Jiujiuwang Food International Limited
久久王食品国际有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1927)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

FINANCIAL HIGHLIGHTS

For the year ended 31 December 2024, revenue was approximately RMB315,028,000 (2023: approximately RMB351,767,000), representing a year-on-year decrease of 10.4%.

For the year ended 31 December 2024, gross profit was approximately RMB87,383,000 (2023: approximately RMB99,513,000), representing a year-on-year decrease of 12.2%.

For the year ended 31 December 2024, loss attributable to owners of the Company was approximately RMB3,623,000 (2023: profit of approximately RMB4,920,000), representing a year-on-year decrease of 173.6%.

For the year ended 31 December 2024, basic and diluted loss per share of the Company was RMB0.5 cents (2023: earnings per share RMB0.6 cents).

The Board has resolved not to declare any final dividend for the year ended 31 December 2024.

The board (the "**Board**") of directors (the "**Directors**") of Jiujiuwang Food International Limited (the "**Company**") is pleased to announce the annual results of the Company and its subsidiaries (collectively, the "**Group**", "**We**" and "**Our**") for the year ended 31 December 2024 (the "**Reporting Period**"), together with the comparative figures for the year ended 31 December 2023 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
Revenue	5	**315,028**	351,767
Cost of sales		**(227,645)**	(252,254)
Gross profit		**87,383**	99,513
Other income, gain or (loss), net	6	**873**	(4,668)
Allowance for expected credit losses on trade and other receivables		**(8,705)**	(766)
Selling expenses		**(31,367)**	(34,799)
Administrative expenses		**(32,860)**	(34,629)
Finance costs	7	**(13,829)**	(13,587)
Profit before taxation	8	**1,495**	11,064
Taxation	9	**(5,118)**	(6,144)
(Loss)/profit for the year		**(3,623)**	4,920
(Loss)/profit for the year attributable to owners of the Company		**(3,623)**	4,920
Other comprehensive income/(loss)			
Item that may be reclassified subsequently to profit or loss:			
Exchange difference arising on translation of foreign operations		**501**	(226)
Other comprehensive income/(loss) for the year, net of tax		**501**	(226)
Total comprehensive (loss)/income for the year attributable to owners of the Company		**(3,122)**	4,694
(Loss)/earnings per share attributable to owners of the Company			
Basic and diluted (RMB cents)	11	**(0.5)**	0.6

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment		**284,712**	288,985
Right-of-use assets		**63,332**	55,171
Deferred tax assets		**382**	382
		348,426	344,538
Current assets			
Inventories		**156,827**	133,672
Trade receivables	*12*	**67,232**	96,366
Prepayments and other receivables		**127,968**	98,233
Cash and cash equivalents		**28,993**	35,064
		381,020	363,335
LIABILITIES			
Current liabilities			
Trade and other payables	*13*	**48,487**	31,102
Contract liabilities		**5,450**	2,484
Bank borrowings		**132,010**	117,100
Lease liabilities		**13,601**	13,509
		199,548	164,195
Net current assets		**181,472**	199,140
Total assets less current liabilities		**529,898**	543,678
Non-current liabilities			
Bank borrowings		**122,667**	138,957
Lease liabilities		**10,393**	4,761
		133,060	143,718
Net assets		**396,838**	399,960
EQUITY			
Share capital	*14*	**532**	532
Reserves		**396,306**	399,428
Total equity		**396,838**	399,960

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

1. GENERAL INFORMATION

Jiujiuwang Food International Limited was incorporated in the Cayman Islands on 21 February 2017 as an exempted company with limited liability under the Companies Act, Cap. 22 (Act 3 of 1961, as consolidated and revised) of the Cayman Islands and its shares are listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). Haisen International Limited, Jianeng International Limited and Xiejia Limited are the substantial shareholders of the Company. Its registered office is located at 89 Nexus Way, Camana Bay, Grand Cayman KY1-9009, Cayman Islands and its principal place of business is located in the PRC.

The Company acts as an investment holding company. The Group principally engages in manufacture and sell confectionary products, such as aerated candies, gum-based candies, hard candies, tablet candies and chocolate-made products.

