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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Labixiaoxin Snacks Group Limited, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

## (I) RENEWAL OF GENERAL MANDATES TO ISSUE SHARES AND TO BUY BACK SHARES, (II) RE-ELECTION OF DIRECTORS, (III) PROPOSED ADOPTION OF NEW SHARE OPTION SCHEME AND NOTICE OF ANNUAL GENERAL MEETING

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A notice convening the Annual General Meeting to be held at Unit 1603-04, 16/F, Causeway Bay Plaza One, 489 Hennessy Road, Causeway Bay, Hong Kong on Wednesday, 23 June 2021 at 10:30 a.m. is set out on pages 34 to 40 of this circular.

#### **Precautionary measures and special arrangements for the Annual General Meeting**

Considering the outbreak of the coronavirus (COVID-19), certain measures will be implemented at the Annual General Meeting with a view to addressing the risk to attendees of infection, including, without limitation, (i) all attendees being required to (a) undergo compulsory body temperature check; (b) complete a health declaration (a copy of the form is enclosed with this circular), which may be used for contact tracing, if required; and (c) wear surgical masks prior to admission to the venue of the Annual General Meeting; (ii) attendees who are subject to health quarantine prescribed by the HKSAR Government not being admitted to the venue of the Annual General Meeting; (iii) all attendees being required to wear surgical masks throughout the Annual General Meeting; (iv) each attendee being assigned a designated seat at the time of registration to ensure social distancing; and (v) no refreshment packs or coffee/tea being provided.

The Company reminds attendees that they should carefully consider the risks of attending the Annual General Meeting, taking into account their own personal circumstances. Furthermore, the Company would like to remind Shareholders that physical attendance in person at the Annual General Meeting is not necessary for the purpose of exercising their voting rights and strongly recommends that Shareholders appoint the Chairman of the Annual General Meeting as their proxy and submit their form of proxy as early as possible. The form of proxy can be downloaded from the Company's website ([www.lbxgroup.com](http://www.lbxgroup.com)) or the Stock Exchange's website. The Company will keep the evolving COVID-19 situation under review and may implement additional measures which it will announce closer to the date of the Annual General Meeting.

Whether or not you intend to be present and vote at the Annual General Meeting, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, Level 54, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjourned meeting. The completion of a form of proxy will not preclude you from attending and voting at the Annual General Meeting in person should you so wish. If you attend and vote at the Annual General Meeting, the authority of your proxy will be revoked.

12 May 2021

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## DEFINITIONS

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

“Adoption Date”	the date on which the New Share Option Scheme will be approved and adopted by an ordinary resolution of the Shareholders
“Annual General Meeting”	the annual general meeting of the Company to be held at Unit 1603-04, 16/F, Causeway Bay Plaza One, 489 Hennessy Road, Causeway Bay, Hong Kong on Wednesday, 23 June 2021 at 10:30 a.m., for the purpose of considering and if thought fit, approving the resolutions proposed in this circular, or any adjournment thereof
“associate(s)”	has the same meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Bye-laws”	the bye-laws of the Company as amended, modified or otherwise supplemented from time to time
“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
“Companies Act”	the Companies Act 1981 of Bermuda, as amended, supplemented or otherwise modified from time to time
“connected person(s)”	has the same meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Eligible Participant”	has the meaning ascribed to it under paragraph (b) of “APPENDIX III – SUMMARY OF THE PRINCIPAL TERMS OF THE NEW SHARE OPTION SCHEME”
“Existing Share Option Scheme”	the existing share option scheme of the Company at the AGM adopted on 23 September 2011

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## DEFINITIONS

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“General Mandate”	a general and unconditional mandate to be granted to the Directors to allot, issue, and otherwise deal with new Shares and other securities with a total number not exceeding the sum of 20% of the total number of Shares in issue as at the date of passing of the relevant resolution
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	7 May 2021, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Share Option Scheme”	the new share option scheme proposed to be adopted by the Company at the AGM, a summary of the principal terms of which is set out in the Appendix III to this circular
“Option(s)”	option(s) to subscribe for Shares pursuant to the Existing Share Option Scheme or the New Share Option Scheme
“PRC”	the People’s Republic of China
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary shares of US\$0.05 each in the share capital of the Company
“Share Buy-back Mandate”	a general and unconditional mandate to the Directors to exercise the power of the Company to buy back Shares up to a total number of 10% of the total number of shares of the Company in issue as at the date of passing the relevant resolution

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## DEFINITIONS

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“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the same meaning ascribed to it under the Listing Rules
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“United States”	the United States of America
“US\$”	United States dollar, the lawful currency of the United States
“%”	per cent.

