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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)

PROPOSED CAPITAL REORGANISATION AND CHANGE IN BOARD LOT SIZE

THE CAPITAL REORGANISATION

The Board proposes to implement the Capital Reorganisation which comprises the following:

- (i) the Share Consolidation whereby every ten (10) issued and unissued Existing Shares of par value of US\$0.05 each will be consolidated into one (1) Consolidated Share of par value of US\$0.5 each;
- (ii) immediately following the Share Consolidation becoming effective, the Capital Reduction whereby the issued share capital of the Company will be reduced from an amount of US\$66,448,850.00 to an amount of US\$132,897.70 such that the par value of each issued Consolidated Share will be reduced from US\$0.5 to US\$0.001 by (a) an elimination of any fraction of a Consolidated Share arising from the Share Consolidation in order to round down the total number of the Consolidated Shares to a whole number, where applicable; and (b) a cancellation of US\$0.499 of the paid-up capital of the Company on each issued Consolidated Share so that each issued Consolidated Share will be treated as one (1) fully paid-up share of par value of US\$0.001 each in the share capital of the Company;

- (iii) immediately following the Capital Reduction, the Sub-Division whereby each of the then authorised but unissued Existing Shares of par value of US\$0.05 each will be sub-divided into fifty (50) New Shares of par value of US\$0.001 each;
- (iv) subject to and forthwith upon the Capital Reduction and Sub-Division taking effect, the Authorised Capital Diminution whereby all of the authorised but unissued Shares with a par value of US\$0.001 each in the share capital of the Company will be cancelled, and the authorised share capital of the Company of US\$250,000,000 will be diminished by such amount representing the amount of Shares so cancelled, and forthwith upon the Authorised Capital Diminution, the Authorised Capital Increase whereby the authorised share capital of the Company will be increased to US\$500,000 by the creation of such number of Shares with a par value of US\$0.001 each as shall represent the difference between 500,000,000 Shares with a par value of US\$0.001 each and the number of Shares with a par value of US\$0.001 in issue after the Capital Reduction;
- (v) immediately following the Capital Reduction becoming effective, the Share Premium Reduction whereby the entire amount standing to the credit of the Share Premium Account of RMB615,656,000 will be reduced to zero; and
- (vi) upon the Capital Reorganisation becoming effective, the credits arising from the Capital Reduction and the Share Premium Reduction in the total amount of approximately US\$151,469,000 (equivalent to approximately RMB1,095,120,000) will be transferred to the contributed surplus account of the Company within the meaning of the Companies Act to then be applied to set off the Accumulated Losses or be applied by the Board in a manner as permitted by the Bye-laws and all applicable laws of Bermuda from time to time without further authorisation from the Shareholders.

Each of the New Shares arising from the Capital Reorganisation shall rank pari passu in all respects with each other in accordance with the Bye-laws.

The Capital Reorganisation is conditional upon fulfillment of the conditions as set out in the section headed “Conditions of the Capital Reorganisation” in this announcement.

THE CHANGE IN BOARD LOT SIZE

As at the date of this announcement, the Existing Shares are traded on the Stock Exchange in the board lots of 1,000 Existing Shares. It is proposed that, subject to and conditional upon the Capital Reorganisation becoming effective, the board lot size for trading on the Stock Exchange be changed from 1,000 Existing Shares to 2,000 New Shares.

GENERAL

The SGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Capital Reorganisation. A circular containing, among other things, details of the Capital Reorganisation and the Change in Board Lot Size, together with a notice convening the SGM and the related proxy form will be despatched to the Shareholders on or about Tuesday, 14 May 2024.

Shareholders and potential investors of the Company should take note that the Capital Reorganisation is conditional upon the fulfilment of certain conditions set out in this announcement and the Change in Board Lot Size is conditional upon the Capital Reorganisation becoming effective. Therefore, the Capital Reorganisation and the Change in Board Lot Size may or may not proceed.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company, and if they are in any doubt about their position, they should consult their professional advisers.