The Company's functional currency is Hong Kong dollars ("**HK$**"). However, the consolidated financial statements are presented in Renminbi ("**RMB**"), as the directors of the Company consider that RMB is the functional currency of the primary economic environment in which most of the Group's transactions are denominated and settled in and this presentation is more useful for its current and potential investors. The consolidated financial statements are presented in thousands of Renminbi ("**RMB'000**"), unless otherwise stated.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") for the first time, which are mandatorily effective for their annual reporting period commencing 1 January 2024 for the preparation of consolidated financial statements:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The application of the amendments to HKFRSs 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.

Impacts on application of amendments to HKFRS 16 lease liability in a sale and leaseback

The Group has applied the amendments for the first time in the current year. The amendments add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements of HKFRS 15 Revenue from Contracts with Customers to be accounted for as a sale. The amendments require a seller-lessee to determine "lease payments" or "revised lease payments" such that the seller-lessee would not recognise a gain or loss that relates to the right of use retained by the seller-lessee. The amendments also clarify that applying the requirements does not prevent the seller-lessee from recognising in profit or loss any gain or loss relating to subsequent partial or full termination of a lease. According to the transitional provisions, the Group has applied the new accounting policy retrospectively to the sale and leaseback transactions entered into by the Group as the seller-lessee after the initial application of HKFRS 16. The application of the amendments has no material impact on the Group's financial position and performance.

New and amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments[3]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards — Volume 11[3]
Amendments to HKAS 21	Lack of Exchangeability[2]
HKFRS 18	Presentation and Disclosure in Financial Statements[4]

[1] Effective for annual period beginning on or after a date to be determined.
[2] Effective for annual periods beginning on or after 1 January 2025.
[3] Effective for annual periods beginning on or after 1 January 2026.
[4] Effective for annual periods beginning on or after 1 January 2027.

The directors of the Company anticipate that the application of all new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

3. BASIS OF PREPARATION OF CONSOLIDATION FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

Statement of compliance

The consolidated financial statements have been prepared in accordance with HKFRSs (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("**HKASs**") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") and by the Hong Kong Companies Ordinance.

Basis of preparation of financial statements

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2, leasing transactions that are within the scope of HKFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 or value in use in HKAS36.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the asset or liability.

4. OPERATING SEGMENT

An operating segment is a component of the Group that is engaged in business activities from which the Group may earn revenue and incur expenses, and is identified on the basis of the internal management reporting information that is provided to and regularly reviewed by the Group's chief operating decision maker in order to allocate resources and assess performance of the segment. During the year ended, the information reported to the executive directors, who are the chief operating decision makers for the purpose of resource allocation and assessment of performance, do not contain profit or loss information of each product line or geographical area and the executive directors reviewed the financial result of the Group as a whole report under HKFRSs.

The Group currently operates one operating segment which is revenue from sale of the confectionary products. Accordingly, the Group does not have separately reportable segments.

Geographical information

The Group's operations and non-current assets are located in the PRC. Information about the revenue based on the geographical locations of the customers are detailed below:

	2024	2023
	RMB'000	*RMB'000*
PRC	**283,836**	302,814
Asia (excluding PRC) *(Note 1)*	**12,237**	19,439
Europe *(Note 2)*	**17,315**	23,101
Others *(Note 3)*	**1,640**	6,413
	315,028	351,767

Notes:

(1) Included Philippines, United Arab Emirates, Korea, Indonesia, Japan and Vietnam.

(2) Included Germany, Poland, the United Kingdom, Lithuania, Czech Republic, Denmark, Spain, France and Belgium.

(3) Included Australia, Argentina, Brazil, Colombia, Chile, Ecuador and the United States.

Information about major customers

Revenue from major customers, contributing over 10% or more of the total sales of the Group during the years ended 31 December 2024 and 2023 are as follow:

	2024	2023
	RMB'000	*RMB'000*
Customer A	**76,940**	71,854

As at 31 December 2024 and 2023, 26.3% and 25.8% respectively of the Group's trade receivables were due from this customer.