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## LETTER FROM THE BOARD

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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)**

*Executive Directors:*

Mr. Zheng Yu Huan (*Chairman*)

Mr. Zheng Yu Shuang (*Chief Executive Officer*)

Mr. Zheng Yu Long

*Non-executive Director:*

Mr. Li Hung Kong (*Vice-chairman*)

*Independent Non-executive Directors:*

Mr. Li Biao

Ms. Sun Kam Ching

Mr. Chung Yau Tong

*Registered Office:*

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

*Place of Business in Hong Kong:*

Unit 2108,

21/F, Island Place Tower,

510 King's Road,

North Point,

Hong Kong

12 May 2021

*To the Shareholders*

Dear Sir/Madam

**(I) RENEWAL OF  
GENERAL MANDATES TO ISSUE SHARES AND  
TO BUY BACK SHARES,  
(II) RE-ELECTION OF DIRECTORS,  
(III) PROPOSED ADOPTION OF NEW SHARE OPTION SCHEME  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

#### INTRODUCTION

The purpose of this circular is to provide you with information regarding resolutions to be proposed at the Annual General Meeting for (i) the renewal of the General Mandate and the Share Buy-back Mandate; (ii) the extension of the General Mandate to include Shares bought back pursuant to the Share Buy-back Mandate; (iii) the re-election of retiring Directors; and (iv) the proposed adoption of the New Share Option Scheme.

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## LETTER FROM THE BOARD

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### RENEWAL OF GENERAL MANDATES TO ISSUE AND BUY BACK SHARES

At the annual general meeting of the Company held on 29 June 2020, resolutions were passed giving general mandates to the Directors (i) to allot and issue Shares with a total number not exceeding 20% of the total number of Shares in issue as at the date of passing of the relevant resolutions; and (ii) to buy back Shares up to 10% of the total number of Shares in issue as at the date of passing of the relevant resolutions. Such general mandates will expire at the conclusion of the forthcoming Annual General Meeting.

At the Annual General Meeting, separate ordinary resolutions will be proposed:

- (a) to grant the General Mandate to the Directors to exercise the powers of the Company to allot and issue Shares with a total number not exceeding 20% of the total number of Shares in issue as at the date of passing the resolution. The General Mandate will end on the earliest of the date of the next annual general meeting, the date by which the next annual general meeting of the Company is required to be held by the Bye-laws or the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders at a general meeting of the Company;
- (b) to grant the Share Buy-back Mandate to the Directors to exercise all powers of the Company to buy back issued Shares subject to the criteria set out in this circular. Under such Share Buy-back Mandate, the maximum number of Shares that the Company may be bought back shall not exceed 10% of the total number of Shares in issue as at the date of passing the resolution. As at the Latest Practicable Date, the number of Shares in issue was 1,328,977,000 Shares. Subject to the passing of the proposed ordinary resolution approving the granting of the Share Buy-back Mandate and no further Shares are issued or bought back from the Latest Practicable Date and prior to the Annual General Meeting, the Company would be allowed under the Share Buy-back Mandate to buy back a maximum of 132,897,700 Shares, being 10% of the total number of Shares in issue as at the date of passing of the resolution in relation thereof. The Share Buy-back Mandate will end on the earliest of the date of the next annual general meeting, the date by which the next annual general meeting of the Company is required to be held by the Bye-laws or the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders at a general meeting of the Company; and
- (c) subject to the passing of the aforesaid ordinary resolutions of the General Mandate and the Share Buy-back Mandate, to extend the number of Shares to be issued and allotted under the General Mandate by an additional number representing such number of Shares bought back under the Share Buy-back Mandate.

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## **LETTER FROM THE BOARD**

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In accordance with the Listing Rules, an explanatory statement is set out in Appendix I to this circular to provide you with requisite information reasonably necessary to enable you to make an informed decision on whether to vote for or against the proposed resolution to renew the grant of the Share Buy-back Mandate at the Annual General Meeting.

