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Research on the Motivation and Economic Consequences of High Dividend Payout Policy in Chinese Food Enterprises: A Case Study of Qiaqia Food

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Abstract: In recent years, the Chinese food industry has witnessed the rise of numerous listed enterprises adopting high dividend payout policies amid ongoing consumption upgrading and the steady normalization of capital market practices. Qiaqia Food, a leading firm in the nut and snack sector, has consistently maintained substantial cash dividends over the past decade, with payout ratios markedly exceeding the industry average. This makes the company an appropriate case for examining the motivations and economic consequences associated with sustained high dividend distributions. This study investigates the outcomes of Qiaqia Food's long-term dividend strategy. First, it provides an overview of the company's dividend distribution patterns from 2014 to 2023. Second, it analyzes the underlying drivers of its persistently high payout levels, identifying both internal and external influences as well as relevant policy and regulatory conditions. Third, it evaluates the economic consequences of the company's decade-long emphasis on cash dividends by assessing key financial indicators, including debt-servicing capacity, operational efficiency, profitability, and growth performance. Finally, based on the research findings, the study offers recommendations for both the company and investors to support the formulation of sound dividend policies and to guide investment decisions toward more favorable outcomes.

Keywords: dividend policy; high payout ratio; motivation; economic consequences

1. Introduction

As an essential component of financial management for listed companies, dividend policy has long been a focal point in both academic research and practical corporate decision-making. It not only reflects a firm's commitment to safeguarding shareholder interests but also serves as a key signal that conveys its operational performance and future development expectations. The food industry, a traditional sector closely connected to residents' daily consumption patterns, is characterized by stable demand and generally sufficient cash flow. In recent years, rising living standards and evolving consumer preferences have driven the continuous expansion of the leisure food market, intensifying competition within the industry.

As a leading enterprise in the leisure food segment, Qiaqia Food has maintained steady growth amid this competitive environment, developing a distinct business model and financial strategy. The company has long implemented a high dividend payout policy and has displayed noteworthy performance compared with many other listed firms. Therefore, this study examines the motives underlying Qiaqia Food's persistently high dividend payout policy and the economic consequences that follow. Such analysis not only supports similar enterprises in optimizing their dividend decisions and strengthening their management practices but also provides investors with more reliable

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references for decision-making. At the same time, the examination contributes to the enrichment and further refinement of theoretical research on dividend policy.

2. Current Research Status and Related Literature

2.1. Current Research Status Abroad

Foreign research on high dividend payout policies primarily concentrates on two aspects: the determinants of high dividend payouts and the relationship between such payouts and corporate value.

Regarding the determinants, one study examined the connections among profitability, retained earnings, and dividend distribution ratios by analyzing financial indicators, and identified a positive correlation among these variables [1].

Regarding the relationship between high dividend payouts and corporate value, another study employed quantitative methods to investigate how dividend policy moderates the impact of profitability and financial leverage on firm value. The findings show that profitability and leverage significantly influence enterprise value, while dividend policy enhances the association between profitability and firm value and weakens the association between leverage and firm value [2].

2.2. Current Research Status in China

Regarding the motives driving high dividend payouts, prior research noted that dividend policies of listed companies have long been closely monitored by investors [3]. A stable and reasonable dividend policy is viewed as beneficial for the sustainable growth of a company and can convey a favorable signal to the market. Other studies indicate that many listed firms in China, influenced by policy guidelines and their own development needs, actively adopt high cash dividend policies to meet investor expectations [4]. It has also been found that although the implementation of a particular company's dividend policy did not achieve the intended improvement in corporate value, it remained attractive to investors and effectively transmitted a positive market signal [5].

Regarding the economic consequences of high dividend payouts, research evaluating companies listed on the Science and Technology Innovation Board shows that high dividend payouts exert varying degrees of constraints on operational performance, growth potential, and profitability. At the same time, such strategies do not significantly enhance firm value [6]. Another study analyzed the economic consequences of a company's high cash dividend policy from the perspectives of operational development, stock market reactions, and enterprise value, concluding that the policy is shaped by multiple factors and brings both advantages and drawbacks [7]. Further research, using another enterprise as an example, examined the reasons behind sustained high dividend payouts and identified several adverse outcomes associated with prolonged high distribution levels [8].

3. Research Methods

3.1. Literature Research Method

Academic literature was retrieved using keywords such as "high dividend payout policy," "motives," and "economic consequences" through authoritative databases such as Zhongguo Zhiwang (China National Knowledge Infrastructure). Industry reports, financial news, and corporate annual reports were also collected. These materials were categorized according to research themes, methodologies, and conclusions. By sorting through existing viewpoints on the motives and consequences of high dividend policies, the study identifies areas of consensus and divergence, thereby providing a theoretical basis for the subsequent case analysis [9].

