim condensed consolidated income statement, interim condensed consolidated statement of other comprehensive income, interim condensed consolidated changes in equity and interim condensed consolidated statement of cash flows of the Company and its subsidiaries (together, the “**Group**”) for the six months ended 30 June 2025, and the unaudited interim condensed consolidated balance sheet of the Group as at 30 June 2025, together with the comparative figures and selected explanatory notes. The interim condensed consolidated financial information has been reviewed by the Company’s audit committee and the Company’s auditor, Baker Tilly Hong Kong Limited, in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants.

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION



To the board of directors of Qinqin Foodstuffs Group (Cayman) Company Limited

(Incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the interim condensed consolidated financial information of Qinqin Foodstuffs Group (Cayman) Company Limited (the “**Company**”) and its subsidiaries (together, the “**Group**”) set out on pages 6 to 30, which comprises the interim condensed consolidated balance sheet as of 30 June 2025 and the related interim condensed consolidated income statement, the interim condensed consolidated statement of other comprehensive income, the interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cash flows for the six-month period then ended, and certain explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim condensed consolidated financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard (“**HKAS**”) 34 Interim Financial Reporting issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). The directors of the Company are responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with HKAS 34. Our responsibility is to express a conclusion, based on our review, on this interim condensed consolidated financial information, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the HKICPA. A review of this interim condensed consolidated financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim condensed consolidated financial information of the Group as at 30 June 2025 is not prepared, in all material respects, in accordance with HKAS 34.

Baker Tilly Hong Kong Limited

Certified Public Accountants

Hong Kong, 15 August 2025

Chu, Johnny Chun Yin

Practising certificate number P08355

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2025

		Unaudited	
		Six months ended 30 June	
	Notes	2025 RMB'000	2024 RMB'000
Revenue	6	529,747	563,585
Cost of goods sold	7	(375,544)	(391,863)
Gross profit		154,203	171,722
Distribution and selling expenses	7	(64,347)	(67,408)
Administrative expenses	7	(66,477)	(68,729)
Other income and other gains/(losses) — net	8	6,073	(109)
Operating profit		29,452	35,476
Finance income	9	3,913	6,315
Finance costs	9	(4,039)	(4,609)
Finance (costs)/income — net		(126)	1,706
Share of net losses of associates		(86)	(213)
Profit before income tax		29,240	36,969
Income tax expense	10	(7,689)	(4,160)
Profit for the period		21,551	32,809
Earnings per share for profit attributable to equity shareholders of the Company			
— Basic earnings per share (expressed in RMB per share)	11	RMB0.029	RMB0.043
— Diluted earnings per share (expressed in RMB per share)	11	RMB0.029	RMB0.043

The notes on pages 12 to 30 form an integral part of this interim condensed consolidated financial information.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2025

	Unaudited	
	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Profit for the period	21,551	32,809
Other comprehensive income/(loss)		
<i>Items that will not be reclassified to profit or loss</i>		
Fair value losses on financial assets at fair value through other comprehensive income, net of tax	—	(1,265)
Gain on revaluation of properties, net of tax	5,229	1,044
Other comprehensive income/(loss) for the period, net of tax	5,229	(221)
Total comprehensive income for the period	26,780	32,588

The notes on pages 12 to 30 form an integral part of this interim condensed consolidated financial information.

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

As at 30 June 2025

	Notes	Unaudited 30 June 2025 RMB'000	Audited 31 December 2024 RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment	13	905,977	1,011,799
Construction-in-progress	13	19,471	15,407
Right-of-use assets	14	51,443	70,465
Investment properties	13	87,106	34,232
Intangible assets	13	1,250	1,417
Prepayments for non-current assets		6,273	5,852
Deferred income tax assets		19,123	22,027
Investment in an associate		10,184	10,270
Financial assets at fair value through other comprehensive income	5.3	18,867	18,867
		1,119,694	1,190,336
Current assets			
Inventories		91,809	129,174
Trade receivables	15	14,392	15,037
Other receivables, prepayments and deposits		28,308	17,795
Financial assets at fair value through profit or loss	5.3	2,000	2,000
Current income tax recoverable		—	1,977
Cash and bank balances	16	427,201	587,546
		563,710	753,529
Total assets		1,683,404	1,943,865
EQUITY			
Share capital	17	6,433	6,433
Other reserves		709,874	699,907
Retained earnings		515,232	513,521
Total equity		1,231,539	1,219,861

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

As at 30 June 2025

	Notes	Unaudited 30 June 2025 RMB'000	Audited 31 December 2024 RMB'000
LIABILITIES			
Non-current liabilities			
Borrowings	20	120,618	143,734
Deferred income tax liabilities		2,914	8,854
		123,532	152,588
Current liabilities			
Trade and bills payables	19	155,925	316,148
Other payables and accrued charges		118,111	160,804
Contract liabilities		16,451	65,731
Current income tax liabilities		8,363	—
Borrowings	20	29,483	28,733
		328,333	571,416
Total liabilities		451,865	724,004
Total equity and liabilities		1,683,404	1,943,865

The notes on pages 12 to 30 form an integral part of this interim condensed consolidated financial information.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

	Note	Unaudited Equity attributable to equity shareholders of the Company			
		Share capital RMB'000	Other reserves RMB'000	Retained earnings RMB'000	Total equity RMB'000
Balance at 1 January 2025		6,433	699,907	513,521	1,219,861
Total comprehensive income					
Profit for the period		—	—	21,551	21,551
Other comprehensive income					
Gain on revaluation of properties, net of tax		—	5,229	—	5,229
Total comprehensive income for the period ended 30 June 2025		—	5,229	21,551	26,780
Transactions with equity holders					
Dividends recognised as distributions		—	—	(15,102)	(15,102)
Appropriation to statutory reserves		—	4,738	(4,738)	—
Balance at 30 June 2025		6,433	709,874	515,232	1,231,539
Balance at 1 January 2024		6,433	698,508	496,397	1,201,338
Total comprehensive (loss)/income					
Profit for the period		—	—	32,809	32,809
Other comprehensive (loss)/income					
Fair value losses on financial assets at fair value through other comprehensive income		—	(1,265)	—	(1,265)
Gain on revaluation of a property, net of tax		—	1,044	—	1,044
Total comprehensive (loss)/income for the period ended 30 June 2024		—	(221)	32,809	32,588
Transactions with equity holders					
Equity-settled share-based payment expenses	18	—	196	—	196
Appropriation to statutory reserves		—	4,009	(4,009)	—
Balance at 30 June 2024		6,433	702,492	525,197	1,234,122

