

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

*This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities of the Company.*



**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)**

**CONNECTED TRANSACTION  
ISSUE OF NEW SHARES UNDER SPECIFIC MANDATE**

**Financial Adviser**



**Shenwan Hongyuan Capital (H.K.) Limited**

**Independent Financial Adviser**

**to the Independent Board Committee and the Independent Shareholders**



**BAOQIAO PARTNERS CAPITAL LIMITED**

## **THE SUBSCRIPTION**

On 13 May 2024, the Company, the Subscribers and the Relevant Directors entered into the Subscription Agreement pursuant to which the Company conditionally agreed to allot and issue, and the Subscribers conditionally agreed to subscribe for, a total of 85,518,388 New Shares at the price of HK\$1.10 per New Share (representing a notional price of HK\$0.110 per Existing Share). The total consideration for the Subscription Shares, being HK\$94,070,226.80, will be set-off against the Payment Amount owing by the Company to the Relevant Directors (including the Shareholder's Loan owing by the Company to Mr. Zheng Yu Long under the Loan Agreement and the Directors' Emoluments owing by the Company to the Relevant Directors), and accordingly no cash proceeds will be received by the Company from the Subscription.

On the basis that the existing issued share capital of the Company comprises 1,328,977,000 Existing Shares as at the date of this announcement, and assuming that the issued share capital of the Company will comprise 132,897,700 New Shares upon the Capital Reorganisation becoming effective, the Subscription Shares represent (i) approximately 64.35% of the existing issued share capital of the Company upon the Capital Reorganisation becoming effective; and (ii) approximately 39.15% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares, assuming there will be no change in the issued share capital of the Company between the date of this announcement and completion of the Subscription, other than the Capital Reorganisation and the issue of the Subscription Shares.

The Subscription is conditional upon (a) the passing of an ordinary resolution at the SGM to approve the Subscription Agreement and the transactions contemplated thereunder by the Independent Shareholders by way of poll; (b) the listing committee of the Stock Exchange having granted the listing of, and the permission to deal in, the Subscription Shares on the Stock Exchange; (c) the Capital Reorganisation having become effective; and (d) the Subscribers and persons acting in concert with them not triggering any obligation to make a mandatory general offer for the relevant securities of the Company under Rule 26 of the Takeovers Code as a result of the Subscription.

The issue of the Subscription Shares will be made pursuant to the specific mandate to be sought from the Independent Shareholders at the SGM.

An application will be made by the Company to the listing committee of the Stock Exchange for the listing of, and the permission to deal in, the Subscription Shares.

## **LISTING RULES IMPLICATIONS**

Each of the Subscribers and the Relevant Directors is a connected person of the Company under Chapter 14A of the Listing Rules. As such, the Subscription constitutes a connected transaction for the Company and is subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **ESTABLISHMENT OF INDEPENDENT BOARD COMMITTEE AND APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER**

The Independent Board Committee comprising Mr. Li Biao, Ms. Guo Li and Mr. Chung Yau Tong, who are independent non-executive Directors, has been formed to advise the Independent Shareholders on the Subscription. In this connection, BaoQiao Partners has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the Subscription.

## **GENERAL**

A circular containing, among other things, (i) details of the Subscription; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders; (iii) a letter of advice from BaoQiao Partners to the Independent Board Committee and the Independent Shareholders in relation to the Subscription; and (iv) a notice convening the SGM, together with the related proxy form, is expected to be despatched to the Shareholders as soon as practicable. It is currently expected that the circular will be despatched to the Shareholders on or about Monday, 3 June 2024.

**As the Subscription is subject to the fulfillment of the conditions set out in the Subscription Agreement and may or may not proceed, Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company, and should consult their stockbroker, bank manager, solicitor or other professional adviser if they are in any doubt about their position or as to actions they should take.**

## **INTRODUCTION**

As at the date of this announcement, the Company is indebted (i) to Mr. Zheng Yu Long in respect of the Shareholder's Loan in the aggregate amount of approximately RMB62,462,293 (equivalent to approximately HK\$68,787,284 at the Exchange Rate), which is an unsecured loan facility bearing interest at 2% per annum and has been provided to the Company for the purpose of financing its general working capital requirement; and (ii) to the Relevant Directors in respect of the Directors' Emoluments in the aggregate amount of RMB22,958,177 (equivalent to approximately HK\$25,282,944 at the Exchange Rate), representing the directors' fees and emoluments payable by the Company to the Relevant Directors accruing up to the date of this announcement and which are unsecured and interest-free.