3.2. Case Analysis Method

Qiaqia Food was selected as the case study due to its strong industry visibility, long-standing pattern of high cash dividends, and the accessibility of its financial data. Internal documents such as annual reports, prospectuses, and announcements were collected, along with relevant industry and market information. The analysis examines the company's high cash dividend policy from the perspectives of profitability, financial conditions, and strategic positioning. Financial indicators, stock price performance, and market share before and after cash dividend distributions are compared to assess economic consequences, allowing for a comprehensive exploration of the internal logic underpinning the policy [10].

4. Related Concepts and Theoretical Foundations

4.1. Related Concepts

4.1.1. High Cash Payout

High dividend payout refers to the practice in which a listed company distributes a substantial proportion of its current net profit to shareholders in the form of cash dividends. This is typically reflected in a cash dividend per share that is significantly higher than the industry average or the company's historical levels. As a proactive dividend policy, its core characteristic is the emphasis on providing immediate cash returns to shareholders. High payout levels often indicate the presence of sufficient free cash flow, stable profitability, and management's attention to shareholder interests [11].

From a motivational standpoint, high dividend payouts may aim to satisfy shareholders' return preferences, signal financial stability to the market, or reduce agency costs by restricting the amount of idle funds under managerial control. However, excessively high payout ratios may generate concerns. On one hand, allocating too much surplus to dividends can lead to insufficient reinvestment funds, thereby constraining long-term development potential. On the other hand, abnormally high dividend distributions may raise doubts if used as a tool for large shareholders to cash out, which could adversely affect the interests of smaller investors. Therefore, the rationality of high cash payout behavior should be evaluated comprehensively based on the company's lifecycle stage, industry characteristics, and strategic objectives [12].

At present, there is no universally accepted definition of what constitutes a high dividend payout. One viewpoint considers a dividend per share exceeding 0.3 yuan as high. This study adopts this threshold and treats a dividend per share greater than 0.3 yuan as the criterion for identifying high dividend payout behavior [13].

4.1.2. Dividend Policy

Dividend policy is a key element of corporate financial decision-making, referring to the principles and strategies governing how after-tax profits are allocated between shareholder dividends and retained earnings. Essentially, it represents an institutional mechanism that balances current shareholder returns with the company's long-term capital needs. Depending on the form of distribution, dividend policies may include cash dividends, stock dividends, or mixed forms. Major policy types include stable dividend policy, fixed payout ratio policy (distributing profits based on a predetermined proportion), residual dividend policy, and the low regular dividend supplemented by extra dividends [14].

When formulating dividend policies, companies must consider factors such as profitability, cash flow conditions, investment opportunities, shareholder structure, legal and regulatory constraints, and the tax environment. In practice, dividend policies serve as a means for management to convey operational confidence, optimize capital structure, and maintain shareholder relations, ultimately aiming to enhance corporate value [15].

4.2. Theoretical Basis

4.2.1. Signal Transmission Theory

Signaling theory provides an important analytical framework for understanding how corporate financial decisions transmit internal information to the market. Its core assumption is that, in the presence of information asymmetry, managers possess information unavailable to external investors, and their financial decisions function as signals regarding the company's prospects. For instance, selecting high levels of debt financing may suggest managerial confidence in future profitability, as greater debt implies the company expects adequate cash flow for repayment. Conversely, issuing new shares may be perceived by the market as a negative signal, suggesting that the stock may be overvalued, which could lead to a decline in share prices.

Signaling theory underscores the need for companies to build market trust through credible financial behavior, such as sustaining stable dividend payments that demonstrate financial robustness. However, signaling actions often incur costs, including financial risks associated with heightened leverage or potential cash flow strain resulting from dividend distributions. This theory thus offers valuable insights into corporate financing preferences and market responses, while also highlighting the role of information disclosure in mitigating information asymmetry.

4.2.2. Agency Theory

Agency theory focuses on the conflicts of interest that arise between principals and agents and the mechanisms by which such conflicts can be mitigated. In modern corporations where ownership and management are separated, shareholders prioritize maximizing firm value, whereas managers may engage in behavior that serves their own interests, such as expanding discretionary expenditures or avoiding risks, creating challenges such as moral hazard and adverse selection. Conflicts may also occur between shareholders and creditors; for example, shareholders may pursue high-risk investments that shift potential losses onto creditors.

Agency theory emphasizes reducing agency costs through incentive mechanisms and monitoring arrangements. Stock options can align managerial compensation with stock-price performance, fostering alignment between managerial and shareholder interests. Likewise, restrictive covenants in debt contracts can limit actions that may harm creditors' interests. This theoretical framework underpins the design of corporate governance structures and contractual relationships and highlights the importance of institutional arrangements in coordinating the interests of multiple stakeholders.