The notes on pages 12 to 30 form an integral part of this interim condensed consolidated financial information.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025

		Unaudited	
		Six months ended 30 June	
	Note	2025	2024
		RMB'000	RMB'000
Operating activities			
Cash (used in)/generated from operations		(103,919)	52,065
Income tax paid		(385)	(5,765)
Interest paid		(2,698)	(3,896)
Net cash (used in)/generated from operating activities		(107,002)	42,404
Investing activities			
Purchase of property, plant and equipment, including additions of construction-in-progress		(27,313)	(51,090)
Settlement of term deposits		88,868	86,119
Interest received		3,913	6,315
Proceeds from disposal of property, plant and equipment		8,338	229
Placement of term deposits		(23,036)	(121,932)
Withdrawal of restricted bank balances		23,677	—
Net cash generated from/(used in) investing activities		74,447	(80,359)
Financing activities			
Dividend paid		(15,102)	—
Repayment of borrowings		(22,366)	(20,432)
Net cash used in financing activities		(37,468)	(20,432)
Net decrease in cash and cash equivalents		(70,023)	(58,387)
Cash and cash equivalents at beginning of the period		455,507	471,667
Effect of foreign exchange rate changes in cash and cash equivalents		(813)	(18)
Cash and cash equivalents at end of the period	16	384,671	413,262

The notes on pages 12 to 30 form an integral part of this interim condensed consolidated financial information.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

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 its 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, 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 since 8 July 2016.

This interim condensed consolidated financial information is presented in Renminbi (“**RMB**”), unless otherwise stated and has been approved for issue by the Board on 15 August 2025.

This interim condensed consolidated financial information has been reviewed, not audited.

2. BASIS OF PREPARATION

This interim condensed consolidated financial information for the six months ended 30 June 2025 has been prepared in accordance with Hong Kong Accounting Standard (“**HKAS**”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants as well as the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The interim condensed consolidated financial information does not include all the notes of the type normally included in an annual consolidated financial statements. Accordingly, it should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2024, which have been prepared in accordance with HKFRS Accounting Standards, except for the adoption of the new and amended standards as disclosed in note 3 below.

3. PRINCIPAL ACCOUNTING POLICIES

The interim condensed consolidated financial information have been prepared on the historical cost convention, except for investment properties and certain financial instruments measured at fair value.

The principal accounting policies applied in the preparation of this interim condensed consolidated financial information are consistent with those of the annual consolidated financial statements for the year ended 31 December 2024 and the corresponding interim financial period, except for the adoption of new and amendments to HKFRS Accounting Standards set out below.

(a) New and amended standards adopted by the Group

The Group has applied the following amendments for the first time from 1 January 2025:

Amendments to HKAS 21	Lack of Exchangeability
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The application of the amendments to HKFRS Accounting Standards in the current interim period has had no material impact on the Group’s financial positions and performance for the current and prior period and/or on the disclosures set out in this interim condensed consolidated financial statements.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the interim condensed consolidated financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim condensed consolidated financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual consolidated financial statements for the year ended 31 December 2024.

5. FINANCIAL RISK MANAGEMENT

5.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and cash flow and fair value interest rate risk), credit risk and liquidity risk.

The interim condensed consolidated financial information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2024.

There have been no changes in the risk management policies since last year end.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

5. FINANCIAL RISK MANAGEMENT *(Continued)*

5.2 Liquidity risk

The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Unaudited						Carrying amount RMB'000
	Weighted average interest rates	Less than 1 year RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	Over 5 years RMB'000	Total undiscounted cash flows RMB'000	
At 30 June 2025							
Trade and bill payables		155,925	—	—	—	155,925	155,925
Other payables (excluding non-financial liabilities)		38,159	—	—	—	38,159	38,159
Borrowings	2.43%	32,970	34,882	91,290	—	159,142	150,101
		227,054	34,882	91,290	—	353,226	344,185
	Audited						Carrying amount RMB'000
	Weighted average interest rates	Less than 1 year RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	Over 5 years RMB'000	Total undiscounted cash flows RMB'000	
At 31 December 2024							
Trade and bill payables		315,770	378	—	—	316,148	316,148
Other payables (excluding non-financial liabilities)		74,191	—	—	—	74,191	74,191
Borrowings	2.71%	32,678	42,478	105,233	4,981	185,370	172,467
		422,639	42,856	105,233	4,981	575,709	562,806

5. FINANCIAL RISK MANAGEMENT *(Continued)***5.3 Fair value estimation of financial instruments**

The table below analyses financial instruments carried at fair value by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the Group's financial assets that are measured at fair value at 30 June 2025:

	Unaudited 30 June 2025 RMB'000	Audited 31 December 2024 RMB'000
Financial assets		
Financial assets at fair value through profit or loss (" FVPL ")		
— Level 3	2,000	2,000
Financial assets at fair value through other comprehensive income (" FVOCI ")		
— Level 3	18,867	18,867
	20,867	20,867

During the six months ended 30 June 2025, there are no transfers among levels of the fair value hierarchy used in measuring the fair value of financial instruments, and also no changes in the classification of financial assets as a result of a change in the purpose or use of those assets.

The fair values of Level 3 financial assets are mainly derived from valuation technique using an unobservable range of data. In estimating the fair value of a financial asset under Level 3, the Group engages an external valuer or establishes appropriate valuation techniques internally to perform the valuations which are reviewed by management.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

5. FINANCIAL RISK MANAGEMENT (Continued)

5.3 Fair value estimation of financial instruments (Continued)

The following table provides further information regarding the valuation of material financial assets under Level 3.