5. REVENUE

Revenue represents the fair value of amounts received and receivable for goods sold by the Group to outside customers, less discount and other allowance for the year, and is analysed as follow:

	2024	2023
	RMB'000	*RMB'000*
Analysed by type of products		
OEM products	**119,697**	143,523
Own-branded products		
— Coolsa	**174,502**	185,590
— Lalabo	**16,725**	17,842
— Jiujiuwang	**4,104**	4,812
Sale of good, recognised at a point in time	**315,028**	351,767

Transaction prices are fixed in respective contracts. Unsatisfied performance obligations at 31 December 2024 and 2023 have expected duration of less than one year and are thus not disclosed as permitted under HKFRS 15.

6. OTHER INCOME, GAIN OR (LOSS), NET

	2024	2023
	RMB'000	*RMB'000*
Bank interest income	**32**	168
Exchange gain/(loss)	**1,702**	(501)
Rental income	**238**	28
Government grants *(Note)*	**245**	1,314
Loss arising from sale and leaseback transactions	**(1,344)**	(5,677)
	873	(4,668)

Note: Government grants were mainly granted to the Group as subsidies to support the operation of the PRC subsidiaries. There are no special condition or contingencies that are needed to be fulfilled and they were non-recurring in nature.

7. FINANCE COSTS

	2024	2023
	RMB'000	*RMB'000*
Interest expenses on bank borrowings	**10,707**	10,990
Interest expenses on lease liabilities	**3,122**	2,597
	13,829	13,587

8. PROFIT BEFORE TAXATION

Profit before taxation has been arrived at after charging:

	2024	2023
	RMB'000	*RMB'000*
Employee expenses, including directors' emoluments	**24,970**	26,298
Retirement benefit schemes contributions	**6,333**	8,821
Total employee expenses	**31,303**	35,119
Auditors' remuneration	**1,150**	1,150
Cost of inventories recognised as expenses	**193,642**	194,176
Write-down of inventories	**2,375**	–
Depreciation of property, plant and equipment	**13,378**	16,092
Depreciation of right-of-use assets	**4,942**	5,790
Allowance for expected credit losses on trade and other receivables	**8,705**	766
Research and development expenses	**9,370**	11,094

9. TAXATION

	2024	2023
	RMB'000	*RMB'000*
The taxation charge comprises:		
Current tax		
— PRC Enterprise Income Tax	**5,118**	6,329
Deferred taxation	**–**	(185)
Total tax expenses for the year	**5,118**	6,144

Hong Kong

Under the two-tiered profits tax rates regime, the first HK$2,000,000 of assessable profits of qualifying corporations will be taxed at 8.25%, and assessable profits above HK$2,000,000 will be taxed at 16.5%. The assessable profits of corporations not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

No provision for Hong Kong profits tax has been made as the Group had no estimated assessable profits arising from Hong Kong during the year (2023: Nil).

The PRC

The PRC Enterprise Income Tax ("**PRC EIT**") is calculated at the applicable tax rates in accordance with the relevant laws and regulations in the PRC.

Under the PRC Enterprise Income Tax Law (the "**EIT Law**") and Implementation Regulations of the EIT Law, the tax rate of a PRC subsidiary is 25% for both years.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

10. DIVIDENDS

The board of directors of the Company does not recommend the payment of any dividend for the year ended 31 December 2024 (2023: Nil).

11. (LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of the basic and diluted earnings per share attributable to owners of the Company is based on the following data:

	2024	2023
	RMB'000	*RMB'000*
(Loss)/earnings		
(Loss)/earnings for the purposes of basic and diluted earnings per share	**(3,623)**	4,920

	2024	2023
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	**792,000**	792,000

Diluted earnings per share were the same as the basic earnings per share as there were no potential dilutive ordinary shares in existence during the years ended 31 December 2024 and 2023.

12. TRADE RECEIVABLES

	2024	2023
	RMB'000	*RMB'000*
Trade receivables	**77,440**	97,895
Less: allowance for expected credit losses	**(10,208)**	(1,529)
	67,232	96,366

As at 1 January 2023, trade receivables from contracts with customers (net of allowance for expected credit losses) amounted to RMB98,580,000.

The Group's trade receivables are attributable to a number of independent customers with credit terms. The Group normally allows a credit period of 0 to 180 days to its customers.