On 13 May 2024, the Company, the Subscribers and the Relevant Directors entered into the Subscription Agreement pursuant to which the Company conditionally agreed to allot and issue, and the Subscribers conditionally agreed to subscribe for, a total of 85,518,388 New Shares at the price of HK\$1.10 per New Share (representing a notional price of HK\$0.110 per Existing Share). The total consideration for the Subscription Shares, being HK\$94,070,226.80, will be set-off against the Payment Amount owing by the Company to the Relevant Directors (including the Shareholder's Loan owing by the Company to Mr. Zheng Yu Long under the Loan Agreement and the Directors' Emoluments owing by the Company to the Relevant Directors), and accordingly no cash proceeds will be received by the Company from the Subscription.

## **THE SUBSCRIPTION AGREEMENT**

### **DATE**

13 May 2024

### **Parties**

- (i) The Company;
- (ii) Mr. Zheng Yu Long;
- (iii) Mr. Zheng Yu Shuang;
- (iv) Mr. Zheng Yu Huan;
- (v) Mr. Li Hung Kong; and
- (vi) Alliance Holding.

## **The Subscription**

Pursuant to the Subscription Agreement, the Company conditionally agreed to allot and issue, and the Subscribers conditionally agreed to subscribe for, a total of 85,518,388 Subscription Shares at the Subscription Price of HK\$1.10 per Subscription Share, representing a total consideration of HK\$94,070,226.80.

The Subscription will involve:

- (i) Mr. Zheng Yu Long as a Subscriber for 62,533,894 Subscription Shares at the total consideration of HK\$68,787,283.40, which will be payable by way of set-off against the outstanding principal amount and accrued interest under the Shareholder's Loan in the aggregate amount of approximately RMB62,462,293 (equivalent to approximately HK\$68,787,284 at the Exchange Rate);
- (ii) Alliance Holding as a Subscriber for a total of 22,984,494 Subscription Shares at the total consideration of HK\$25,282,943.40, which will be payable by way of set-off against the Directors' Emoluments, including as to (a) the director's emoluments accrued and payable by the Company to Mr. Zheng Yu Long in the aggregate amount of RMB7,041,590 (equivalent to approximately HK\$7,754,628 at the Exchange Rate); (b) the director's emoluments accrued and payable by the Company to Mr. Zheng Yu Shuang in the aggregate amount of RMB7,055,484 (equivalent to approximately HK\$7,769,929 at the Exchange Rate); (c) the director's emoluments accrued and payable by the Company to Mr. Zheng Yu Huan in the aggregate amount of RMB6,941,329 (equivalent to approximately HK\$7,644,215 at the Exchange Rate); and (d) the director's emoluments accrued and payable by the Company to Mr. Li Hung Kong in the aggregate amount of RMB1,919,774 (equivalent to approximately HK\$2,114,172 at the Exchange Rate).

As the total consideration for the Subscription Shares will be set-off against the Payment Amount on a dollar-for-dollar basis, no cash proceeds will be received by the Company from the Subscription.

Upon Completion, (i) the Shareholder's Loan and Directors' Emoluments shall be deemed to have been fully paid and discharged by the Company; and (ii) any interest accrued under the Shareholder's Loan from the date of the Subscription Agreement to the date of completion of the Subscription will be waived by Mr. Zheng Yu Long.