	Fair value as at		Valuation technique	Significant unobservable inputs	Input values	Sensitivity analysis
	Unaudited 30 June 2025 RMB'000	Audited 31 December 2024 RMB'000				
Financial assets at FVPL						
Unlisted equity investment	2,000	2,000	Market approach	Enterprise value to sales ratio	3.05 (31 December 2024: 3.05)	An increase in enterprise value to sales ratio would result in an increase in the fair value
Financial assets at FVOCI						
Unlisted equity investment	14,000	14,000	Discounted cash flow	Discount rate	13% (31 December 2024: 13%)	An increase in discount rate would result in a decrease in the fair value
	4,867	4,867	Market approach	Enterprise value to sales ratio	0.86 (31 December 2024: 0.86)	An increase in enterprise value to sales ratio would result in an increase in the fair value

The following table presents the changes in level 3 instruments for the six months ended 30 June 2025:

	Unaudited 30 June 2025 RMB'000	Audited 31 December 2024 RMB'000
Opening balance	20,867	25,561
Fair value changes — loss to comprehensive income	—	(4,694)
Closing balance	20,867	20,867

5. FINANCIAL RISK MANAGEMENT *(Continued)***5.3 Fair value estimation of financial instruments** *(Continued)*

Reconciliation of level 3 fair value measurements:

	Financial assets at FVPL RMB'000	Financial assets at FVOCI RMB'000
At 1 January 2024	2,000	23,561
Total fair value losses — in other comprehensive income	—	(4,694)
At 31 December 2024, 1 January 2025 and 30 June 2025	2,000	18,867

5.4 Fair value of financial assets and liabilities measured at amortised cost

The fair value of the following financial assets and liabilities approximate their carrying amount as at the balance sheet date:

- Trade receivables
- Other receivables and deposits
- Cash and bank balances
- Trade and bills payables
- Other payables
- Borrowings

6. REVENUE AND SEGMENT INFORMATION

The directors of the Company monitors the gross profit of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment.

For management purposes, the Group is organised into business units based on their products and has four reportable operating segments as follows:

- i. Jelly Products
- ii. Crackers and Chips
- iii. Seasoning Products
- iv. Confectionery and Other Products

No analysis of the Group's assets and liabilities by operating segments is disclosed as it is not regularly provided to the directors of the Company for review.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

6. REVENUE AND SEGMENT INFORMATION *(Continued)*

The segment information for the six months ended 30 June 2025 is as follows:

	Unaudited				
	Jelly Products RMB'000	Crackers and Chips RMB'000	Seasoning Products RMB'000	Confectionery and Other Products RMB'000	Group RMB'000
Revenue — recognised at a point in time					
Sales to external customers	316,372	149,028	34,165	30,182	529,747
Cost of goods sold	(224,150)	(105,726)	(21,711)	(23,957)	(375,544)
Results of reportable segments	92,222	43,302	12,454	6,225	154,203

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

Results of reportable segments	154,203
Distribution cost and selling expenses	(64,347)
Administrative expenses	(66,477)
Other income and other gains — net	6,073
Finance costs — net	(126)
Share of net loss of an associate	(86)
Profit before income tax	29,240
Income tax expense	(7,689)
Profit for the period	21,551

Other segment information is as follows:

Depreciation and amortisation charge					
Allocated	22,321	12,173	2,801	3,952	41,247
Unallocated					38
					41,285
Capital expenditure					
Allocated	8,440	5,647	1,648	1,702	17,437
Unallocated					—
					17,437

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

6. REVENUE AND SEGMENT INFORMATION *(Continued)*

The segment information for the six months ended 30 June 2024 is as follows:

	Unaudited				
	Jelly Products RMB'000	Crackers and Chips RMB'000	Seasoning Products RMB'000	Confectionery and Other Products RMB'000	Group RMB'000
Revenue — recognised at a point in time					
Sales to external customers	338,625	153,500	41,503	29,957	563,585
Cost of goods sold	(232,339)	(108,958)	(26,717)	(23,849)	(391,863)
Results of reportable segments	106,286	44,542	14,786	6,108	171,722

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

Results of reportable segments	171,722
Distribution cost and selling expenses	(67,408)
Administrative expenses	(68,729)
Other income and other losses — net	(109)
Finance income — net	1,706
Share of net loss of an associate	(213)
Profit before income tax	36,969
Income tax expense	(4,160)
Profit for the period	32,809

Other segment information is as follows:

Depreciation and amortisation charge					
Allocated	22,657	13,966	2,868	4,320	43,811
Unallocated					47
					43,858
Capital expenditure					
Allocated	7,572	594	1,460	891	10,517
Unallocated					7
					10,524

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

7. EXPENSES BY NATURE

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

	Unaudited Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Raw materials and consumables used	240,814	253,653
Changes in inventories of work-in-progress and finished goods	23,043	26,177
Employee benefit expense, including directors' emoluments	99,102	97,551
Utilities and various office expenses	44,489	40,316
Transportation and packaging expenses	29,458	30,094
Depreciation of property, plant and equipment (note 13)	40,250	42,663
Travelling expenses	8,393	8,888
Marketing and advertising expenses	5,610	3,205
Repair and maintenance expenses	2,689	2,347
Short-term lease expenses	483	636
Amortisation of right-of-use assets	868	1,007
Auditor's remuneration	250	250
Amortisation of intangible assets (note 13)	167	188
Reversal of provision for decline in value of inventories	(1,835)	(1,320)
Others	12,587	22,345
Total cost of sales, distribution cost and selling expenses and administrative expenses	506,368	528,000

8. OTHER INCOME AND OTHER GAINS/(LOSSES) — NET

	Unaudited Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Government grants	2,416	333
Gain/(loss) on disposal of property, plant and equipment — net	5,530	(6,134)
Gain on early termination of a lease contract	—	3,061
Impairment loss of construction in progress	(5,357)	—
Exchange gains/(losses) from operating activities — net	55	(3)
Compensation payment from suppliers	1	58
Penalty income	673	614
Operating lease income	2,579	2,250
Others	176	(288)
	6,073	(109)

Governments grants received during the period 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.

9. FINANCE INCOME AND FINANCE COSTS

	Unaudited	
	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Finance income:		
Interest income from bank deposits	3,913	6,315
Finance costs:		
Interest expense for borrowings	(2,698)	(3,896)
Interest expense for lease liabilities	—	(151)
Exchange losses	(813)	(18)
Other finance charges	(528)	(544)
	(4,039)	(4,609)
Finance (costs)/income — net	(126)	1,706

10. 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 six months ended 30 June 2025 (for the six months ended 30 June 2024: Nil). Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

	Unaudited	
	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Current income tax — PRC Enterprise Income Tax (“EIT”)	4,782	3,418
Deferred income tax, net	2,907	742
Income tax expense	7,689	4,160

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 periods.

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.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

10. INCOME TAX EXPENSE (Continued)

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 interim condensed consolidated financial information in respect of temporary differences attributable to accumulated profits of the PRC subsidiaries amounting to approximately RMB40,847,000 as at 30 June 2025 (31 December 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 30 June 2025, deferred income tax liabilities of approximately RMB2,042,000 (31 December 2024: RMB2,288,000) have not been recognised for the withholding tax that would be payable on such unremitted earnings of those PRC subsidiaries.