Aging analysis of trade receivables (net of allowance for expected credit losses) presented, based on invoice date, as at the end of each of the reporting periods is as follows:

	2024	2023
	RMB'000	*RMB'000*
Within 30 days	**10,443**	12,725
31–60 days	**11,882**	10,761
61–90 days	**8,048**	15,726
91–180 days	**31,551**	50,194
181–365 days	**5,308**	6,960
	67,232	96,366

Before accepting any new customer, the Group has assessed the potential customer's credit quality and defined credit limit to each customer on an individual basis. Credit limited attributed to customers are reviewed when necessary. As at 31 December 2024 and 2023, the Group does not charge interest nor hold any collateral over the balances.

13. TRADE AND OTHER PAYABLES

The following is an aged analysis of trade payables presented on the invoice date at the end of the reporting period.

	2024	2023
	RMB'000	*RMB'000*
Within 30 days	**3,386**	6,044
31–60 days	**251**	204
Total trade payables	**3,637**	6,248
Accruals and other payables	**3,984**	11,635
Amount due to a director	**40,866**	13,219
	48,487	31,102

Credit periods of trade payables normally granted by its suppliers were up to 60 days.

14. SHARE CAPITAL

	2024	2023	**2024**	2023
	Number	Number		
	'000	*'000*	***US$'000***	*US$'000*
Authorised:				
As at 1 January and 31 December (ordinary share of US$0.0001 each (2023: US$0.0001 each)	**2,000,000**	2,000,000	**200**	200
Issued and fully paid:				
As at 1 January and 31 December (ordinary share of US$0.0001 each (2023: US$0.0001 each)	**792,000**	792,000	**80**	80
Show in the consolidated statement of financial position *(in RMB'000)*			**532**	532

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

We are a confectionary products manufacturer in the PRC. We manufacture and sell confectionary products, including gum-based candies, tablet candies, aerated candies and hard candies. We generally source raw materials from our suppliers, manufacture and package our confectionary products at our in-house production facilities, and either (i) sell our products under brands owned or licenced by our OEM customers in the PRC and to overseas countries or (ii) sell our products under our own brands, namely Coolsa (酷莎), Lalabo (拉拉卜) and Jiujiuwang (久久王), to distributors and end-consumers in the PRC. We own and operate our production facilities for the manufacturing of our confectionary products with a view to controlling our product quality, production costs and production schedule directly. Our factory is located in Jinjiang City, Fujian Province with a large site area, with a number of production lines to produce large quantities of our products.

During the year ended 31 December 2024, the Group recorded a loss of approximately RMB3.6 million as compared to a profit of approximately RMB4.9 million for the corresponding period in 2023. The decrease was mainly due to the effect of an increase in gross allowance for expected credit losses on trade and other receivables.

PROSPECTS

Our business objective is to strive to achieve sustainable growth and further enhance our position as a manufacturer of confectionary products in the PRC.

Historically, we are a confectionary products manufacturer in the PRC. We have focused on manufacturing and selling confectionary products, including gum-based candies, tablet candies, aerated candies and hard candies. We own and operate our production facilities for the manufacturing of our confectionary products with a view to controlling our product quality, production costs and production schedule directly. We believe that production facilities, product development and quality control are crucial to our competitiveness and success. Thus, we will put significant emphasis on purchasing and introducing new production lines, as well as purchasing new equipment and machines for the replacement of existing machines and equipment. We will also place emphasis on product development and commit to enhancing product quality to cater for changing consumer preferences and enhancing our product offerings.

One of our business strategies is to leverage on our production and product development capacities and experience in the manufacture and sale of our own-branded products. We manufacture and sell our confectionary products under brands owned or licenced by OEM customers in the PRC and to overseas countries. To enhance our marketing, we will continue to engage a marketing firm for the promotion of our brands to strengthen our market position in the confectionary industry in the PRC and enhance our brand recognition and awareness, so as to increase our sales through e-commerce channels and enhance our distribution network.

We believe that the above business strategies will allow us to take advantage of the business opportunities and explore new markets with significant growth potential in the PRC. Looking ahead, the Group will endeavor to strengthen the development of its businesses to provide steady return as well as growth prospects for the Shareholders.

FINANCIAL REVIEW

Revenue

The Group's revenue decreased by approximately 10.5% from approximately RMB351.8 million for the year ended 31 December 2023 to approximately RMB315.0 million for the year ended 31 December 2024. The decrease in revenue was mainly attributable to the decrease in the sales of OEM products.