5. Introduction to High Delivery Cases of Qiaqia Food

5.1. Introduction to Qiaqia Food

Qiaqia Food Co., Ltd. (stock code: 002557), established in 2001 and headquartered in Hefei, Anhui Province, is a leading enterprise in China's nut and roasted snack food industry. Founded by Chen Xianbao and guided by the mission of "creating delicious nuts with quality and sharing joyful moments," the company's core products include Qiaqia red-bag fragrant melon seeds, blue-bag flavored melon seeds, and the small yellow-bag daily nuts series. These offerings cover three major categories: sunflower seeds, nuts, and snack foods. As the first enterprise in the industry selected for the Xinhua News Agency National Brand Project, Qiaqia has developed 10 global production bases, with products exported to nearly 50 countries and regions. In 2023, the company's brand value reached 46.868 billion yuan, placing it among the "Top 500 Asian Brands." Qiaqia Food is transitioning from a global leader in melon seeds to a comprehensive nut-based snack food enterprise, committed to delivering "safe, fresh, and delicious" food experiences to consumers.

5.2. Implementation of Dividend Policy of Qiaqia Food Company

5.2.1. Distribution of Dividends from Qiaqia Food

Cash dividends provide immediate returns to shareholders but can place pressure on corporate cash flow, whereas share-based distribution preserves funds but dilutes equity and relies on stock appreciation for return realization. As shown in Table 1, Qiaqia Food has issued 10 cash dividends over the past decade, with cumulative cash dividends exceeding 3.32 billion yuan. The company's average dividend per share during this period was 0.68 yuan, with a maximum of 1.00 yuan per share and a minimum of 0.35 yuan per share. For 10 consecutive years, the dividend per share exceeded 0.3 yuan, demonstrating the company's characteristics as a high cash dividend enterprise.

Table 1. Dividend Distribution of Qiaqia Food from 2014 to 2023.

Year	Dividend plan	Total dividend amount (hundred million yuan)	Earnings Per Share(yuan)	Net profit (hundred million yuan)	Dividend Payout Ratio (%)
2014	10 to 5 shares with a bonus of 7 yuan	2.37	0.58	2.92	80.96
2015	10 pies for 5 yuan	2.54	0.72	3.65	69.42
2016	10 pies for 4 yuan	2.03	0.70	3.59	56.48
2017	10 pies for 3.5 yuan	1.77	0.63	3.22	55.16
2018	10 pies for 5 yuan	2.54	0.85	4.42	57.41
2019	10 pies for 7 yuan	3.54	1.22	6.16	58.81
2020	10 pies for 8 yuan	4.04	1.60	8.05	50.38
2021	10 pies for 8.5 yuan	4.29	1.84	9.29	46.35
2022	10 pies for 10 yuan	5.06	1.93	9.78	51.82
2023	10 pies for 10 yuan	5.02	1.58	8.03	62.48
Total	-	33.2	-	59.11	56.17%

Data source: Oriental Wealth Network.

Although Qiaqia Food's dividend payout ratio decreased from 80.96% to 62.48% over the past decade, it still falls within the category of high dividend distribution. However, whether the company's high payouts reflect sustained and healthy long-term financial management requires further examination.

A review of dividend distributions from 2014 to 2023 leads to two key observations. First, the company's dividend policy exhibits strong continuity. In each of the 10 years, the per-share dividend exceeded 0.3 yuan, showing that the company has maintained a persistent high-dividend strategy. Second, cash dividends have been dominant. Among the 10 dividend events, only 2014 included a share conversion component; from 2015 to 2023, no additional conversions or share gifts occurred. This highlights the primacy of cash dividends, with share-based methods serving only as supplementary tools. Overall, while Qiaqia Food displays clear characteristics of high dividend distribution, the long-term sustainability of this policy remains a subject requiring deeper investigation.

5.2.2. Comparison of Dividend Policies between Qiaqia Food and Peer Companies

The leisure food industry in which Qiaqia Food operates has benefited from consumption upgrading, resulting in generally strong operating performance and relatively high levels of cash dividend payouts. This analysis compares Qiaqia's practices with those of competing companies such as Ganyuan Food, Yanjin Shop, Liangpin Shop, and Three Squirrels. It is observed that cash dividends are the dominant form of

distribution across the industry, with only a few firms adopting mixed distribution combining share conversion and cash dividends in select years. Overall, dividend forms within the sector remain simple and consistent.

Across the industry, although certain firms may exhibit unreasonable distribution arrangements, the overall level of dividend payment is acceptable, and both stability and continuity have shown improvement. For example, companies such as Yanjinpuzi have steadily increased dividend levels, illustrating the growing importance attached to dividend policy formulation among listed firms in the sector. As shown in Table 2, Qiaqia Food's dividend plans over the past six years have consistently resulted in dividends per share exceeding 0.3 yuan, indicating sustained high-level dividend practices from 2018 to 2023. The company's persistent implementation of a high dividend strategy positions it as a representative example within the leisure food industry and underscores the distinctive and enduring nature of its dividend policy.