11. EARNINGS PER SHARE

11.1 Basic

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

	Unaudited Six months ended 30 June	
	2025	2024
Profit attributable to equity shareholders of the Company (RMB'000)	21,551	32,809
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	755,096,557	755,096,557
Basic earnings per share	RMB0.029	RMB0.043

11.2 Diluted

Diluted earnings per share is the same as basic earnings per share for the periods ended 30 June 2025 and 30 June 2024, as the share options had no dilutive effect on ordinary shares for both periods because the exercise price of the Company's share options was higher than the average market price of the Company's shares in both periods.

12. 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 off in June 2025.

At a meeting of the Board held on 15 August 2025, the directors of the Company resolved not to declare an interim dividend for the six months ended 30 June 2025 (2024: Nil).

13. PROPERTY, PLANT AND EQUIPMENT, INVESTMENT PROPERTIES, CONSTRUCTION-IN-PROGRESS AND INTANGIBLE ASSETS

	Property, plant and equipment RMB'000	Investment property RMB'000	Construction- in-progress RMB'000	Intangible assets RMB'000
At 1 January 2025 (Audited)	1,011,799	34,232	15,407	1,417
Additions	7,067	—	10,370	—
Transfers	(43,256)	44,205	(949)	—
Transfer from right-of-use assets	—	1,696	—	—
Disposals	(29,383)	—	—	—
Impairment loss	—	—	(5,357)	—
Surplus on valuation	—	6,973	—	—
Depreciation/amortisation	(40,250)	—	—	(167)
At 30 June 2025 (Unaudited)	905,977	87,106	19,471	1,250
At 1 January 2024 (Audited)	1,035,126	—	99,586	1,794
Additions	8,083	—	2,441	—
Transfers	55,291	28,830	(84,121)	—
Transfer from a right-of-use asset	—	723	—	—
Disposals	(6,363)	—	—	—
Surplus on valuation	—	1,392	—	—
Depreciation/amortisation	(42,663)	—	—	(188)
At 30 June 2024 (Unaudited)	1,049,474	30,945	17,906	1,606

During the period ended 30 June 2025, the Group changed the use of certain of its property, plant and equipment and right-of-use assets and leased them to independent third parties for rental income. The fair value at the date of transfer was determined by independent qualified professional valuers. Upon the transfer to investment properties, these properties were revalued with gain on revaluation of approximately RMB6,973,000 recognised in other comprehensive income and accumulated in other reserves. The corresponding deferred tax liability of approximately RMB1,744,000 has also been recognised in other comprehensive income and accumulated in other reserves.

As at 30 June 2025, certain land use rights (note 14) and buildings of the Group, with a total net book value of RMB361,377,000 (31 December 2024: RMB362,866,000), were pledged as security for borrowings of the Group amounted to RMB150,101,000 (31 December 2024: RMB163,967,000) as disclosed in note 20.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

14. LEASES

Amounts recognised in the consolidated balance sheet

	Unaudited 30 June 2025 RMB'000	Audited 31 December 2024 RMB'000
Right-of-use assets		
Land use rights	51,443	70,465

As at 30 June 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 RMB5,818,000 (31 December 2024: RMB5,892,000), were still in the process of applying for the ownership certificates.

During the period ended 30 June 2024, the Group terminated the remaining lease earlier due to the cessation of operation of a subsidiary. The Group had derecognised right-of-use assets of RMB4,259,000 and the related lease liabilities of RMB7,320,000, resulting in a gain on termination of lease contract amounted to RMB3,061,000 (note 8).

The total cash outflow for leases during the period, not considering the receipt of government grant, was RMB483,000 (2024: RMB636,000).

15. TRADE RECEIVABLES

The credit period of the Group's trade receivables ranges from 30 to 90 days. The ageing analysis of trade receivables based on invoice date, as at 31 December 2024 and 30 June 2025 was as follows:

	Unaudited 30 June 2025 RMB'000	Audited 31 December 2024 RMB'000
Within 30 days	11,249	13,384
31-180 days	3,083	1,613
181-365 days	20	40
Over 365 days	40	—
	14,392	15,037

There is no significant concentration of credit risk with respect to trade receivables as the Group has a large number of customers.

16. CASH AND BANK BALANCES

	Unaudited 30 June 2025 RMB'000	Audited 31 December 2024 RMB'000
Cash and cash equivalents	384,671	455,507
Restricted bank deposits — current	19,494	43,171
Term deposits — current	23,036	88,868
Total	427,201	587,546

The cash and cash equivalents represented cash deposits held at call with banks and on hand and deposits with original maturity within three months.

The restricted bank deposits are held at banks to secure trade finance facilities of the Group.

The term deposits have original maturities over three months at inception.

17. SHARE CAPITAL

	Unaudited			
	2025 Shares	2025 RMB'000	2024 Shares	2024 RMB'000
As at 1 January and 30 June	755,096,557	6,433	755,096,557	6,433

18. SHARE OPTION SCHEME

The Company adopted a share option scheme on 16 May 2017 (the “**Scheme**”).

On 23 August 2021, 12,950,000 share options (“**Options**”) to subscribe for a total of 12,950,000 ordinary shares of the Company at the exercise price of HK\$2.19 per share were granted to two directors and certain employees of the Group pursuant to the Scheme. Out of the 12,950,000 Options, 12,720,000 Options were accepted by the grantees.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

18. SHARE OPTION SCHEME (Continued)

Movements in the number of Options granted are as follows:

	Options granted on 23 August 2021 (exercise price HK\$2.19 per share)	Total number of options
At 1 January 2025 (Audited)	2,884,000	2,884,000
Cancelled/lapsed during the period	(136,000)	(136,000)
At 30 June 2025 (Unaudited)	2,748,000	2,748,000
At 1 January 2024 (Audited)	5,656,000	5,656,000
Cancelled/lapsed during the period	(308,000)	(308,000)
At 30 June 2024 (Unaudited)	5,348,000	5,348,000

Options outstanding as at 30 June 2025 have the following expiry dates and exercise prices:

Grant date	Exercisable date	Expiry date	Exercise price	Number of Options 30 June 2025
23 August 2021	24 August 2024	23 August 2025	HK\$2.19	2,748,000

The total amount of the fair value of share options granted to the directors of the Company and selected employees is expensed over the vesting period. The equity-settled share-based payment expense for the six months ended 30 June 2025 amounted to Nil (six months ended 30 June 2024: RMB196,000), and there are no remaining unamortised fair value of share options granted (30 June 2024: RMB82,000) that will be charged to the consolidated income statement in the future.