THE CAPITAL REORGANISATION

As at the date of this announcement, the authorised share capital of the Company is US\$250,000,000 divided into 5,000,000,000 Existing Shares of par value of US\$0.05 each, of which 1,328,977,000 Existing Shares have been issued and are fully paid or credited as fully paid.

The Board proposes to implement the Capital Reorganisation which comprises the following:

- (i) the Share Consolidation whereby every ten (10) issued and unissued Existing Shares of par value of US\$0.05 each will be consolidated into one (1) Consolidated Share of par value of US\$0.5 each;

- (ii) immediately following the Share Consolidation becoming effective, the Capital Reduction whereby the issued share capital of the Company will be reduced from an amount of US\$66,448,850.00 to an amount of US\$132,897.70 such that the par value of each issued Consolidated Share will be reduced from US\$0.5 to US\$0.001 by (a) an elimination of any fraction of a Consolidated Share arising from the Share Consolidation in order to round down the total number of the Consolidated Shares to a whole number, where applicable; and (b) a cancellation of US\$0.499 of the paid-up capital of the Company on each issued Consolidated Share so that each issued Consolidated Share will be treated as one (1) fully paid-up share of par value of US\$0.001 each in the share capital of the Company;
- (iii) immediately following the Capital Reduction, the Sub-Division whereby each of the then authorised but unissued Existing Shares of par value of US\$0.05 each will be subdivided into fifty (50) New Shares of par value of US\$0.001 each;
- (iv) subject to and forthwith upon the Capital Reduction and Sub-Division taking effect, the Authorised Capital Diminution whereby all of the authorised but unissued Shares with a par value of US\$0.001 each in the share capital of the Company will be cancelled, and the authorised share capital of the Company of US\$250,000,000 will be diminished by such amount representing the amount of Shares so cancelled, and forthwith upon the Authorised Capital Diminution, the Authorised Capital Increase whereby the authorised share capital of the Company will be increased to US\$500,000 by the creation of such number of Shares with a par value of US\$0.001 each as shall represent the difference between 500,000,000 Shares with a par value of US\$0.001 each and the number of Shares with a par value of US\$0.001 in issue after the Capital Reduction;
- (v) immediately following the Capital Reduction becoming effective, the Share Premium Reduction whereby the entire amount standing to the credit of the Share Premium Account of RMB615,656,000 will be reduced to zero; and
- (vi) upon the Capital Reorganisation becoming effective, the credits arising from the Capital Reduction and the Share Premium Reduction in the total amount of approximately US\$151,469,000 (equivalent to approximately RMB1,095,120,000) will be transferred to the contributed surplus account of the Company within the meaning of the Companies Act to then be applied to set off the Accumulated Losses or be applied by the Board in a manner as permitted by the Bye-laws and all applicable laws of Bermuda from time to time without further authorisation from the Shareholders.

Effects of the Capital Reorganisation

Assuming there will be no change in the issued share capital of the Company from the date of this announcement up to the date on which the Capital Reorganisation becomes effective, the effect of the Capital Reorganisation on the share capital structure of the Company is summarised as follows:

	As at the date of this announcement	Immediately after the Share Consolidation becoming effective but prior to the Capital Reduction and the Share Premium Reduction becoming effective	Immediately after the Share Consolidation, the Capital Reduction, the Sub-Division and the Share Premium Reduction becoming effective	Immediately after the Capital Reorganisation becoming effective
Par value	US\$0.05 per Existing Share	US\$0.5 per Consolidated Share	US\$0.001 per New Share	US\$0.001 per New Share
Authorised share capital				
Amount of authorised share capital	US\$250,000,000	US\$250,000,000	US\$250,000,000	US\$500,000
Number of authorised shares	5,000,000,000 Existing Shares	500,000,000 Consolidated Shares	250,000,000,000 New Shares	500,000,000 New Shares
Issued share capital				
Amount of issued share capital	US\$66,448,850	US\$66,448,850	US\$132,897.70	US\$132,897.70
Number of issued shares	1,328,977,000 Existing Shares	132,897,700 Consolidated Shares	132,897,700 New Shares	132,897,700 New Shares
Unissued share capital				
Amount of unissued share capital	US\$183,551,150	US\$183,551,150	US\$249,867,102.30	US\$367,102.30
Number of unissued shares	3,671,023,000 Existing Shares	367,102,300 Consolidated Shares	249,867,102,300 New Shares	367,102,300 New Shares