Table 2. Comparison of dividend distribution between Qiaqia Food and peer companies from 2019 to 2023.

Company	Category	2018	2019	2020	2021	2022	2023
Qiaqia Food	Operating profit (hundred million yuan)	5.41	7.07	9.23	10.28	11.21	8.96
	Dividend distribution	10 pies for 5 yuan	10 pies for 7 yuan	10 pies for 8 yuan	10 pies for 8.5 yuan	10 pies for 10 yuan	10 pies for 10 yuan
Yanjinpuzi	Operating profit (hundred million yuan)	0.75	1.37	2.78	1.69	3.41	5.83
	Dividend distribution	10 pies for 2 yuan	10 pies for 5 yuan	10 pies for 10 yuan	10 pies for 10 yuan	10 pies for 15 yuan	10 pies for 15 yuan
Liangpinpuzi	Operating profit (hundred million yuan)	3.464	4.71	4.83	3.75	4.36	2.61
	Dividend distribution	unassigned	10 pies for 2.55 yuan	10 pies for 2.75 yuan	10 pies for 2.12 yuan	10 pies for 2.53 yuan	10 pies for 2.25 yuan
Threesquirrels	Operating profit (hundred million yuan)	2.99	3.92	4.68	1.77	2.78	3.97
	Dividend distribution	unassigned	10 pies for 2.5 yuan	10 pies for 2.52 yuan	10 pies for 2.2 yuan	10 pies for 1.62 yuan	10 pies for 2.51 yuan

Data source: Oriental Wealth Network.

6. Analysis of the Reasons for the High Distribution of Qiaqia Food

6.1. Internal Motivation

6.1.1. Interest Requirements of Controlling Shareholders and Management

Qiaqia Food has been under the control of its major shareholder Hefei Huatai Group for more than a decade. Mr. Chen Xianbao, who became the actual controller through a leveraged equity structure, also serves as chairman and general manager of both Hefei Huatai Group and Qiaqia Food, giving him decisive influence over corporate decisions. The company's high cash payout policy has been particularly prominent, as evidenced by the fact that shortly after its listing in March 2011, the company implemented a mid-term cash distribution in August of the same year. This approach differs from the typical listing strategy of retaining more capital to support expansion and investment.

As shown in Table 3, from 2014 to 2023, Hefei Huatai Group's shareholding in Qiaqia Food remained above 40%, reaching as high as 49.95% from 2015 to 2017. Such a stable and concentrated equity structure suggests that major shareholders are inclined to obtain returns directly through cash dividends. In this context, a consistent dividend policy maintained for over ten years has become an important channel for major shareholders to share corporate profits while also securing stable financing support. In essence, Qiaqia Food's long-term high cash dividend strategy is influenced by the significant shareholding and dominant decision-making power of its controlling shareholder, as well as by the need to satisfy its ongoing funding demands.

Table 3. Shareholding and Stock Pledge of Hefei Huatai Group in Cha Cha Food from 2014 to 2023.

Deadline	Shareholder Name	Number of shares held	Shareholding ratio	Number of pledged shares	Pledge ratio
December 31, 2014	Hefei Huatai Group Co., Ltd	165337700	48.92%	59500000	35.99%
December 31, 2015	Hefei Huatai Group Co., Ltd	253244423	49.95%	70490000	27.83%
December 31, 2016	Hefei Huatai Group Co., Ltd	253244423	49.95%	64830000	25.60%
December 31, 2017	Hefei Huatai Group Co., Ltd	253244423	49.95%	104904912	41.42%
December 31, 2018	Hefei Huatai Group Co., Ltd	245886201	48.50%	132103600	53.73%
December 31, 2019	Hefei Huatai Group Co., Ltd	224584901	44.30%	83120000	37.01%
December 31, 2020	Hefei Huatai Group Co., Ltd	211116743	41.64%	22000000	10.42%
December 31, 2021	Hefei Huatai Group Co., Ltd	212575243	41.93%	20000000	9.41%
December 31, 2022	Hefei Huatai Group Co., Ltd	213833043	42.18%	20000000	9.35%
December 31, 2023	Hefei Huatai Group Co., Ltd	215323643	42.47%	20000000	9.29%

Data source: Oriental Wealth Network.

6.1.2. The Company's Refinancing Needs

From the perspective of the financing cycle, sustained high cash dividends are closely linked to refinancing needs. By maintaining a stable and generous dividend policy, Qiaqia Food signals operational stability to the capital market, strengthening investor confidence and creating favorable conditions for future financing activities.