18. SHARE OPTION SCHEME *(Continued)*

The following assumptions were used to calculate the fair values of Options by using the Binomial Model:

Options granted on 23 August 2021			
Grant date share price		HK\$2.19	
Exercise price		HK\$2.19	
Expected life	2 years	3 years	4 years
Expected volatility (Note a)	41%	39%	37%
Risk-free rate (Note b)	0.18%	0.29%	0.45%
Dividend yield (Note c)	0%	0%	0%

Notes:

- (a) Expected volatility is estimated with reference to the historical share price of the Company and a set of comparable companies.
- (b) Risk-free rate is determined with reference to the yield of Hong Kong Exchange Fund Notes.
- (c) Dividend yield is estimated by reference to the historical share price and dividend paid of the Company and a set of comparable companies.

The number of Options granted expected to vest has been reduced to reflect historical experience of forfeiture of options granted prior to completion of vesting period and accordingly the share option expense has been adjusted. At the end of the reporting period, the Group revises its estimates of the number of Options that are expected to ultimately vest. The impact of the revision of the original estimates, if any, is recognised in the profit and loss over the remaining vesting period, with a corresponding adjustment to the share option reserve.

19. TRADE AND BILLS PAYABLES

The ageing analysis of trade and bills payables based on invoice date was as follows:

	Unaudited 30 June 2025 RMB'000	Audited 31 December 2024 RMB'000
Within 30 days	54,804	82,890
31 — 180 days	100,988	232,686
181 — 365 days	16	194
Over 365 days	117	378
	155,925	316,148

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

20. BORROWINGS

	Unaudited 30 June 2025 RMB'000	Audited 31 December 2024 RMB'000
Current		
Bank loans — unsecured	—	1,000
Bank loans — secured	29,483	27,733
	29,483	28,733
Non-current		
Bank loans — unsecured	—	7,500
Bank loans — secured	120,618	136,234
	120,618	143,734
Total borrowings	150,101	172,467

The secured borrowings of the Group as at 30 June 2025 and 31 December 2024 were secured by certain land use rights (note 14) and buildings (note 13) of the Group.

For the six months ended 30 June 2025, the weighted average effective interest rates on borrowings were 2.43% (year ended 31 December 2024: 2.71%) per annum.

21. COMMITMENTS

As at 30 June 2025 and 31 December 2024, the Group had the following commitments:

(a) Capital commitments

Significant capital expenditure contracted for at the balance sheet date but not recognised as liabilities is as follows:

	Unaudited 30 June 2025 RMB'000	Audited 31 December 2024 RMB'000
Contracted but not provided for in respect of:		
Machinery and equipment	9,158	8,122
Buildings	11,664	18,034
	20,822	26,156

21. COMMITMENTS *(Continued)***(b) Other commitments**

As at 30 June 2025 and 31 December 2024, the Group had future aggregate minimum lease payments under non-cancellable short-term leases of buildings and other non-cancellable contracts as follows:

	Unaudited 30 June 2025 RMB'000	Audited 31 December 2024 RMB'000
Not later than 1 year	219	2,085

(c) The Group as lessor

The Group leases out a number of buildings and warehouses under operating leases. The leases typically run for an initial period of 2 to 10 years (2024: 2 to 5 years). None of the leases includes variable lease payments.

Undiscounted lease payments receivable on leases are as follows:

	Unaudited 30 June 2025 RMB'000	Audited 31 December 2024 RMB'000
Within 1 year	6,587	5,129
Within a period of more than 1 year but not exceeding 2 years	6,575	4,830
Within a period of more than 2 years but not exceeding 5 years	9,765	7,245
Within a period of more than 5 years but not exceeding 10 years	2,763	—
	25,690	17,204

22. RELATED PARTY TRANSACTIONS

The ultimate controlling party of the Group is Mr. Hui Ching Lau ("**Mr. Hui**"), who is also the Chairman of the Board. Parties are considered to be related if one party has the ability, directly or indirectly, control the other party or exercise significant influence over the other party in making financial and operational decisions. Parties are also considered to be related if they are subject to common control.

The following is a summary of the significant transactions carried out between the Group and its related parties during the periods.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

22. RELATED PARTY TRANSACTIONS *(Continued)*

(a) Transactions with related parties

(i) Lease of offices

	Unaudited Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Lianjie Sports Investments Limited ("Lianjie Sports")	221	218

Lianjie Sports is a company wholly owned by Mr. Hui.

(ii) Purchases of goods from

	Unaudited Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Fujian Shuncheng Flour Industry Development Co., Ltd. ("Shuncheng Flour")	288	69

Shuncheng Flour is a company controlled by a former director and a director of the Company and their associates.

(b) Key management compensation

For the six months ended 30 June 2025, the key management comprised the directors (excluding independent non-executive directors) and certain senior management, and their compensation amounted to approximately RMB2,197,000 (six months ended 30 June 2024: RMB2,067,000).

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)” and “A Snack Shop (親親物語)” brands.

INDUSTRY ENVIRONMENT

In the first half of 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, implementing timely strategies with the target to maintain revenue and profit growth, counterbalance rising costs, and mitigate 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 six months ended 30 June 2025 (the “**Reporting Period**”), the Group’s total revenue was approximately RMB529.7 million (first half of 2024: RMB563.6 million), representing a decrease of approximately RMB33.9 million or 6.0% over the same period of last year. The decrease in revenue in the Reporting Period 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..

For the Reporting Period, the Group’s gross profit and gross profit margin both decreased. Gross profit for the Reporting Period was approximately RMB154.2 million (first half of 2024: RMB171.7 million), representing a decrease of approximately RMB17.5 million or 10.2% over the same period of last year; gross profit margin was 29.1% (first half of 2024: 30.5%), representing a decrease of approximately 1.4 percentage points over the same period of last year. During the Reporting Period, the Group recorded a consolidated net profit attributable to the shareholders of the Company of approximately RMB21.6 million, as compared to the consolidated net profit attributable to the shareholders of the Company of approximately RMB32.8 million for the six months ended 30 June 2024, representing a decrease of approximately RMB11.2 million.