Cost of sales

The Group's cost of sales mainly comprised of (i) direct materials costs, (ii) production costs; and (iii) direct labour costs. For the years ended 31 December 2023 and 2024, the cost of sales amounted to approximately RMB252.3 million and RMB227.7 million, respectively, representing a decrease of approximately 9.8%, which was generally in line with the decrease in revenue for the same year.

Gross profit

The Group's gross profit, which equals to the revenue minus cost of sales, for the year ended 31 December 2024 was approximately RMB87.4 million, representing a decrease of approximately 12.2% from approximately RMB99.5 million for the year ended 31 December 2023. The decrease in gross profit was generally in line with the decrease in revenue for the same period. The Group's gross profit margin remained relatively stable to approximately 27.7% and 28.3% for the year ended 31 December 2024 and 2023, respectively.

Other income, gain or (loss), net

The Group's other income, gain or (loss), net changed from a net loss of approximately RMB4.7 million for the year ended 31 December 2023 to a net gain of approximately RMB0.9 million for the year ended 31 December 2024. The change of other income, gain or (loss), net was mainly due to the decrease in loss arising from sale and leaseback transactions.

Selling expenses

The Group's selling expenses mainly comprised of marketing and promotion expenses, staff costs, travelling expenses, and office expenses and others. The Group's selling expenses decreased from approximately RMB34.8 million for the year ended 31 December 2023 to approximately RMB31.4 million for the year ended 31 December 2024, respectively. The decrease was mainly due to the decrease in marketing and promotion expenses.

Administrative expenses

The Group's administrative expenses mainly comprised of depreciation and amortisation expenses, travelling expenses, vehicle-related expenses, legal and professional fees, taxes and stamp duty, staff costs, research and development expenses and office expenses. The Group's administrative expenses decreased from approximately RMB34.6 million for the year ended 31 December 2023 to approximately RMB32.9 million for the year ended 31 December 2024. The decrease was mainly due to the decrease in research and development expenses.

Income tax expenses

The Group's income tax expenses were approximately RMB6.1 million and RMB5.1 million for the years ended 31 December 2023 and 2024, respectively. The decrease was mainly due to the decrease in taxable profit for the year ended 31 December 2024.

Finance costs

The Group's finance costs remained relatively stable at approximately RMB13.6 million for the year ended 31 December 2023 and approximately RMB13.8 million for the year ended 31 December 2024.

Net Profit

The Group recorded a loss of approximately RMB3.6 million for the year ended 31 December 2024 as compared to a profit of approximately RMB4.9 million for the year ended 31 December 2023. The change from net profit to net loss was mainly due to the effect of the increase in allowance for expected credit losses on trade and other receivables.

Use of net proceeds

The net proceeds (the "**Net Proceeds**") from the listing (the "**Listing**") of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 16 March 2021 (the "**Listing Date**"), after deducting the underwriting fees and commissions and estimated expenses paid by the Company in connection thereto, were approximately HK$75.7 million. After the Listing, these proceeds were and will be used for the purposes in accordance with the future plans as set out in the section headed "Future Plans and Use of Proceeds" in the prospectus of the Company dated 26 February 2021 (the "**Prospectus**").

The Company has fully utilised all the proceeds from the Listing before 31 December 2022.

PRINCIPAL RISKS AND UNCERTAINTIES

The following are the principal risks and uncertainties faced by the Group, which may materially and adversely affect its business, financial condition or results of operations:

1. The Pandemic has severely affected the economy and there is no assurance that Pandemic will not recur or other outbreaks will not occur. In the event there will be travel restrictions and lockdown in the PRC and Hong Kong in the future, the economy and thus the Group's business may be materially and adversely affected.

2. Substantial amount of our revenue from OEM customers was derived from a few major OEM customers.

3. The Group relies on our third party distributors for the sale of our owned-branded products to their respective subdistributors and retailers. Termination of or failure to renew our distribution agreements with our third party distributors may significantly decrease the sale of our owned-branded products.

4. The Group's business may be negatively affected if our third party distributors fail to comply with our distribution policies and if our third party distributors fail to perform as expected.

5. The Group generally does not enter into long term contracts nor contracts with minimum purchase requirement with our customers.