Pursuant to the Capital Reduction, the issued share capital of the Company will be reduced from US\$66,448,850.00 to US\$132,897.70, and a credit in the amount of US\$66,315,952.30 (equivalent to approximately RMB479,464,000) will arise in the accounts of the Company. It is proposed that such credit will be transferred to the contributed surplus account of the Company within the meaning of the Companies Act and be applied to set off the Accumulated Losses or be applied by the Board in a manner as permitted by the Bye-laws and all applicable laws of Bermuda from time to time without further authorisation from the Shareholders.

As at the date of this announcement, the Company has no outstanding convertible securities, options or warrants in issue which confer any right to subscribe for, convert or exchange into Existing Shares, Consolidated Shares or New Shares.

Save for applying the credit arising from the Capital Reduction and the Share Premium Reduction towards offsetting the Accumulated Losses, and other than the relevant expenses, including but not limited to professional fees and printing charges to be incurred in relation to the Capital Reorganisation, the implementation of the Capital Reorganisation will not alter the underlying assets, business operations, management or financial position of the Company or the proportionate interests or rights of the Shareholders. The Board believes that the Capital Reorganisation will not have any material adverse effect on the financial position of the Company.

Conditions of the Capital Reorganisation

The Capital Reorganisation is conditional on the following conditions being fulfilled:

- (i) the passing of a special resolution by the Shareholders at the SGM to approve the Capital Reorganisation;
- (ii) the Listing Committee of the Stock Exchange granting the approval for listing of, and permission to deal in, the New Shares in issue and to be issued upon the Capital Reorganisation becoming effective;
- (iii) the compliance with the relevant procedures and requirements under the Companies Act and applicable laws of Bermuda to effect the Capital Reorganisation, which includes the Directors being satisfied that on the date the Capital Reorganisation is to take effect, there are no reasonable grounds for believing that the Company is, or after the Capital Reorganisation would be, unable to pay its liabilities as they become due;
- (iv) the compliance with the relevant procedures and requirements under the Bye-Laws, the laws of Bermuda and the Listing Rules to effect the Capital Reorganisation; and
- (v) the obtaining of all necessary approvals from or filings with the relevant regulatory authorities and/or the Bermuda Registrar of Companies, as appropriate, or otherwise as may be required in respect of the Capital Reorganisation.

Listing Application

An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the New Shares upon the Capital Reorganisation becoming effective.

Subject to the granting of the listing of, and permission to deal in, the New Shares on the Stock Exchange, as well as compliance with the stock admission requirements of the HKSCC, the New Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the New Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements will be made for the New Shares to be admitted into CCASS established and operated by HKSCC.

None of the Existing Shares are listed or dealt on any other stock exchange other than the Stock Exchange, and at the time the Capital Reorganisation becomes effective, the New Shares in issue will not be listed or dealt on any stock exchange other than the Stock Exchange, and no such listing or permission to deal is being or is proposed to be sought.

Status of the New Shares

Upon the Capital Reorganisation becoming effective, the New Shares will be identical in all respects and rank *pari passu* in all respects with each other as to all future dividends and distributions which are declared, made or paid in accordance with the Company's memorandum of association and the Bye-laws.