During the period of high cash payouts between 2014 and 2023, Qiaqia Food raised 1.34 billion yuan through the issuance of convertible bonds, forming a closed financing loop of "high dividends - market value maintenance - lower financing costs." More deeply, high dividends may serve as a tool for regulatory compliance. According to refinancing rules, listed firms must distribute cumulative dividends of no less than 30% of their average distributable profits over the previous three years. Qiaqia Food's dividend payout ratios from 2021 to 2023 were 46.35%, 51.82%, and 62.48%, all significantly above this regulatory threshold. This strategy not only ensures the company's eligibility for refinancing but also enhances the pricing foundation for additional issuances by increasing earnings per share through steady dividend payouts.

However, this "financing-driven dividend" model also carries the risk of capital redundancy. Of the 1.4 billion yuan raised from the 2020 convertible bond issuance, approximately 30% was allocated to working capital, while cash dividend spending reached 404 million yuan in the same year. As a result, a portion of the financing effectively flowed back to major shareholders through dividends, creating a circular flow of capital in the market. This mechanism reflects the company's strategic inclination to employ dividends not only as shareholder returns but also as tools supporting financing activities, as illustrated in Figure 1.

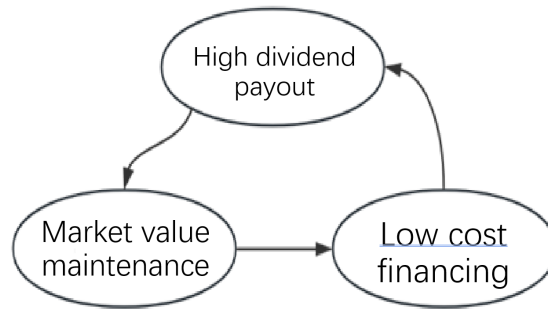


Figure 1. Qiaqia Food Fund Circulation Chart.

6.2. External Drivers

6.2.1. Transmitting Signals of Good Business Performance

According to signaling theory, dividend policy functions as a means for management to convey internal information to investors. Under information asymmetry, stable or rising dividends are seen as indicators of sound operations, while reductions or omissions can trigger negative expectations. Therefore, dividend adjustments serve as important tools for communicating performance outlooks.

Since its listing in 2011, Qiaqia Food has maintained robust cash flow without compromising its market position or business development. Through sustained high cash dividends, the company demonstrates consistent profitability and financial strength, reinforcing investor confidence. For the investment community, such a policy reflects the company's ability to generate cash, its operational stability, and its long-term development prospects, thus becoming a critical reference for assessing firm value.

As shown in Table 4, between 2014 and 2023, Qiaqia Food's financial performance improved significantly. Operating revenue grew from 3.113 billion yuan to 6.806 billion yuan; total assets increased from 4.281 billion yuan to 9.399 billion yuan, more than doubling; and owner's equity rose from 2.82 billion yuan to 5.533 billion yuan. These indicators reflect the company's increasing market competitiveness and strong development capacity. Overall, Qiaqia Food's adoption of a sustained high dividend policy helps to convey strong financial performance and growth potential to the market.

Table 4. Operating revenue, total assets, and owner's equity of Qiaqia Food from 2014 to 2023.

	Operating revenue (in billions of yuan)	Total assets (in billions of yuan)	Owner's equity (RMB 100 million)
2014	31.13	42.81	28.20
2015	33.11	45.81	29.31
2016	35.13	42.20	30.31
2017	36.03	46.74	31.32
2018	41.97	51.28	33.59
2019	48.37	54.09	38.28
2020	52.89	69.79	42.08

2021	59.85	80.72	47.96
2022	68.83	85.49	52.72
2023	68.06	93.99	55.33

Data source: Oriental Wealth Network.

6.2.2. Semi Mandatory Guidance of Policies and Regulations

Dividend policy at Qiaqia Food is also shaped by regulatory requirements. China's securities market is still developing, and regulatory frameworks continue to evolve to guide dividend behavior among listed companies. Over the years, a series of policy documents-including the 2001 Administrative Measures for IPOs, the 2004 provisions for protecting public shareholders, the 2006 and 2008 revisions to dividend requirements for refinancing eligibility, and subsequent guidelines issued in 2015, 2016, 2022, and 2023-have increasingly emphasized the importance of stable, transparent, and sufficient cash dividends.

Since Qiaqia Food was listed in 2011, these rules have required the company to maintain consistent dividend payments over each three-year window to qualify for refinancing. The firm's long-term adherence to high cash payouts not only satisfies regulatory requirements but also aligns with the funding needs of its controlling shareholder. As a major enterprise in the leisure food sector and one of the recognized national brands in the nut and snack industry, Qiaqia Food responds actively to policy guidance by maintaining a stable dividend record. This approach helps support capital operations, strengthens its industry leadership image, and achieves the combined objectives of regulatory compliance and favorable market positioning.