### **RE-ELECTION OF RETIRING DIRECTORS**

In accordance to bye-law 83(2) of the Company's Bye-law, any Director appointed by the Board to fill a casual vacancy shall hold office until the first general meeting of members after his appointment and be subject to re-election at such meeting and any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election. And in accordance to bye-law 84 of the Company's Bye-law, one-third of the Directors for the time being shall retire from office by rotation provided that every Director shall be subject to retirement at least once every three years. Accordingly, Mr. Zheng Yu Long, Mr. Li Biao and Mr. Chung Yau Tong will retire at the Annual General Meeting and, being eligible, will offer themselves for re-election as Directors at the Annual General Meeting.

At the Annual General Meeting, ordinary resolutions will be proposed to re-elect Mr. Zheng Yu Long as executive Director, Mr. Li Biao and Mr. Chung Yau Tong as independent non-executive Directors. The biographical details of such Directors to be re-elected as required to be disclosed under the Listing Rules are set out in Appendix II to this circular.

### **TERMINATION OF THE EXISTING SHARE OPTION SCHEME**

The Existing Share Option Scheme was adopted by the Company on 23 September 2011 and is valid for a period of 10 years ending on 22 September 2021. Other than the Existing Share Option Scheme, the Company does not have any other option schemes.

The Company had 30,000,000 Options outstanding as at the Latest Practicable Date. The 30,000,000 outstanding Options granted under the Existing Share Option Scheme remain valid upon expiry of the Existing Share Option Scheme. The Existing Share Option Scheme is due to expire soon and the Board proposes to terminate the Existing Share Option Scheme and adopt the New Share Option Scheme with terms in compliance with the current provisions of Chapter 17 of the Listing Rules.



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## **LETTER FROM THE BOARD**

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### **PROPOSED ADOPTION OF THE NEW SHARE OPTION SCHEME**

As at the Latest Practicable Date, there were a total of 1,328,977,000 Shares in issue. The maximum number of Shares which may be issued pursuant to the Share Option Scheme will be 132,897,700 Shares, representing approximately 10% of the total number of Shares in issue as at the Adoption Date (assuming that there was no change in the total number of Shares in issue between the period from the Latest Practicable Date up to the Adoption Date). Upon adoption of the New Share Option Scheme or any other new share option scheme by the Company, the maximum number of Shares which may be issued upon options that may be granted under the New Share Option Scheme, the new and other existing share option schemes of the Company shall not exceed 10% of the total number of issued Shares. The maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the New Share Option Scheme and any other share option schemes of the Company shall not exceed 30% of the total number of Shares in issue from time to time.

#### **Principal terms of the New Share Option Scheme**

A summary of the principal terms of the New Share Option Scheme is set out in the Appendix III to this circular. The terms of the New Share Option Scheme are in compliance with the provisions of Chapter 17 of the Listing Rules, which governs the terms of the share option schemes of listed companies and their subsidiaries.

The purpose of the New Share Option Scheme is to enable the Company to grant Options to Eligible Participants and to provide the Eligible Participants an opportunity to have a personal stake in the Company with the view to (i) motivate the Eligible Participants to optimise their performance efficiency for the benefit of the Group; and (ii) attract and retain or otherwise maintain an on-going business relationship with the Eligible Participants whose contributions are or will be beneficial to the long-term growth of the Group.

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## LETTER FROM THE BOARD

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As disclosed in paragraph 1(b) of Appendix III to this circular, to be an Eligible Participant, the over-riding principle is that the person must have contributed or will contribute to the Group. The scope of Eligible Participants under the New Share Option Scheme is in line with the Eligible Participants of the Existing Share Option Scheme. The Company considers that the inclusion of persons other than the employees and directors of the Group as Eligible Participants is appropriate, as the successful development of the Group could not be achieved by the Directors and employees alone and will also depend on the cooperation of the business partners of the Group, including advisors, consultants, agents, suppliers, customers and distributors, which all play an important role in the business of the Group. Given that the success of the Group requires the cooperation and contribution from such parties, the inclusion of any potential advisors, consultants, agents, suppliers, customers and distributors is to provide Board with sufficient flexibility under the New Share Option Scheme to grant Share Options incentivize and reward persons who have or will contribute to the Group.