THE CHANGE IN BOARD LOT SIZE

As at the date of this announcement, the Existing Shares are currently traded on the Stock Exchange in the board lots of 1,000 Existing Shares. It is proposed that, subject to and conditional upon the Capital Reorganisation becoming effective, the board lot size for trading on the Stock Exchange be changed from 1,000 Existing Shares to 2,000 New Shares.

Based on the closing price of HK\$0.170 per Existing Share (equivalent to the theoretical closing price of HK\$1.70 per New Share) as at the date of this announcement, (i) the market value of each board lot of 1,000 Existing Shares is HK\$170; (ii) the market value of each board lot of 1,000 New Shares would be HK\$1,700, assuming the Capital Reorganisation had become effective; and (iii) the estimated market value of each board lot of 2,000 New Shares would be HK\$3,400 on the assumption that the Change in Board Lot Size had also become effective.

The Change in Board Lot Size will not result in any change in the relative rights of the Shareholders.

OTHER ARRANGEMENTS

Exchange of certificates for New Shares

Subject to the Capital Reorganisation becoming effective, which is currently expected to be Thursday, 20 June 2024, Shareholders may on or after Thursday, 20 June 2024 and until Monday, 29 July 2024 (both days inclusive), submit their existing share certificates in yellow colour for the Existing Shares to the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for exchange for new share certificates in blue colour for the New Shares at the expense of the Company.

Shareholders should note that after the prescribed time for free exchange of new share certificates, a fee of HK\$2.5 (or such higher amount as may from time to time be allowed by the Stock Exchange) will be payable by the Shareholders for each share certificate for the Existing Shares submitted for cancellation or each new share certificate issued for the New Shares, whichever the number of certificates cancelled/issued is higher.

After 4:10 p.m. on Thursday, 25 July 2024, trading will only be in New Shares, the share certificates of which will be issued in blue colour. Existing share certificates in yellow colour for the Existing Shares will remain valid and effective as documents of title and may be exchanged for certificates for New Shares at any time, but will cease to be valid for delivery, trading and settlement purposes.

Fractional entitlement to New Shares

Fractional New Shares arising from the Capital Reorganisation, if any, will be disregarded and will not be issued to the Shareholders but all such fractional New Shares will be aggregated and, if possible, sold for the benefits of the Company.

The Shareholders concerned about losing out on any fractional entitlement are recommended to consult their professional advisers and may wish to consider the possibility of buying or selling the Existing Shares in a number sufficient to make up an entitlement to receive a whole number of the New Shares.

Arrangement on odd lot trading and matching services

In order to facilitate the trading of odd lots (if any) of the New Shares, the Company will appoint an agent to provide matching services, on a best effort basis, to those Shareholders who wish to acquire odd lots of the New Shares to make up a full board lot, or to dispose of their holding of odd lots of the New Shares. Details of the odd lot trading arrangement will be stated in the circular to be despatched to the Shareholders.

Shareholders should note that matching of the sale and purchase of odd lots of New Shares is not guaranteed. Shareholders, who are in any doubt about the odd lot arrangement, are recommended to consult their own professional advisers.

REASONS FOR THE CAPITAL REORGANISATION AND THE CHANGE IN BOARD LOT SIZE

Pursuant to Rule 13.64 of the Listing Rules, where the market price of the securities of an issuer approaches the extremities of HK\$0.01 or HK\$9,995.00, the issuer may be required either to change the trading method or to proceed with a consolidation or splitting of its securities. The “Guide on Trading Arrangements for Selected Types of Corporate Actions” issued by the Hong Kong Exchanges and Clearing Limited on 28 November 2008 and updated on 1 October 2020 (the “**Guide**”) has further stated that (i) market price of the shares at a level less than HK\$0.1 will be considered as trading at extremity as referred to under Rule 13.64 of the Listing Rules, and (ii) taking into account the minimum transaction costs for a securities trade, the expected board lot value should be greater than HK\$2,000.