7. Analysis of the Economic Consequences of High Distribution of Qiaqia Food

7.1. Overall Strong Debt Paying Ability

As shown in Table 5, the current ratio, quick ratio, and debt-to-asset ratio of Qiaqia Food from 2014 to 2023 indicate that the enterprise maintains strong overall debt repayment capability. Regarding short-term solvency, the current ratio remains at a relatively high level for an extended period. It was 1.957 in 2014, rose to 2.302 in 2016, reached a peak of 3.496 in 2020, and remained at 3.102 in 2023. All values exceed the generally accepted benchmark of 2, demonstrating that current assets can fully cover current liabilities and that the company possesses adequate protection for short-term debt repayment.

Table 5. Current ratio, quick ratio, and asset liability ratio of Qiaqia Food from 2019 to 2023.

	Current ratio	Quick Ratio	Debt-to-asset ratio (%)
2014	1.957	1.284	34.13
2015	1.932	1.197	36.01
2016	2.302	1.355	28.17
2017	1.970	1.256	33.00
2018	1.992	1.289	34.49
2019	2.176	1.355	31.46
2020	3.496	2.337	39.71
2021	3.042	2.282	40.58
2022	3.369	2.840	38.34
2023	3.102	2.406	41.14

Data source: Oriental Wealth Network.

The quick ratio also shows a strong trend, increasing from 1.284 in 2014 to 2.337 in 2020 and reaching 2.406 in 2023, far above the reasonable minimum of 1. This indicates

that even after excluding inventory and other less liquid assets, the enterprise still maintains solid short-term repayment ability and strong resilience against sudden financial risks.

In terms of long-term solvency, the debt-to-asset ratio fluctuated between 34.13% in 2014 and 41.14% in 2023, remaining within a reasonable range for the industry. The scale of long-term liabilities has therefore remained controllable and has not posed a fundamental threat to financial stability.

In summary, Qiaqia Food has built a solid debt repayment structure by combining excellent short-term solvency indicators with manageable long-term liabilities. Even under a high cash dividend policy, the company continues to maintain stable debt repayment ability through efficient asset-liability management. This provides robust financial support for its business operations and demonstrates a strong capacity to withstand financial risks.

7.2. Relatively Stable Operating Efficiency

As shown in Table 6, the operational capability indicators of Qiaqia Food from 2014 to 2023 demonstrate relative stability in operating efficiency. Regarding accounts receivable management, the turnover rate declined from 33.71 in 2014 to 18.00 in 2023. Although a downward trend is visible, the index still maintains a reasonable level each year. For instance, it remained at 23.33 during 2019-2020 and stayed at 22.28 in 2021, indicating that the company retains effective control over accounts receivable and that the efficiency of fund recovery is still acceptable while adapting to market strategy adjustments.

Table 6. Relevant indicators of operational capability of Qiaqia Food from 2014 to 2023.

	Accounts receivable turnover ratio	Inventory turnover ratio	Total asset turnover ratio
2014	33.71	2.410	0.756
2015	30.16	2.094	0.747
2016	25.71	2.135	0.798
2017	21.21	2.345	0.810
2018	22.72	2.537	0.856
2019	23.93	2.485	0.903
2020	23.93	2.342	0.842
2021	22.28	2.586	0.795
2022	18.82	3.828	0.828
2023	18.00	3.823	0.758

Data source: Oriental Wealth Network.

In terms of inventory management, the inventory turnover rate increased steadily from 2.410 in 2014 to 3.828 in 2022, maintaining a high level of 3.823 in 2023. This demonstrates continuous optimization in inventory management, accelerated product circulation, reduced inventory risk, and sustained enhancement in operational efficiency.

Regarding total asset utilization, the total asset turnover rate fluctuated between 0.747 and 0.903. It rose from 0.756 in 2014 to 0.903 in 2019, then slightly declined to 0.758 in 2023. Although influenced by market conditions and strategic adjustments, the fluctuation range is narrow, reflecting the company's stable capability in managing overall asset utilization and maintaining operational efficiency without significant deterioration.

Overall, despite certain fluctuations in individual indicators, Qiaqia Food has managed to maintain operational stability across accounts receivable, inventory, and total asset management. This demonstrates its ability to adapt to market changes and ensures strong support for steady operational efficiency.

7.3. Profitability Fluctuates and Increases

As shown in Figure 2, the return on net assets of Qiaqia Food exhibited a fluctuating upward trend from 2014 to 2023. The return on equity increased from 11.01% in 2014 to 13.13% in 2015, and then to 12.26% in 2016. Although it briefly declined to 10.74% in 2017, it rebounded quickly to 13.61% in 2018. In 2019, it grew to 17.19%, and in 2020 and 2021 it remained at high levels of 20.12% and 20.19% respectively. Although it slightly decreased to 19.57% in 2022 and further to 14.76% in 2023, the overall profitability level remained comparatively strong.