Upon the adoption of the New Share Option Scheme, in evaluating whether any advisors, consultants, agents, suppliers, customers and distributors have or will contribute to the Group, the Company will consider various factors including (i) their length of providing the relevant services to the Group; (ii) the materiality and nature of their services provided to the Group (including for example whether they relate to the core business of the Group and whether such services could be readily replaced by third parties); (iii) their track record in the quality of services provided to the Group; and (iv) whether the transaction amount is significant relative to the revenue or costs of the Group.

The terms of the New Share Option Scheme provide that in granting Options under the New Share Option Scheme, the Board may offer to grant any Options subject to such terms and conditions in relation to the minimum periods of the Options to be held and/or the performance targets to be achieved before such Options can be exercised, and any other terms as the Board may determine in its absolute discretion. The Board will also determine the Exercise Price in respect of any Options subject to the requirements under the rules of the New Share Option Scheme. By setting minimum periods of the Options to be held, performance targets and/or an Exercise Price, the Grantees will have to work towards meeting these standards set by the Board for the purpose of contributing to the success of the Group. Such terms and conditions are set with the objective of serving the purpose of the New Share Option Scheme.

No trustee had been or will be appointed for the administration of the New Share Option Scheme.

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## LETTER FROM THE BOARD

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A copy of the New Share Option Scheme will be available for inspection at the Company's principal place of business in Hong Kong at Unit 2108, 21/F, Island Place Tower, 510 King's Road, North Point, Hong Kong for a period of 14 days before the Annual General Meeting, and at the Annual General Meeting.

### **Value of the Options**

The Directors consider that it is not appropriate to state the value of all Options that can be granted under the New Share Option Scheme as if they had been granted on the Latest Practicable Date as a number of variables which are crucial for the calculation of the value the Options have not been determined. Such variables include but are not limited to the Exercise Price, any performance targets set and other relevant variables. The Directors believe that any calculation of the value of the Options as at the Latest Practicable Date based on a great number of speculative assumptions would not be meaningful and would be misleading to the Shareholders.

### **Conditions precedent of the Share Option Scheme**

The New Share Option Scheme shall take effect subject to the following conditions:

- (i) the passing of the necessary resolution(s) by the Shareholders to approve and adopt the rules of the New Share Option Scheme and to terminate the Existing Share Option Scheme; and
- (ii) the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, any Shares to be issued and allotted pursuant to the exercise of Options granted under the New Share Option Scheme.

An application will be made to the Stock Exchange for the approval of the listing of, and permission to deal in, the Shares to be issued pursuant to the exercise of the Options granted under the New Share Option Scheme.

Once the New Share Option Scheme is adopted, any alterations to the terms and conditions thereof, which are of material nature, must be approved by the Shareholders, except where the alterations take effect automatically pursuant to the terms originally provided in the New Share Option Scheme.

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## LETTER FROM THE BOARD

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### ANNUAL GENERAL MEETING

The Company will convene the Annual General Meeting at Unit 1603-04, 16/F, Causeway Bay Plaza One, 489 Hennessy Road, Causeway Bay, Hong Kong on Wednesday, 23 June 2021 at 10:30 a.m. at which resolutions will be proposed for the purpose of considering and if thought fit, approving the resolutions set out in the notice of the Annual General Meeting as set out on pages 34 to 40 of this circular.

A form of proxy for use in connection with the Annual General Meeting is enclosed herewith. Whether or not you intend to be present and vote at the Annual General Meeting, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, Level 54, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the Annual General Meeting or any adjournment thereof. The completion and delivery of a form of proxy will not preclude you from attending and voting at the Annual General Meeting in person should you so wish. If you attend and vote at the Annual General Meeting, the authority of your proxy will be revoked. Pursuant to Rule 13.39(4) of the Listing Rules, voting by the Shareholders at the Annual General Meeting will be by poll.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, none of the Shareholders is required to abstain from voting on the ordinary resolutions to be proposed at the Annual General Meeting pursuant to the Listing Rules and/or the Bye-laws.

### RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquires, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

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## LETTER FROM THE BOARD

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### RECOMMENDATION

The Directors consider that the renewal of the General Mandate and the Share Buy-back Mandate, the re-election of retiring Directors and the proposed adoption of the New Share Option Scheme are in the best interests of the Company as well as its Shareholders. Accordingly, the Directors recommend the Shareholders to vote in favour of all the resolutions to be proposed at the Annual General Meeting.