Based on the closing price of the Existing Shares of HK\$0.170 on the date of this announcement and the current board lot size of 1,000 Existing Shares, the board lot value of the Existing Shares is HK\$170. The Capital Reorganisation and the Change in Board Lot Size will reduce the number of new board lots and increases the value of each new board lot. After the Capital Reorganisation and the Change in Board Lot Size have become effective, and based on the closing price of the Existing Shares as at the date of this announcement, the theoretical market board lot value will be HK\$3,400. As such, the Board considers that the Capital Reorganisation and Change in Board Lot Size will enable the Company to comply with the trading requirements under the Listing Rules and reduce the overall transaction and handling costs of dealings in the Shares as a proportion of the market value of each board lot, since most of the banks/securities houses will charge minimum transaction costs for each securities trade. With a corresponding upward adjustment in the trading price of the New Shares, the Board believes that investment in the New Shares would become more attractive to a broader range of investors, thereby improving the liquidity of the New Shares and further broadening the Shareholder base of the Company.

As at the date of this announcement, the par value per Existing Share is US\$0.05 (equivalent to approximately HK\$0.39), which is higher than the closing price of HK\$0.170 per Existing Share. Under the Companies Act, the Company may not issue Shares at a discount to the par value of such Shares. The Capital Reorganisation will reduce the par value to US\$0.001 (equivalent to approximately HK\$0.0078) per New Share, which will provide the Company with flexibility to issue new shares in the future.

Based on the Company's annual results announcement dated 28 March 2024 for the year ended 31 December 2023, the Company recorded accumulated losses of approximately RMB1,031.8 million as at 31 December 2023. The Board intends to transfer the credits arising from the Capital Reduction and the Share Premium Reduction in the total amount of approximately US\$151,469,000 (equivalent to approximately RMB1,095,120,000) to the contributed surplus account of the Company within the meaning of the Companies Act upon the Capital Reduction and the Share Premium Reduction becoming effective, which amount will then be applied in full to set off the Accumulated Losses. The Board takes the view that the offset of the Accumulated Losses will provide the Company with greater flexibility to undertake any corporate exercise which requires the use of the contributed surplus account in the future, subject to the Company's then performance and financial position.

Although the Capital Reorganisation and the Change in Board Lot Size may lead to the creation of odd lots of Shares owned by the Shareholders, the Company will designate an agent to stand in the market to provide matching services for odd lots of Shares for a period of more than three weeks, which is expected to effectively alleviate the difficulties caused by the creation of odd lots of Shares.

In light of the above, the Board is of the view that the Capital Reorganisation and the Change in Board Lot Size are beneficial to and in the interest of the Company and the Shareholders as a whole.

As at the date of this announcement, the Company has no intention to carry out other corporate actions in the next 12 months which may have an effect of undermining or negating the intended purpose of the Capital Reorganisation, and the Company does not have any concrete plan to conduct any fund-raising activities in the next 12 months. However, the Board cannot rule out the possibility that the Company will conduct debt and/or equity fund-raising exercises when suitable fund-raising and/or investment opportunities arise in order to support, among others, working capital requirements and future development of the Group. The Company will make further announcement(s) in this regard in accordance with the Listing Rules as and when appropriate.

EXPECTED TIMETABLE

The expected timetable for the implementation of the Capital Reorganisation and Change in Board Lot Size is set out below. The expected timetable is subject to the results of the SGM and satisfaction of the conditions of the Capital Reorganisation and is therefore for indicative purpose only. Any change to the expected timetable will be announced in a separate announcement by the Company as and when appropriate. All times and dates in this announcement refer to Hong Kong local times and dates unless otherwise specified.

