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LABIXIAOXIN SNACKS GROUP LIMITED

蠟筆小新休閒食品集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 1262)

PROFIT WARNING

This announcement is made by Labixiaoxin Snacks Group Limited (the “**Company**” and, together with its subsidiaries, the “**Group**”) pursuant to the Inside Information Provisions (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”)) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) and Rule 13.09 of the Listing Rules.

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the information currently available to the Board and the preliminary review of the unaudited management accounts of the Group, the Group is expected to record a total sales of approximately RMB348.6 million for the six months ended 30 June 2022 as compared to the total sales of approximately RMB361.4 million for the six months ended 30 June 2021 and a net loss of approximately RMB4.9 million for the six months ended 30 June 2022 as compared to the net profit of approximately RMB27.5 million for the six months ended 30 June 2021. Based on the information currently available to the Board, the Board considers that such decreases were primarily attributable to (i) a decrease in sales and gross profit margin due to temporary cessation in production and operation of our Jinjiang subsidiary in March and April 2022 as a result of COVID-19 pandemic outbreak and the increase in the costs of certain major raw materials; (ii) no gain in disposal of properties during the six months ended 30 June 2022 (six months ended 30 June 2021: RMB13.4 million); and (iii) a loss on disposal of asset classified as held for sale of approximately RMB20.9 million in the six months ended 30 June 2022 (six months ended 30 June 2021: Nil).

The Company has yet to finalise the interim results of the Group for the six months ended 30 June 2022. The information contained in this announcement is only based on the preliminary assessment by the management with reference to the information currently available to the Board and is not based on any figures or information that has been audited or reviewed by the auditors or the audit committee of the Company. Shareholders and investors are advised to read carefully the results announcement of the Company for the six months ended 30 June 2022, which is expected to be published before the end of August 2022.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
Labixiaoxin Snacks Group Limited
Zheng Yu Huan
Chairman

Hong Kong, 15 August 2022

As at the date of this announcement, the executive directors of the Company are Zheng Yu Long, Zheng Yu Shuang and Zheng Yu Huan; the non-executive director of the Company is Li Hung Kong; and the independent non-executive directors of the Company are Li Biao, Sun Kam Ching and Chung Yau Tong.