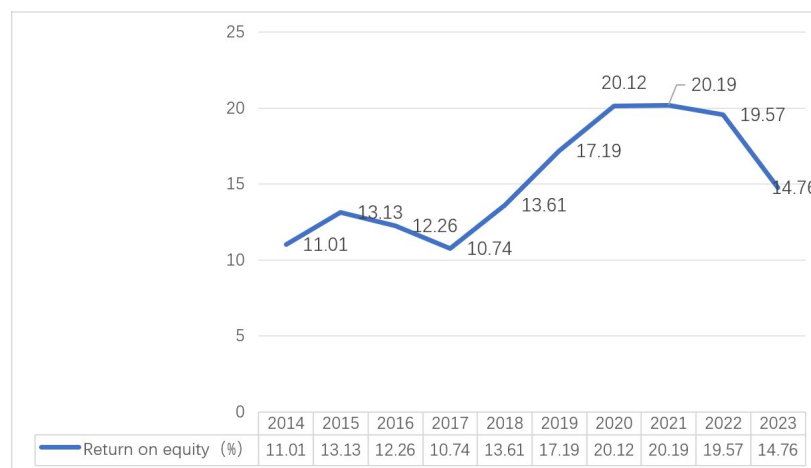


Figure 2. Return on Equity of Qiaqia Food from 2014 to 2023. Data source: Oriental Wealth Network.

This pattern of fluctuating growth reflects the resilience of Qiaqia Food's profitability in a dynamic market environment. The high dividend payout policy did not weaken profitability; instead, it reinforced market confidence, indirectly enhancing operating performance. While short-term variations in profitability may arise from competition or cost fluctuations, the company continues to enhance margins through product structure optimization, channel refinement, and brand strengthening. These efforts enable sustained value creation for shareholders and consolidates its competitive advantage within the leisure food industry, demonstrating strong vitality and long-term development potential.

7.4. Stable Growth Ability

As shown in Table 7, an examination of Qiaqia Food's revenue growth rate, total asset growth rate, and net profit growth rate from 2014 to 2023 reveals relatively stable growth capability. In terms of operating revenue, the company maintained growth for most years except for a slight decline of -1.13% in 2023 due to market conditions. Revenue growth reached 16.50% in 2018 and remained above 13% from 2019 to 2022, reflecting continued expansion of market presence and sales channels.

Table 7. Growth rates of operating revenue, total assets, and net profit of Qiaqia Food from 2014 to 2023.

	Revenue growth rate	Total asset growth rate	Net profit growth rate
2014	4.18%	8.18%	13.95%
2015	6.36%	7.01%	24.94%
2016	6.09%	-7.87%	-1.68%
2017	2.55%	10.75%	-10.40%
2018	16.50%	9.72%	37.27%

2019	15.25%	8.92%	39.46%
2020	15.25%	24.95%	30.72%
2021	13.15%	15.66%	15.49%
2022	15.01%	5.91%	5.26%
2023	-1.13%	9.94%	-17.93%

Data source: Oriental Wealth Network.

Total asset growth rates show fluctuations, including a decline of -7.87% in 2016, but most years exhibit positive growth, such as 24.95% in 2020 and 9.94% in 2023. This indicates stable asset expansion despite market volatility.

Net profit growth reached 24.94% in 2015 and rose substantially to 37.27%, 39.46%, and 30.72% during 2018-2020. Although negative growth occurred in 2016, 2017, and 2023, profitability still displayed strong performance in most years.

Under a sustained high dividend payout policy, Qiaqia Food has maintained stability in market development, asset operations, and profit generation through the optimization of business strategies. Despite periodic challenges, the company has relied on product competitiveness and operational resilience to preserve relatively stable growth capability, supporting its long-term development path.

8. Conclusions and Recommendations

8.1. Conclusions

Over the past ten years, Qiaqia Food has consistently distributed cash dividends exceeding 0.3 yuan per share, reflecting the adoption of a high dividend policy throughout this period. To understand the motivations and economic consequences of this policy, this study conducted a comprehensive analysis and draws the following conclusions.

Firstly, regarding the motivation behind high dividend payouts, internal drivers include the desire of the controlling shareholder and management to realize profits through high dividend distributions, while also meeting the company's refinancing requirements and compliance with policy regulations. Externally, Qiaqia Food uses Gaopai Xian to signal positive business performance to the market and is influenced by semi-mandatory regulatory guidance.

Secondly, concerning the economic consequences of high dividend payouts, Qiaqia Food has demonstrated strong debt repayment ability since implementing the policy, as reflected in the reasonable levels of current ratio, quick ratio, and debt-to-asset ratio. Operational efficiency has remained relatively stable, with accounts receivable, inventory, and total asset management maintained within controllable fluctuations. Profitability, though variable, shows an overall upward trend, and return on equity has performed well in most years. Growth capability is relatively stable, with operating revenue, total assets, and net profit achieving positive growth in most periods.