6. Unfavourable fluctuations in price, availability and quality of raw materials could cause material production delays and materially increase our costs of sales.

7. The Group's business is susceptible to food-borne illness claims and product liability claims, which may increase the likelihood of reputational risk.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Saved as disclosed in the Prospectus, the Group did not have other plans for material investments and capital assets as at 31 December 2024.

Principal risks and uncertainties in achieving our business strategies

Up to the date of this announcement, the Group has faced certain risks and uncertainties in achieving our business strategies in accordance with the use of proceeds plan as set out in the Prospectus, and which are summarised as follows:

(1) The Pandemic has severely affected the Group's business and operation after the imposition of the travel restrictions by the PRC governments. There is no assurance that Pandemic will not recur or other outbreaks will not occur. In the event there will be travel restrictions and lockdown in the PRC and Hong Kong in the future, the Group's business may be materially and adversely affected;

(2) When achieving our business plans, timing is everything. The Group may fail to grasp the business trend to determine the optimal time to hit the market or promote our brands; and

(3) In an increasingly volatile and complex trading environment, the Group may face changes in consumer behavior and high competition when we launch our marketing plan.

In order to alleviate the above risks and uncertainties in achieving our business strategies, we will ensure that our business plans are as resilient as possible to meet these challenges. We will carefully look at the business trends as well to determine if there is a strong entrepreneurial environment for us to lean on.

LIQUIDITY AND FINANCIAL RESOURCES

Capital structure

As at 31 December 2024, the Company had a total of 792,000,000 shares of US$0.0001 each in issue (the "**Shares**"). The Shares of the Company were listed on the Stock Exchange on 16 March 2021 by way of the Hong Kong public offering and the international placing and 198,000,000 Shares were issued at a price of HK$0.75 per Share. The Group generally finances its daily operations with internally generated resources and banking facilities. The interest rates of the borrowings are charged by reference to prevailing market rates.

Cash position

As at 31 December 2024, the cash and cash equivalents of the Group amounted to approximately RMB29.0 million, representing a increase of approximately 17.4% from approximately RMB35.1 million as at 31 December 2023. The decrease was mainly due to increase in prepayment of raw material during the year.

Borrowings

As at 31 December 2024, the total borrowings of the Group, all of which were denominated in RMB, amounted to approximately RMB254.7 million (as at 31 December 2023: approximately RMB256.1 million). Among the borrowings,

1. approximately RMB18.0 million (as at 31 December 2023: RMB18.0 million) was derived from the bank borrowings from the PRC bank which bears interest rate at 6.09% and was secured by corporate guarantee by independent third parties.

2. approximately RMB70.0 million (as at 31 December 2023: RMB117.1 million) was derived from the bank borrowings from the PRC bank which bears interest rate ranging from 4.80%–5.50% (2023: 5.15%–5.50%) and was secured by right-of-use assets and property, plant and equipment of the Company.

3. approximately RMB25.0 million (as at 31 December 2023: RMB25.5 million) was derived from the bank borrowings from the PRC bank which bears interest rate at 5.22% and was secured by corporate guarantee by independent third parties, personal guarantee by directors and related parties of the Company.

4. approximately RMB9.1 million (as at 31 December 2023: RMB9.7 million) was derived from the bank borrowings from PRC bank which bears interest rate at 5.00%–5.15% and was secured by a subsidiary of the Company.

5. approximately RMB85.7 million (as at 31 December 2023: RMB85.8 million) was derived from bank borrowing from the PRC bank which bears interest rate at 1.80%–4.80% and was secured by directors of the Company and right-of-use assets and property, plant and equipment of the Company.

6. approximately RMB46.9 million was derived from bank borrowing from the PRC bank which bears interest rate at 4.50%–4.80% and was secured by a subsidiary of the Company and personal guarantee by directors of the Company.

Pledge of assets

As at 31 December 2024, the Group had pledged certain assets to secure facilities granted to the Group included (i) the right-of-use assets with carrying amount of RMB21,094,000 (as at 31 December 2023: RMB21,672,000); (ii) the building with carrying amount of RMB104,773,000 (as at 31 December 2023: approximately RMB109,129,000); and (iii) plant and machinery with carrying amount of RMB39,132,000 (as at 31 December 2023: approximately RMB44,981,000).