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

- (i) during the Reporting Period, 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. Gross profit and gross profit margin decreased by approximately RMB17.5 million and 1.4 percentage points respectively when compared to the same period last year;
- (ii) the Group recorded a gain on disposal of property, plant and equipment of RMB5.5 million during the Reporting Period (first half of 2024: loss of RMB6.1 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 RMB5.4 million during the Reporting Period (first half of 2024: nil) 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 RMB316.4 million (first half of 2024: RMB338.6 million), representing a decrease of approximately 6.6% over the same period last year, and accounting for 59.7% (first half of 2024: 60.1%) of total revenue of the Group. Gross profit was approximately RMB92.2 million (first half of 2024: RMB106.3 million), representing a decrease of approximately 13.3% over the same period of last year. Gross profit margin was approximately 29.1% (first half of 2024: 31.4%), representing a decrease of approximately 2.3 percentage points over the same period of last 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 produced by competitors and the Group's sales volume and gross profit decreased accordingly. The decrease in sales volume also led to reduced economies of scale, contributing to a decrease in gross profit margin.

Although sales of jelly products have been decreased in the first half of 2025 and have not met 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 RMB149.0 million (first half of 2024: RMB153.5 million), representing a decrease of approximately 2.9% over the same period of last year, and accounting for 28.1% (first half of 2024: 27.2%) of total revenue of the Group. Gross profit was approximately RMB43.3 million (first half of 2024: RMB44.5 million), representing a decrease of approximately 2.7% over the same period of last year. Gross profit margin was approximately 29.1% (first half of 2024: 29.0%), representing an increase of approximately 0.1 percentage points over the same period of last year.



The slight decline in sales was mainly attributable to weaker than expected performance in traditional sales channels. During the Reporting Period, sales to snack food chains have been increased. The Group also continued to expand its export business to other countries and developed OEM business to increase utilisation of its production facilities, which partly offset the decrease in sales in the decrease in traditional sales channels.

The Group will continue to optimise its product portfolio and sales strategy, and focus on expanding and launching new product lines to stimulate sales and improve profitability in this segment.

Seasoning Products

Sales of seasoning products in the Reporting Period were approximately RMB34.2 million (first half of 2024: RMB41.5 million), representing a decrease of approximately 17.6% over the same period of last year, and accounting for 6.5% (first half of 2024: 7.4%) of total revenue of the Group. Gross profit was approximately RMB12.5 million (first half of 2024: RMB14.8 million), representing a decrease of approximately 15.5% over the same period of last year. Gross profit margin was approximately 36.5% (first half of 2024: 35.6%), representing an increase of approximately 0.9 percentage points over the same period of last 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 price, 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 same period last year.

Confectionery and Other Products

Confectionery and other products include confectionery 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 RMB30.2 million (first half of 2024: RMB30.0 million), representing an increase of approximately 0.7% over the same period of last year, and accounting for 5.7% (first half of 2024: 5.3%) of total revenue of the Group. Gross profit was approximately RMB6.2 million (first half of 2024: RMB6.1 million), representing an increase of approximately 1.6% over the same period of last year. Gross profit margin was approximately 20.6% (first half of 2024: 20.4%), representing an increase of approximately 0.2 percentage points over the same period of last year.



The increase in sales during the Reporting Period was mainly attributable to the increase in sales of new rice wine products. Since the new rice wine production base was established and the new rice wine products have been launched, there has been a gradual increase in sales over the previous years due to the continuous effort in the promotion and distribution of products into different sales channels. There was also an improvement in gross margin for rice wine products along with the increase in sales volume and decrease in production costs due to improvement on economy of scale.

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 RMB64.3 million (first half of 2024: RMB67.4 million), representing a decrease of 4.6% over the same period of last year, and accounting for 12.1% (first half of 2024: 12.0%) of total revenue of the Group. The period-over-period decrease in distribution cost and selling expenses was mainly attributable to the reduction in staff bonuses and transportation costs, in line with the decrease in sales and sales volume during the Reporting Period.

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 RMB66.5 million (first half of 2024: RMB68.7 million), representing a decrease of 3.2% over the same period of last year, and accounting for 12.5% (first half of 2024: 12.2%) of total revenue of the Group. The period-over-period decrease was mainly attributable to a RMB2.5 million reduction in depreciation of property, plant, and equipment and property tax, 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 profit for the period is the primary performance indicator of the Group, which reflects the totality of the Group's performance based on HKFRS Accounting Standards ("HKFRS") and has been discussed in the management discussion and analysis section in this report. 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 profit for the period to Adjusted EBITDA and explanation notes:

For the six months ended 30 June	Notes	2025 (RMB'000)	2024 (RMB'000)
Profit for the period (HKFRS measure)		21,551	32,809
Finance income	(i)	(3,913)	(6,315)
Finance costs (excluded other finance charges)	(i)	3,511	4,065
Income tax	(i)	7,689	4,160
Depreciation	(i)	40,250	42,663
Amortisation	(i)	1,035	1,195
EBITDA (non-HKFRS measure)	(i)/(iv)	70,123	78,557
Added: Share of net losses of associates	(ii)	86	213
Adjusted EBITDA (non-HKFRS measure)	(iii)/(iv)	70,209	78,790

Notes:

- (i) EBITDA represents profit or loss for the period 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 losses on associates is not reflective of the daily business operations of the Group, the removal of such losses would enable the users of the financial information to better understand the core operating performance of the Group.
- (iii) The relevant disclosures on Adjusted EBITDA in this report 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.
- (iv) 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 report 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 remained unchanged. A fair value loss through other comprehensive income of approximately RMB1.3 million was recognised by the Group during the first half of 2024.

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 has increased its investment in product innovation, production facilities and quality inspection equipment, thereby ensuring the speed and efficiency of the development and launching of new products.

For jelly products, the Group will continue to develop products to improve gross profit, focus on increasing the sales of key products and continue to launch innovative, healthy and delicious products and keep adjusting marketing strategies for new products. The Group believes that with the continual introduction and launch of new products, it will contribute to the sustainable development and growth of the jelly product business.

For crackers and chips, the Group will continue to deepen the leading position of the prawn cracker. Through a series of measures such as improving taste, upgrading packaging and increasing flavors, the Group will continue to develop new products to meet consumers' demand for healthy snacks. Since the end of 2024, the Group has introduced 「海苔脆果」, a new non-fried crackers and chips product made with real seaweed and containing zero trans fats. This product was designed to meet the trend towards healthier consumption and has been well received by consumers. In addition, the Group will keep focusing on the continual expansion of key products series such as 「薯片」 and 「親親圈」, increase the development and exposure of promotional activities at retail terminals, and continue to consolidate the Group's leading position in the market.