Thirdly, based on these findings, the study provides recommendations. From the company's perspective, it is suggested to optimize the dividend distribution mechanism, balance shareholder returns with strategic development investments, and prevent excessive dividends from constraining long-term growth. Strengthening asset management can further enhance stability in debt repayment and operational efficiency. From the perspective of investors, combining multiple financial indicators for comprehensive analysis is recommended, alongside formulating scientific investment strategies and being attentive to the risks associated with high cash dividends, thereby establishing a rational investment decision-making framework.

8.2. Recommendations

8.2.1. Company Perspective

(1) Optimize the dividend distribution mechanism, coordinate dividends with strategic development investment

Enterprises should develop a flexible dividend policy aligned with strategic goals, maintaining a dynamic balance between shareholder returns and sustainable development. It is recommended to link dividend ratios with strategic investment needs, adjusting cash distribution intensity according to industry cycles, technological innovation rates, and market expansion stages. For growth-stage or technology-intensive business units, dividend ratios can be moderately reduced to prioritize R&D and capacity upgrades. For mature units with stable cash flows, high dividend levels can be maintained to reward shareholders.

A cross-cycle dividend evaluation model is suggested to consider capital expenditure plans over three years, industrial integration needs, and potential mergers and acquisitions, thus preventing short-term high payouts from compromising long-term growth. Strategic investment completion rates should be incorporated into management assessment systems, and non-financial indicators such as R&D output conversion and new market penetration rates should constrain excessive dividend-seeking behavior. Channels for expressing the interests of small and medium shareholders should be improved, with regular performance briefings and dedicated communication windows for strategic investment to build consensus on low dividend/high investment stages.

(2) Strengthen asset management to enhance debt repayment and operational stability

Enterprises should optimize systematic asset turnover to maintain a safety margin for cash flow under high dividend policies. It is recommended to link asset efficiency monitoring across the value chain with dividend capacity and to set dividend safety thresholds for core operational indicators such as inventory and accounts receivable. Deviations from industry benchmarks should trigger automatic adjustments to balance high payouts and liquidity needs.

Implementing a demand-driven flexible supply chain allows surplus funds to be directed toward the dividend pool, and digital tools can support closed-loop management of "turnover improvement-cash accumulation-dividend stability." Accelerating cash flow through customer credit assessment and reverse factoring can expand the distributable profit base. Maintaining debt repayment capacity in high dividend enterprises requires detailed liquidity stress testing, simulating the combined effects of dividend payments and debt obligations, with dynamic adjustments to payout ratios and financing pace.

For debt structure, prioritizing the replacement of short-term debt with medium- and long-term low-cost liabilities can reduce maturity mismatch risks. Additionally, a "dividend reserve" linkage mechanism can allocate dividend funds and debt reserves in fixed proportions of net profit, ensuring continuity of shareholder returns while buffering industry fluctuations, thereby strengthening both financial resilience and dividend policy stability.

8.2.2. From the Perspective of Investors

(1) Conduct comprehensive financial analysis to formulate scientific investment strategies

Investors should establish a multidimensional financial analysis framework to evaluate enterprise value beyond surface-level dividends. Focus should be placed on cash flow quality, free cash flow coverage, and dividend payout ratios, cross-validated against debt repayment indicators such as asset-to-liability ratios and interest coverage.

For high dividend enterprises, avoid overreliance on dividend yield alone. Analyze the alignment between net profit growth and dividend growth, remaining alert to potential risks of unsustainable dividends. Industry benchmarking can identify abnormal

deviations in dividend ratios or yields, and lifecycle stage analysis can indicate growth momentum risks or fund misalignment. Investors may construct a 'dividend quality rating model' integrating profitability, capital expenditure intensity, and industry conditions, dynamically adjusting holdings to mitigate high dividend traps.

Assessing management's dividend motives is crucial, considering shareholder structure, equity pledges, and related-party transactions to inform a decision-making system balancing value investment with risk avoidance.

(2) Recognize risks of high dividend payouts and build rational decision systems

Investors should systematically identify risks associated with high dividends and establish dynamic risk-warning mechanisms. First, prevent weakened financial flexibility caused by excessive payouts by tracking working capital turnover and reinvestment rates to ensure retained earnings support R&D and market expansion.

Second, monitor potential indirect cashing out by major shareholders, analyzing correlations between equity pledges, reduction plans, and dividend rhythm to identify arbitrage motives. For companies with possible earnings management, scrutinize discrepancies between operating cash flow and net profit, as well as abnormal movements in accounts receivable, inventory, and other accounts to mitigate financial manipulation risks.

Adopt "risk hedging" asset allocation strategies, pairing low-correlation assets with high dividend targets to diversify exposure to policy changes or liquidity crises. Establish regular review mechanisms to adjust investment expectations based on dividend sources and debt structure changes disclosed in quarterly reports. For companies with governance deficiencies or uncertain internal controls, even attractive dividend yields should be approached with the principle of "risk-return priority" to avoid pursuing short-term gains at the expense of long-term principal security.

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