## **The Subscription Shares**

On the basis that the existing issued share capital of the Company comprises 1,328,977,000 Existing Shares as at the date of this announcement, and assuming that the issued share capital of the Company will comprise 132,897,700 New Shares upon the Capital Reorganisation becoming effective, the Subscription Shares represent (i) approximately 64.35% of the existing issued share capital of the Company upon the Capital Reorganisation becoming effective; and (ii) approximately 39.15% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares, assuming there will be no change in the issued share capital of the Company between the date of this announcement and completion of the Subscription, other than the Capital Reorganisation and the issue of the Subscription Shares.

The aggregate nominal value of the Subscription Shares, based on a par value of US\$0.001 per New Share subject to the Capital Reorganisation becoming effective, is US\$85,518.388 (equivalent to approximately HK\$667,043.43).

## **The Subscription Price**

The Subscription Price of HK\$1.10 per New Share represents a notional price of HK\$0.110 per Existing Share (the “**Notional Price**”) based on the ratio for consolidation of ten (10) Existing Shares into one (1) New Share pursuant to the Capital Reorganisation.

The Notional Price represents:

- (i) a discount of approximately 5.17% to the closing price of HK\$0.116 per Existing Share as quoted on the Stock Exchange on the Last Trading Day; and
- (ii) a discount of approximately 15.77% to the average closing price of approximately HK\$0.131 per Existing Share as quoted on the Stock Exchange for the last five (5) consecutive trading days immediately prior to the date of the Last Trading Day.

The Subscription Price was determined and negotiated on an arm’s length basis between the Company and the Subscribers and with reference to the market conditions and the prevailing market price of the Existing Shares.

## **Ranking of the Subscription Shares**

The Subscription Shares will, on allotment and issue, rank pari passu in all respects with other New Shares then in existence free from all encumbrances, and together with all rights attaching to them as at the date of issue of the Subscription Shares, including the right to receive all dividends declared, made or paid on a record date which falls on or after the date of issue of the Subscription Shares.

## **Conditions to the Subscription**

The Subscription is conditional upon fulfillment of the following conditions:

- (a) the passing of an ordinary resolution at the SGM to approve the Subscription Agreement and the transactions contemplated thereunder by the Independent Shareholders by way of poll;
- (b) the listing committee of the Stock Exchange having granted the listing of, and the permission to deal in, the Subscription Shares on the Stock Exchange;
- (c) the Capital Reorganisation having become effective; and
- (d) the Subscribers and persons acting in concert with them not triggering any obligation to make a mandatory general offer for the relevant securities of the Company under Rule 26 of the Takeovers Code as a result of the Subscription.

None of the parties to the Subscription Agreement may waive any of the conditions (a), (b), (c) or (d) above. As at the date of this announcement, none of the above conditions have been fulfilled.

In the event that any of the above conditions have not been fulfilled on or before the Long Stop Date, the Subscription Agreement shall lapse automatically.

**As the Subscription is subject to the fulfillment of the conditions set out in the Subscription Agreement and may or may not proceed, Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company, and should consult their stockbroker, bank manager, solicitor or other professional adviser if they are in any doubt about their position or as to actions they should take.**

### **Completion of the Subscription**

Completion of the Subscription shall take place on the fifth Business Day from and excluding the day on which the above conditions have been fulfilled, or such other date as the parties to the Subscription Agreement may agree in writing.

### **Mandate to issue the Subscription Shares**

The issue of the Subscription Shares will be made pursuant to the specific mandate to be sought from the Independent Shareholders at the SGM.

### **Application for listing**

An application will be made by the Company to the listing committee of the Stock Exchange for the listing of, and the permission to deal in, the Subscription Shares.

## **EQUITY FUND RAISING ACTIVITIES IN THE PAST 12 MONTHS**

The Company has not conducted any equity fund raising activity in the past 12 months immediately preceding the date of this announcement.