For seasoning products, the Group will continue to adopt "make cooking easier" as the target goal for its product and brand development. The Group will aim to increase the proportion of high-margin products through a series of upgrades on packaging and to increase market share and brand influence. The Group will continue to step up the promotion of its seasoning products in two channels, namely the catering market and the household market, develop more sales points, and launch more products to meet the demands of the catering and household markets. Meanwhile, with the aim of seeking market opportunities and new growth drivers in the process of industrialisation of the catering industry, the Group will continue to provide customised products and services to catering chain stores and catering supply chain customers.

For other snacks products, the Group will continue to develop new snack food, including candy, chocolate, biscuits, bakery and rice wine snacks products. As consumers gradually increase attention to healthy diets, the Group will conduct in-depth research on consumer habits, and develop new snack products with a healthy concept, in order to provide consumers with products with different tastes and flavour, and continue to expand new product categories to increase sales revenue.

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 investment 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. During the Reporting Period, there was a rise in number of snack food branded stores in PRC. 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, supermarket 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 sale through new snack food chains has increased to a great extent 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 sale 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 some of its new product launches. 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 realize 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, 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. As a result, the Group recorded a one-off impairment loss on construction in progress of RMB 5.4 million during the Reporting Period (first half of 2024: nil).

The total capital expenditure of the Group in the Reporting Period regarding revamping of existing production bases projects was approximately RMB17.4 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 construction and renovation of plants, equipment upgrades 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 on The Stock Exchange of Hong Kong Limited. 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, develop and allocate more high margin products for sales through e-commerce channels 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 and digital transformation to improve efficiency, invest in talent development and information management system to raise corporate management standards, improve the Group's operating efficiency and core competitiveness, and to 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 investment partners to facilitate long-term development and business growth of the Group.

LIQUIDITY AND CAPITAL RESOURCES

The Group maintained a solid financial position and was in a net cash position as at 30 June 2025. The Group's net cash position is equal to cash and bank balances net of bank borrowings. As at 30 June 2025, the Group had cash and bank balances of RMB427.2 million (31 December 2024: RMB587.6 million) and bank borrowings of RMB150.1 million (31 December 2024: RMB172.5 million).

As at 30 June 2025, the Group's working capital or net current assets were RMB235.4 million (31 December 2024: RMB182.1 million). The current ratio, represented by current assets divided by current liabilities, was 1.7 (31 December 2024: 1.3). The Group's total equity was RMB1,231.5 million (31 December 2024: RMB1,219.9 million), representing an increase of approximately 1.0%.

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 RMB277.1 million as at 30 June 2025 was mainly attributable to the reduction of bills payables amounting to RMB132.3 million, which were repaid upon maturities during the first half of the 2025.

As at 30 June 2025, the Group's bank borrowings denominated in RMB bore interest rates ranged from 1.30% to 3.50% per annum (31 December 2024: 1.30% to 3.60% per annum) with effective interest rate of 2.43% (31 December 2024: 2.71%). In addition, the Group has obtained trade finance facilities with a total amount of RMB390.0 million from banks for the issuance of bills payable to settle trade payables, of which RMB100.7 million (2024: RMB233.0 million) has been utilised by the Group as at 30 June 2025. The interest rates of trade finance facilities ranged from 0.78% to 1.13% per annum (2024: 0.78% to 1.35% per annum) with an effective interest rate of 1.00% (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 30 June 2025 and in 31 December 2024, no gearing ratio was presented.

During the first half of 2025, the Group invested RMB17.4 million on capital expenditure (31 December 2024: RMB12.9 million). The capital expenditure was mainly incurred for purchase of new production equipment and construction-in-progress projects for certain factories in PRC to facilitate the Group's long term business development plan. 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 30 June 2025, the Group had total capital commitments (contracted but not provided for) of RMB20.8 million (31 December 2024: RMB26.2 million).

As at 30 June 2025, the Group had future aggregate minimum lease payments under non-cancellable short-term leases of RMB0.2 million (31 December 2024: RMB2.1 million).

The Group had no material contingent liabilities as at 30 June 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 report, there were no other significant investments held, nor were there any material acquisitions or disposals of subsidiaries, associates and joint ventures during the period under review.

CHARGE ON ASSETS

As at 30 June 2025, certain land use rights and buildings of the Group with net book value of RMB361.4 million (31 December 2024: RMB362.9 million) were pledged for bank borrowings of RMB150.1 million (31 December 2024: RMB164.0 million).

As at 30 June 2025, the Group also had short-term trade finance facilities of RMB100.7 million (31 December 2024: RMB225.9 million), which was pledged by the restricted bank deposits of the Group in the amount of RMB19.5 million (31 December 2024: RMB43.2 million).

HUMAN RESOURCES AND MANAGEMENT

As at 30 June 2025, the Group had approximately 2,400 (31 December 2024: 2,400) employees. For the period under review, total employee benefit expenses, including directors' emoluments, was approximately RMB99.1 million (first half of 2024: RMB97.6 million). The increase in total employee benefit expenses was mainly attributable to the increase of pension and other social benefits obligation for employees in PRC.

The Group aims to create a strong sense of community and a motivating environment for its employees to excel. The Group recruits 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 period under review, the Group recorded foreign exchange loss in relation to its cash and cash equivalent in HKD and USD totaling RMB0.8 million (first half of 2024: net foreign exchange loss totaling RMB18,000). 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.

INTERIM DIVIDEND

No interim dividend was declared by the Board for the six months ended 30 June 2025 (30 June 2024: Nil).

OTHER INFORMATION

DIRECTORS' INTERESTS IN SECURITIES

As at 30 June 2025, the interest and short positions of the Directors in shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the “SFO”), which (a) were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) pursuant to provisions of Divisions 7 and 8 of Part XV of the SFO (including interest and short positions which the Directors have taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix C3 of the Rules Governing the Listing of Securities on the Stock Exchange (“Listing Rules”) to be notified to the Company and the Stock Exchange were set out below:

Long positions in the shares of the Company (the “Shares”)

Name of Director	Notes	Capacity/ Nature of interest	Number of Shares interested	Number of underlying Shares interested (Note 1)	Approximate percentage of interest in the Company (Note 2)
Mr. Hui Ching Lau	3	Interest of controlled corporation/corporate interest	425,806,219	—	56.39%
Mr. Sze Man Bok	4	Beneficial owner and founder of discretionary trust/personal and other interests	45,760,919	—	6.06%
Mr. Wu Wenxu		Beneficial owner/personal interest	—	120,000	0.02%
Mr. Wong Wai Leung		Beneficial owner/personal interest	—	48,000	0.01%