Gearing ratio

As at 31 December 2024, the gearing ratio of the Group remained relatively stable at approximately 70.2% (as at 31 December 2023: approximately 68.6%). The gearing ratio is calculated based on the bank borrowings and lease liabilities divided by the total equity of the Group at the end of the respective period.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2024, the Group had 386 employees (as at 31 December 2022: 406 employees). Remuneration of employees (excluding the Directors) is determined with reference to market terms and in accordance with the performance, qualification and experience of each individual employee. The remuneration committee of the Company reviews and determines the remuneration and compensation packages of the Directors with reference to their responsibilities, workload, time devoted to the Group and the performance of the Group. As incentives or rewards for their contribution to the Group, the Group has adopted the share option scheme and may grant options under the share option scheme to reward its employees, the Directors and other selected participants for their contributions to the Group. The Group has adopted defined contribution schemes for its employees. During the year ended 31 December 2024, there were no forfeited contributions that may be used to reduce the existing level of contributions to the schemes.

The Directors are of the view that employees are one of the keys to the sustainable development of the Group. The Directors believe that the Group maintains good working relations with its employees.

Employees are regarded as the most important and valuable assets of the Group. We provide various types of training to our employees, including (i) conducting in-house continuous professional development seminars; and (ii) provision of safety training programmes to enhance their safety awareness.

CAPITAL COMMITMENTS

As at 31 December 2024, the Group had no capital commitment (2023: RMB12,786,000) in respect of addition of property, plant and equipment contracted for but not provided in the consolidated financial statements.

MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES

The Group did not have any material acquisition or disposal of subsidiaries, associates or joint ventures during the year ended 31 December 2024 (during the year ended 31 December 2023: Nil).

SIGNIFICANT INVESTMENTS HELD

As at 31 December 2024, the Group did not hold any significant investments (as at 31 December 2023: Nil).

CONTINGENT LIABILITIES

At 31 December 2024, the Group had no significant contingent liabilities (at 31 December 2023: Nil).

FOREIGN EXCHANGE EXPOSURE AND RELATED HEDGES

As at 31 December 2024, the Group's majority of the assets and liabilities, and income and expenses were denominated in Renminbi and Hong Kong Dollar. The Group had no significant exposure to fluctuations in exchange rates or under foreign exchange contracts, interest, currency swaps or other financial derivatives.

TREASURY AND RISK MANAGEMENT

The Directors will continue to follow a prudent policy in managing the Group's cash and maintaining a strong and healthy liquidity to ensure that the Group is well placed to take advantage of future growth opportunities.

As at 31 December 2024, the Group's credit risk is primarily attributable to trade receivables, other receivables and cash and cash equivalents.

As at 31 December 2023 and 2024, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

Trade receivables

In order to minimise the credit risk, the management of the Group has delegated a team to be responsible for determination of credit limits and credit approvals. The Group's monitoring procedures are in place to ensure that follow-up action is taken to recover overdue debts.

In addition, the Group performs impairment assessment under ECL model upon application of HKFRS 9 on trade receivables individually and the remaining trade receivables are grouped using a provision matrix with past due status grouping. In this regard, the Directors consider that the Group's credit risk is significantly reduced.

Other receivables

The management of the Group makes periodic collective assessment as well as individual assessment on the recoverability of other receivables based on historical settlement records, past experience, and also available reasonable and supportive forward-looking information under ECL model upon application of HKFRS 9. The management of the Group believes that there is no material credit risk inherent in the Group's outstanding balance of other receivables.

Cash and cash equivalents

The Group deposited its cash with approved and reputable banks. Bankruptcy or insolvency of the banks may cause the Group's rights with respect to cash and cash equivalents held to be delayed or limited. The Directors monitor the credit rating of these banks on an ongoing basis, and considers that the Group's exposure to credit risk was minimal.

The Group does not have any other significant concentrations of credit risk. The exposures to these credit risks are monitored on an ongoing basis.

LITIGATION

As at 31 December 2024, the Group was not engaged in any litigation or arbitration of material importance and there is no litigation or claim of material importance pending or threatened by or against any member of the Group.