## **EFFECT ON THE SHAREHOLDING STRUCTURE**

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, the shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately upon the Capital Reorganisation becoming effective (assuming the issued share capital of the Company will comprise 132,897,700 New Shares upon the Capital Reorganisation becoming effective); and (iii) immediately upon completion of the Subscription (assuming there will be no change in the issued share capital of the Company between the date of this announcement and completion of the Subscription, other than the Capital Reorganisation and the issue of the Subscription Shares) is set out below:



	As at the date of this announcement		Immediately upon the Capital Reorganisation becoming effective		Immediately upon completion of the Subscription	
	Number of Existing Shares	Approx. %	Number of New Shares	Approx. %	Number of New Shares	Approx. %
The Subscribers						
– Alliance Holding ( <i>Note 1</i> )	610,915,527	45.97	61,091,552	45.97	84,076,046	38.49
– Mr. Zheng Yu Long	119,935,060	9.02	11,993,506	9.02	74,527,400	34.12
Sub-total of the Subscribers	730,850,587	54.99	73,085,058	54.99	158,603,446	72.62
Public shareholders	598,126,413	45.01	59,812,642	45.01	59,812,642	27.38
Total	<u>1,328,977,000</u>	<u>100.00</u>	<u>132,897,700</u>	<u>100.00</u>	<u>218,416,088</u>	<u>100.00</u>

*Notes:*

- Alliance Holding is owned as to 28% by each of Mr. Zheng Yu Long, Mr. Zheng Yu Shuang and Mr. Zheng Yu Huan and as to 16% by Mr. Li Hung Kong.
- The percentage figures shown in the table above are rounded to two decimal places.

## REASONS AND BENEFITS FOR THE SUBSCRIPTION

The Group is principally engaged in manufacturing and sales of jelly products, confectionary products, beverages products and other snacks products in the PRC.

As disclosed in the annual report (the “**2023 Annual Report**”) of the Company for the year ended 31 December 2023 (“**FY2023**”), the Group’s sales was positively affected by the gradual recovery of the consumer sentiment in the PRC from the hit by the Coronavirus Disease 2019 (“**COVID-19**”) outbreak and the Group’s immense efforts in expanding its new sales channels (“**New Sales Channels**”) e.g. sales through major snacks convenience stores chains in the PRC paid off. The Group recorded sales revenue of approximately RMB764.4 million for FY2023, representing an increase of approximately 11.7% as compared with the year ended 31 December 2022 (“**FY2022**”).

Nevertheless, the distributors of Group were generally bruised by COVID-19 control measures in FY2022, some of which suffered from great financial difficulties and hence the Group encountered slow settlements from or default by these distributors during FY2022 and FY2023. As a result, an allowance for expected credit losses of the Group of approximately RMB47.5 million and RMB78.9 million were recorded in FY2022 and FY2023, respectively.

As at 31 December 2023, the Group had net current liabilities of approximately RMB94.4 million and gearing ratio (i.e. the sum of total borrowings, lease liabilities and loan from a director divided by total equity) is approximately 202.8%. As at the date of this announcement, the Payment Amount was approximately RMB85.42 million. In light of the current financial position of the Group, it is difficult for the Company to repay the Payment Amount without further financing activities. Hence, the Subscription represents a good opportunity to improve the net current liability position and lower the gearing ratio of the Group while preserving the cash reserve of the Group.

The Board has considered various fund-raising methods apart from the Subscription. With regard to debt financing, the Board considers that given the current gearing ratio of the Group of approximately 202.8%, it is not beneficial to the Group to further increase its debt level with additional finance costs. With regard to equity financing methods, given the latest financial results of the Group, the low liquidity of the Shares and the current market capitalisation of the Company, the Directors consider that it is not feasible to identify any placing agents or rights issue or open offer subscribers to raise sufficient fund to repay the Payment Amount without a substantial discount on the market price per Share. Further, the Directors consider that the placing, rights issue, or open offer would incur costly placing or underwriting commission and the process would be relatively time-consuming.

The Board (excluding the members of the Independent Board Committee whose opinion will be set forth in the circular to be issued by the Company in relation to the Subscription) considers the terms of the Subscription Agreement to be normal commercial terms and the Subscription is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Each of Mr. Zheng Yu Long, Mr. Zheng Yu Shuang and Mr. Zheng Yu Huan (being executive Directors) and Mr. Li Hung Kong (being a non-executive Director) has abstained from voting on (and has not been counted in the quorum for) the relevant Board resolutions for approving the Subscription Agreement and the transactions contemplated thereunder by virtue of their interests in the Subscription. Save as disclosed above, none of the other Directors is regarded as having a material interest in, and therefore none of them is required to abstain from voting on, the relevant Board resolutions for approving the Subscription Agreement and the transactions contemplated thereunder.