Notes:

- Underlying Shares (being physically settled unlisted derivatives) represent share options granted to the directors pursuant to share option scheme of the Company and details of which are set out on pages 44.
- The percentages expressed are based on the total number of issued Shares of 755,096,557 as at 30 June 2025.
- These 425,806,219 Shares are held and owned by Sure Wonder Limited, which is wholly owned by Mr. Hui Ching Lau and accordingly, Mr. Hui Ching Lau is deemed to be interested in the said 425,806,219 Shares.
- These 45,760,919 Shares comprise 45,645,799 Shares held and owned by Tin Lee Investments Limited (“Tin Lee”) and 115,120 Shares held and owned by Mr. Sze Man Bok. Tin Lee is a wholly owned subsidiary of Tin Wing Holdings Limited, which is wholly-owned by Hang Seng Bank (Trustee) Limited, the trustee of the Sze’s Family Trust. Mr. Sze Man Bok is settlor and beneficiary of the Sze’s Family Trust and accordingly, is deemed to be interested in the said 45,645,799 Shares.

Save as disclosed above, none of the Directors or chief executive had, as at 30 June 2025, had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which, (a) were required to be notified to the Company and the Stock Exchange pursuant to provisions of Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors or chief executive have taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN THE SHARES OF THE COMPANY

As at 30 June 2025, so far as the Directors are aware, the following persons (other than the Directors or chief executive of the Company), were directly or indirectly, interested in 5% or more of the Shares or short positions in the Shares and the underlying Shares, which are required to be disclosed under provisions of Divisions 2 and 3 of Part XV of the SFO, or which will be required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein, or to be notified to the Company, were as follows:

Long Positions in the Shares of the Company

Name of Substantial Shareholder	Notes	Capacity/ Nature of interest	Number of Shares interested	Approximate percentage of interest in the Company (Note 1)
Sure Wonder Limited	2	Beneficial owner/beneficial interest	425,806,219	56.39%
Tin Lee Investments Limited	3	Beneficial owner/beneficial interest	45,645,799	6.05%
Hang Seng Bank (Trustee) Limited	3	Trustee/other interest	45,645,799	6.05%

Notes:

- The percentages expressed are based on the total number of issued Shares of 755,096,557 as at 30 June 2025.
- Mr. Hui Ching Lau, the Chairman and executive Director of the Company, is the sole director and sole shareholder of Sure Wonder Limited. His interest in Shares is disclosed in the "Directors' Interests in Securities" above.
- Tin Lee Investments Limited is a wholly-owned subsidiary of Tin Wing Holdings Limited which is wholly-owned by Hang Seng Bank (Trustee) Limited, the trustee of the Sze's Family Trust. Each of Tin Wing Holdings Limited and Hang Seng Bank (Trustee) Limited, and Mr. Sze Man Bok are deemed to be interested in 45,645,799 Shares held and owned by Tin Lee Investments Limited under the SFO. Mr. Sze's interest in Shares is disclosed in the "Directors' Interests in Securities" above.

SHARE OPTION SCHEME

The Company has adopted a share option scheme (the “**Scheme**”) on 16 May 2017 which is valid and effective for a period of 10 years commencing on the date of adoption of the Scheme. The table below sets out movements in the share options granted under the Scheme during the six months ended 30 June 2025:

Eligible person	Number of share options				Exercise price per share HK\$	Date of grant (DD/MM/YYYY)	Exercisable period (DD/MM/YYYY)
	Balance as at 1/1/2025	Granted during the period	Exercised during the period	Cancelled or lapsed during the period	Balance as at 30/6/2025		
Directors							
Mr. Wong Wai Leung	48,000	—	—	—	48,000	2.19	23/08/2021 24/08/2024- 23/08/2025
Mr. Wu Wenxu	120,000	—	—	—	120,000	2.19	23/08/2021 24/08/2024- 23/08/2025
Other employees	2,716,000	—	—	(136,000)	2,580,000	2.19	23/08/2021 24/08/2024- 23/08/2025
	2,884,000	—	—	(136,000)	2,748,000		

Notes:

1. The vesting period of the share options is from the date of grant until the commencement of exercise period.
2. The closing price of the Shares immediately before the date on which the share options being granted on 23 August 2021 was HK\$2.19.
3. The table below sets out the additional information in respect of the Scheme during six months period ended 30 June 2025:

Number of options available for grant as at 1 January 2025	Number of options available for grant as at 30 June 2025	Number of outstanding options divided by weighted average number of Shares in issue as at 30 June 2025
44,685,655	44,821,655	0.36%

According to the Binomial Model, the fair value of the option granted, which had been charged to the consolidated income statement for the six months ended 30 June 2025, amounted to nil and there is no remaining unamortised fair value to be charged to the consolidated income statement in future. The calculation of fair value of the share options granted and the basis and assumption used for such calculation are set out in note 18 to this report.

It should be noted that the value of an option varies with different variables of certain subjective assumptions, any change in variables so adopted may materially affect the fair value estimate.

CORPORATE GOVERNANCE CODE

The Group recognised 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 Listing Rules.

In the opinion of the directors of the Company, the Company has complied with all code provisions in force as set out in the CG Code throughout the six months ended 30 June 2025.

COMPLIANCE WITH THE MODEL CODE

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 of the Listing Rules. The Company has made specific enquiry of all directors regarding any non-compliance with the Model Code, all directors have confirmed that they complied with the required standards as set out in the Model Code throughout the six months ended 30 June 2025.

CHANGES IN DIRECTORS' AND CHIEF EXECUTIVES' INFORMATION

Save for information disclosed elsewhere in this report, there is no other information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

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 six months ended 30 June 2025 and up to the date of this report.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, redeemed or sold any of the Company's listed securities or has sold or transferred any treasury shares of the Company during the six months ended 30 June 2025.

AUDIT COMMITTEE AND REVIEW OF INTERIM RESULTS

The audit committee of the Company, which comprises three independent non-executive directors, has reviewed the unaudited interim results of the Group for the six months ended 30 June 2025 as well as this report and has recommended their adoption to the Board.

In addition, the Company's auditor, Baker Tilly Hong Kong Limited has also conducted a review of the aforesaid unaudited interim financial information in accordance with Hong Kong Standard on Review Engagement 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

ACKNOWLEDGEMENT

On behalf of the Board, 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, 15 August 2025

As of the date of this report, 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.