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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)

**INSIDE INFORMATION
DECREASE IN LOSS
FOR THE YEAR ENDED 31 DECEMBER 2020**

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 net loss of the Group for the year ended 31 December 2020 is expected to decrease by approximately 70% when compared with the net loss of RMB170.1 million for the year ended 31 December 2019. Such decrease in net loss is mainly attributable to (i) an increase in the gross profit margin due to improvement in sales of jelly products; (ii) a gain on disposal of a subsidiary in the amount of approximately RMB117.6 million; and (iii) the fact that no loss on the remeasurement of asset classified as held for sale was recorded during the year ended 31 December 2020.

The Company has yet to finalise the annual results of the Group for the year ended 31 December 2020. 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 year ended 31 December 2020, which is expected to be published on 31 March 2021.

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, 16 March 2021

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.