DIVIDEND

The Board of Directors does not recommend the payment of any dividend for the year ended 31 December 2024 (2023: Nil).

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the shareholders of the Company and to enhance the corporate value and accountability of the Company. The Company has complied with all the applicable code provisions of the Corporate Governance Code contained in Appendix C1 of the Listing Rules (the "**CG Code**") during the year ended 31 December 2024, except for the deviation with respect to Code Provision C.2.1 as set out below.

Code Provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Zheng Zhenzhong is the chairman and the chief executive officer of the Company. Considering that Mr. Zheng Zhenzhong has been operating and managing the Group since 1999, the Board believes that it is in the best interest of the Group to have Mr. Zheng taking up both roles for effective management and business development. Therefore, the Board considers that the deviation from Code Provision C.2.1 of the CG Code is appropriate under such circumstances.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard of dealings set out in the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 of the Listing Rules. The Company periodically issues notices to its Directors reminding them of the general prohibition on dealing in the Company's listed securities during the blackout periods before the publication of announcements of financial results of the Group. Having made specific enquiry of the Directors, all Directors have complied with the required standard of dealings and the Company's code of conduct regarding securities transactions by the directors throughout the period under review. The Company was not aware of any non-compliance in this respect throughout the year ended 31 December 2024.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Shares during the year ended 31 December 2024.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information publicly available to the Company and to the knowledge of the Directors, the Company has maintained sufficient public float as required by the Listing Rules since the Listing Date and up to the date of this announcement. The Company maintained the minimum level of public float of 25% of its total issued share capital.

EVENTS AFTER REPORTING PERIOD

The Directors are not aware of any significant event requiring disclosure that has taken place after the year ended 31 December 2024 and up to the date of this announcement.

AUDIT COMMITTEE AND REVIEW OF ANNUAL RESULTS

The Company has established the audit committee (the "**Audit Committee**") with written terms of reference in compliance with the Listing Rules to fulfil the functions of reviewing and monitoring the financial reporting and internal control of the Company. The Audit Committee currently consists of four independent non-executive Directors, namely, Mr. Wu Shiming, Mr. Wang Linan, Mr. Chen Congming and Ms. Liu Xuefeng and Mr. Wu Shiming is the chairman of the Audit Committee.

The Audit Committee has reviewed with the management of the Company the annual results and the accounting principles and practices adopted by the Group and discussed auditing, risk management, internal control and financial statements matters, including the review of the consolidated financial statements of the Group for the year ended 31 December 2024.

SCOPE OF WORK OF AUDITORS

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, and the related notes thereto for the year ended 31 December 2024 as set out in the preliminary announcement have been agreed by the Group's auditors, HLB Hodgson Impey Cheng Limited, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by HLB Hodgson Impey Cheng Limited in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by HLB Hodgson Impey Cheng Limited on the preliminary announcement.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

The annual results announcement has been published on the websites of the Stock Exchange (www.hkexnews.com.hk) and the Company (www.jiujiuwang.com). The annual report of the Company for the Reporting Period, which contains all information required by the Listing Rules, will be despatched to the Company's shareholders and published on the websites of the Stock Exchange and the Company in due course.

ANNUAL GENERAL MEETING

The annual general meeting of shareholders ("**2025 AGM**") will be held on Friday, 30 May 2025, while the notice and circular convening the 2025 AGM will be published and dispatched to the Company's shareholders in the form required in the Listing Rules in due course.

CLOSURE OF REGISTER OF MEMBERS

In order to establish entitlements to attend and vote at the forthcoming annual general meeting, the register of members of the Company will be closed from 27 May 2025 to 30 May 2025, both days inclusive, during which period no transfer of the Shares will be registered. Shareholders are reminded to ensure that all completed Share transfer forms accompanied by the relevant Share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 26 May 2025.

By Order of the Board
Jiujiuwang Food International Limited
Zheng Zhenzhong
Chairman and executive Director

Fujian, PRC, 31 March 2025

As at the date of this announcement, the Board comprises Mr. Zheng Zhenzhong, Mr. Zheng Guosi and Mr. Chen Kan as executive Directors; Mr. Wang Linan, Mr. Wu Shiming, Mr. Chen Congming and Ms. Liu Xuefeng as independent non-executive Directors.