## **INFORMATION ON THE PARTIES INVOLVED**

The Company is an investment holding company. The principal activities of the Group are manufacturing and sales of jelly products, confectionary products, beverages products and other snacks products.

Alliance Holding is a company incorporated in the British Virgin Islands with limited liability and is principally engaged in investment holding. As at the date of this announcement, Alliance Holding is owned as to 28% by each of Mr. Zheng Yu Long, Mr. Zheng Yu Shuang and Mr. Zheng Yu Huan who are executive Directors and as to 16% by Mr. Li Hung Kong who is a non-executive Director.

Mr. Zheng Yu Long, Mr. Zheng Yu Shuang and Mr. Zheng Yu Huan are brothers and Mr. Li Hung Kong is their brother-in-law.

## **LISTING RULES IMPLICATIONS**

Each of the Subscribers and the Relevant Directors is a connected person of the Company under Chapter 14A of the Listing Rules. As such, the Subscription constitutes a connected transaction for the Company and is subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Alliance Holding, Mr. Zheng Yu Long and their respective associates (holding in aggregate 730,850,587 Existing Shares, representing approximately 54.99% of the issued share capital of the Company as at the date of this announcement) will abstain from voting in respect of the relevant resolution(s) to approve the Subscription Agreement and the transactions thereunder at the SGM. Save as disclosed above, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no other Shareholder will be required to abstain from voting on the relevant resolution(s) to approve the Subscription Agreement and the transactions thereunder at the SGM.

The Subscription will result in a theoretical dilution effect of approximately 6.2%, which is below the 25% threshold as specified under Rule 7.27B of the Listing Rules. Therefore, the theoretical dilution impact of the Subscription is in compliance with Rule 7.27B of the Listing Rules.

## **ESTABLISHMENT OF INDEPENDENT BOARD COMMITTEE AND APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER**

The Independent Board Committee comprising Mr. Li Biao, Ms. Guo Li and Mr. Chung Yau Tong, who are independent non-executive Directors, has been formed to advise the Independent Shareholders on the Subscription. In this connection, BaoQiao Partners has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the Subscription.

### **GENERAL**

A circular containing, among other things, (i) details of the Subscription; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders; (iii) a letter of advice from BaoQiao Partners to the Independent Board Committee and the Independent Shareholders in relation to the Subscription; and (iv) a notice convening the SGM, together with the related proxy form, is expected to be despatched to the Shareholders as soon as practicable. It is currently expected that the circular will be despatched to the Shareholders on or about Monday, 3 June 2024.

### **DEFINITIONS**

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

“acting in concert”	has the meaning ascribed to it under the Takeovers Code
“Alliance Holding”	Alliance Food and Beverages (Holding) Company Limited, a company incorporated in the British Virgin Islands with limited liability and a controlling shareholder of the Company
“associate(s)”	has the meaning ascribed to it under the Listing Rules

“BaoQiao Partners” or “Independent Financial Adviser”	BaoQiao Partners Capital Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), being the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders on the Subscription Agreement and the transactions contemplated thereunder
“Board”	the board of Directors
“Business Day”	any day on which licensed banks are generally open for business in Hong Kong, excluding Saturday, Sunday, and public holiday and any day on which (i) a tropical cyclone warning signal number 8 or above is hoisted between 9:00 a.m. and 12:00 noon and has not been lowered by 12:00 noon, or (ii) a “black” rainstorm warning signal is in force between 9:00 a.m. and 12:00 noon, or (iii) an “extreme conditions” announcement has been made by the Hong Kong Government between 9:00 a.m. and 12:00 noon and has not been cancelled by 12:00 noon
“Capital Reorganisation”	has the meaning ascribed to it in the Company’s announcement dated 15 April 2024
“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 (stock code: 1262)
“controlling shareholder”	has the same meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company