Event	Time and Date
Despatch date of circular with notice of the SGM.....	On or before Tuesday, 14 May 2024
Latest time for lodging transfer documents order to qualify for attendance and voting at the SGM.....	4:30 p.m. on Wednesday, 12 June 2024

Event	Time and Date
Closure of register of members (both days inclusive).....	Thursday, 13 June 2024 to Tuesday, 18 June 2024
Latest time for lodging forms of proxy for the SGM.....	11:00 a.m. on Sunday, 16 June 2024
Date and time of the SGM	11:00 a.m. on Tuesday, 18 June 2024
Publication of the announcement of poll results of the SGM.....	Tuesday, 18 June 2024
 The following events are conditional on the fulfillment of the conditions for the implementation of the Capital Reorganisation as set out in this announcement.	
Expected effective date of the Capital Reorganisation.....	Thursday, 20 June 2024
First day of free exchange of existing share certificates for new share certificates for the New Shares	Thursday, 20 June 2024
Dealing in the New Shares commences	9:00 a.m. on Thursday, 20 June 2024
Original counter for trading in the Existing Shares in board lots of 1,000 Existing Shares (in the form of existing share certificates) temporarily closes	9:00 a.m. on Thursday, 20 June 2024
Temporary counter for trading in the New Shares in board lots of 100 New Shares (in the form of existing share certificates) opens	9:00 a.m. on Thursday, 20 June 2024

Event	Time and Date
Original counter for trading in the New Shares in new board lots of 2,000 New Shares (in the form of new share certificates for the New Shares) re-opens	9:00 a.m. on Friday, 5 July 2024
Parallel trading in the New Shares (in the form of new share certificates for the New Shares and existing share certificates) commences	9:00 a.m. on Friday, 5 July 2024
Designated broker starts to stand in the market to provide matching services for odd lots of the New Shares.....	9:00 a.m. on Friday, 5 July 2024
Designated broker ceases to stand in the market to provide matching services for odd lots of the New Shares.....	4:00 p.m. on Thursday, 25 July 2024
Temporary counter for trading in the New Shares in board lots of 100 New Shares (in the form of existing share certificates) closes	4:10 p.m. on Thursday, 25 July 2024
Parallel trading in the New Shares (in the form of new share certificates for the New Shares and existing share certificates) ends	4:10 p.m. on Thursday, 25 July 2024
Last day for free exchange of existing share certificates for new share certificates for the New Shares	Monday, 29 July 2024

GENERAL

The SGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Capital Reorganisation. A circular containing, among other things, details of the Capital Reorganisation and the Change in Board Lot Size, together with a notice convening the SGM and the related proxy form will be despatched to the Shareholders on or about Tuesday, 14 May 2024.

For determining the entitlement to attend and vote at the SGM, the register of members of the Company will be closed from Thursday, 13 June 2024 to Tuesday, 18 June 2024, both days inclusive, during which period no share transfers can be registered. In order to be eligible to attend and vote at the SGM, unregistered holders of Shares should ensure that all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 12 June 2024.

Shareholders and potential investors of the Company should take note that the Capital Reorganisation is conditional upon the fulfilment of certain conditions set out in this announcement and the Change in Board Lot Size is conditional upon the Capital Reorganisation becoming effective. Therefore, the Capital Reorganisation and the Change in Board Lot Size may or may not proceed.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company, and if they are in any doubt about their position, they should consult their professional advisers.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following expressions shall have the following meanings:

“Accumulated Losses”	the accumulated losses of the Company as at the effective date of the Capital Reorganisation
“Authorised Capital Diminution”	the proposed cancellation of all of the authorised but unissued Shares with a par value of US\$0.001 each in the share capital of the Company, and the proposed diminution of the authorised share capital of the Company by such amount representing the amount of Shares so cancelled
“Authorised Capital Increase”	the proposed increase of the authorised share capital of the Company to US\$500,000 by the creation of such number of Shares with a par value of US\$0.001 each as shall represent the difference between 500,000,000 Shares with a par value of US\$0.001 each and the number of Shares with a par value of US\$0.001 each in issue after the Capital Reduction
“Board”	the board of Directors
“Bye-laws”	the bye-laws of the Company as amended, supplemented or otherwise modified from time to time
“Capital Reduction”	the reduction of the issued share capital of the Company by (a) eliminating any fraction of a Consolidated Share arising from the Share Consolidation in order to round down the total number of the Consolidated Shares to a whole number, where applicable; and (b) cancelling the paid-up share capital of the Company to the extent of US\$0.499 per issued Consolidated Share such that the nominal value of each issued Consolidated Share be reduced from US\$0.5 to US\$0.001