“Directors’ Emoluments”	the director’s fees and emoluments payable by the Company to the Relevant Directors, accruing up to the date of this announcement and which are unsecured and interest-free
“Exchange Rate”	the agreed exchange rate of HK\$1 to RMB0.90805 as set out in the Subscription Agreement, being the central parity rate of RMB against HK\$ published by the People’s Bank of China on 30 April 2024
“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
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	the independent committee of the Board comprising all the independent non-executive Directors, namely Mr. Li Biao, Ms. Guo Li and Mr. Chung Yau Tong, established to advise the Independent Shareholders on the Subscription Agreement and the transactions contemplated thereunder
“Independent Shareholders”	the Shareholders other than the Subscribers, the Relevant Directors and their respective associates
“Last Trading Day”	13 May 2024, being the last full trading day of Shares immediately prior to the date of publication of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time

“Loan Agreement”	the loan facility agreement dated 31 December 2023 between Mr. Zheng Yu Long as lender and the Company as borrower in relation to an unsecured loan facility of up to RMB70 million for a term from 1 January 2024 up to 31 December 2024 (both days inclusive)
“Long Stop Date”	31 August 2024 or such other date as the parties to the Subscription Agreement may agree in writing
“Mr. Li Hung Kong”	Mr. Li Hung Kong, a non-executive Director and the brother-in-law of Mr. Zheng Yu Long, Mr. Zheng Yu Shuang and Mr. Zheng Yu Huan
“Mr. Zheng Yu Huan”	Mr. Zheng Yu Huan, an executive Director and the brother of Mr. Zheng Yu Long and Mr. Zheng Yu Shuang and the brother-in-law of Mr. Li Hung Kong
“Mr. Zheng Yu Long”	Mr. Zheng Yu Long, an executive Director and the brother of Mr. Zheng Yu Shuang and Mr. Zheng Yu Huan and the brother-in-law of Mr. Li Hung Kong
“Mr. Zheng Yu Shuang”	Mr. Zheng Yu Shuang, an executive Director and the brother of Mr. Zheng Yu Long and Mr. Zheng Yu Huan and the brother-in-law of Mr. Li Hung Kong
“New Share(s)”	ordinary share(s) of US\$0.001 each in the share capital of the Company upon the Capital Reorganisation becoming effective
“Payment Amount”	an aggregate amount of approximately RMB85,420,470 (equivalent to approximately HK\$94,070,227 at the Exchange Rate), comprising the Shareholder’s Loan and the Directors’ Emoluments
“Relevant Directors”	Mr. Zheng Yu Long, Mr. Zheng Yu Shuang, Mr. Zheng Yu Huan and Mr. Li Hung Kong

“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 Subscription Agreement and the transactions contemplated thereunder
“Share(s)”	the Existing Share(s) or the New Share(s), as the case may be
“Shareholder(s)”	holder(s) of Share(s)
“Shareholder’s Loan”	the loan facility provided to the Company by Mr. Zheng Yu Long under the Loan Agreement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber(s)”	Mr. Zheng Yu Long and/or Alliance Holding
“Subscription”	the subscription for the Subscription Shares by the Subscribers pursuant to the terms and conditions of the Subscription Agreement
“Subscription Agreement”	the subscription agreement dated 13 May 2024 entered into by the Company, the Subscribers and the Relevant Directors in relation to the Subscription
“Subscription Price”	HK\$1.10 per Subscription Share
“Subscription Shares”	a total of 85,518,388 New Shares to be allotted and issued by the Company and subscribed by the Subscribers pursuant to the terms and conditions of the Subscription Agreement
“Takeovers Code”	The Code on Takeovers and Mergers and Share Buy-backs, as amended, supplemented or otherwise modified from time to time
“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\$ in this announcement based on the exchange rate of US\$1.00 = HK\$7.80. Such conversion shall not be construed as representations that amount of such currency may be converted into HK\$ 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, 13 May 2024

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

*This announcement is available for viewing on the website of the Company at [www.lbxxgroup.com](http://www.lbxxgroup.com) and the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk).*