“Capital Reorganisation”	the proposed share capital reorganisation, including the Share Consolidation, the Capital Reduction, the Sub-Division, the Authorised Capital Diminution, the Authorised Capital Increase and the Share Premium Reduction
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“CCASS Operational Procedures”	the Operational Procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative requirements relating to operations and functions of CCASS, as from time to time
“Change in Board Lot Size”	the proposed change in board lot size of the Shares for trading on the Stock Exchange from 1,000 Existing Shares to 2,000 New Shares
“Company”	Labixiaoxin Snacks Group Limited (蠟筆小新休閒食品集團有限公司), an exempted company incorporated in Bermuda with limited liability and the Shares of which are listed on the Stock Exchange
“Company Act”	the Companies Act 1981 of Bermuda, as amended, supplemented or otherwise modified from time to time
“Consolidated Share(s)”	ordinary share(s) of US\$0.5 each in the share capital of the Company immediately after the Share Consolidation becoming effective but prior to the Capital Reduction becoming effective
“Director(s)”	the director(s) of the Company
“Existing Share(s)”	ordinary share(s) of US\$0.05 each in the share capital of the Company prior to the Capital Reorganisation becoming effective

“General Rules of CCASS”	the terms and conditions regulating the use of CCASS, as may be amended or modified from time to time and where the context so permits, shall include the CCASS Operational Procedures
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Share(s)”	ordinary share(s) of US\$0.001 each in the share capital of the Company upon the Capital Reorganisation becoming effective
“RMB”	Renminbi, the lawful currency of the People’s Republic of China
“SGM”	the special general meeting of the Company to be convened and held to consider and, if thought fit, approve the Capital Reorganisation
“Share Consolidation”	the proposed consolidation of every ten (10) issued and unissued Existing Shares in the share capital of the Company into one (1) Consolidated Share
“Share Premium Account”	the share premium account of the Company
“Share Premium Reduction”	the proposed reduction of an amount of RMB615,656,000 standing to the credit of the Share Premium Account to zero

“Share(s)”	the Existing Share(s), the Consolidated Share(s) or the New Share(s), as the case may be
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Sub-Division”	the proposed sub-division of each of the authorised but unissued Existing Shares of par value of US\$0.05 each immediately following the Capital Reduction into fifty (50) New Shares of par value of US\$0.001 each
“US\$”	United States dollar, the lawful currency of the United States of America
“%”	per cent

Unless otherwise specified and for illustration purpose only, amounts in US\$ have been converted into HK\$ or RMB in this announcement based on the exchange rates set out below: (i) US\$1.00 = RMB7.23; and (ii) US\$1.00 = HK\$7.80. Such conversion shall not be construed as representations that amount of such currency may be converted into HK\$ or RMB and vice versa at such rates or any other exchange rates.

For and on behalf of the Board
Labixiaoxin Snacks Group Limited
Zheng Yu Huan
Chairman

Hong Kong, 15 April 2024

As at the date of this announcement, the Directors are Zheng Yu Long, Zheng Yu Shuang and Zheng Yu Huan as executive Directors, Li Hung Kong as non-executive Director and Li Biao, Guo Li and Chung Yau Tong as independent non-executive Directors.

This announcement is available for viewing on the website of the Company at www.lbxxgroup.com and the website of the Stock Exchange at www.hkexnews.hk.