Yours faithfully  
By Order of the Board  
**Mr. Zheng Yu Huan**  
*Chairman*

*This is an explanatory statement given to all Shareholders relating to a resolution to be proposed at the Annual General Meeting for approving the Share Buy-back Mandate. This explanatory statement contains all the information required pursuant to Rule 10.06(1)(b) and other relevant provisions of the Listing Rules which is set out as follows:*

**1. SHARES IN ISSUE**

As at the Latest Practicable Date, there was a total of 1,328,977,000 Shares in issue. Subject to the passing of the resolution granting the Share Buy-back Mandate and on the basis that no further Shares are issued or bought back during the period from the Latest Practicable Date to the Annual General Meeting, the Company will be allowed under the Share Buy-back Mandate to buy back a maximum of 132,897,700 Shares, being 10% of the total number of Shares in issue as at the date of the passing of the relevant resolution at the Annual General Meeting.

**2. REASONS FOR SHARE BUY-BACK**

The Directors have no present intention to buy back any Shares but consider that the ability to do so would give the Company additional flexibility that would be beneficial to the Company and the Shareholders as such buy-back may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets value of the Company and/or its earning per Share and will only be made when the Directors believe that such a buy-back will benefit the Company and the Shareholders as a whole.

As compared with the financial position of the Company as at 31 December 2020 (as disclosed in its latest audited financial statements for the year ended 31 December 2020), the Directors consider that there would not be any material adverse impact on the working capital and on the gearing position of the Company in the event that the proposed buy-back were to be carried out in full during the proposed buy-back period. In the circumstances, the Directors do not propose to exercise the Share Buy-back Mandate to such an extent as would have a material adverse impact on the working capital or gearing ratio of the Company.

**3. FUNDING OF SHARE BUY-BACK**

The Company is empowered by its memorandum of association and Bye-laws to buy back its Shares. In buying back Shares, the Company may only apply funds legally available for such purpose in accordance with its memorandum of association and Bye-laws and the laws of Bermuda. The laws of Bermuda provide that the amount of capital repaid in connection with a share buy-back may only be paid out of either the paid up on the relevant shares, or the funds of the Company that would otherwise be available for dividend or distribution or out of the proceeds of a fresh issue of shares made for that purpose. The amount of premium payable on buy-back may only be paid out of either the funds of the Company that would otherwise be available for dividend or distribution or out of the share premium account of the Company before the shares are bought back.

Under the laws of Bermuda, no purchase by a company of its own shares may be effected if, on the date on which the purchase is to be effected, there are reasonable grounds for believing that the company is, or after the purchase would be, unable to pay its liabilities as they become due. In accordance with the laws of Bermuda, the shares so bought back would be treated as cancelled but the aggregate amount of authorised share capital would not be reduced.

**4. DIRECTORS, THEIR CLOSE ASSOCIATES AND CORE CONNECTED PERSONS**

None of the Directors nor, to the best of their knowledge and belief having made all reasonable enquiries, any of their close associates, has any present intention to sell any Shares to the Company in the event that the Share Buy-back Mandate is granted by the Shareholders.

No core connected person of the Company (as defined in the Listing Rules) has notified the Company that he/she/it has a present intention to sell Shares to the Company nor has he/she/it undertaken not to sell any of the Shares held by him/her/it to the Company in the event that the Share Buy-back Mandate is granted by the Shareholders.

**5. UNDERTAKING OF THE DIRECTORS**

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make buy-backs pursuant to the Share Buy-back Mandate and in accordance with the Listing Rules, the Bye-laws and the laws of the Bermuda.

**6. EFFECT OF TAKEOVERS CODE**

A buy-back of Shares by the Company may result in an increase in the proportionate interests of a substantial shareholder of the Company in the voting rights of the Company, which could give rise to an obligation to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Company, (i) Alliance Food and Beverages (Holding) Company Limited (“**Alliance Holding**”), a substantial shareholder of the Company, and its associates hold 730,850,587 Shares or approximately 54.99% of the issued share capital of the Company; and (ii) the amount of shares held by the public was approximately 45.01%.

In the event that the Directors exercise in full the power to buy back the Shares which is proposed to be granted pursuant to the Share Buy-back Mandate, (i) the shareholdings of Alliance Holding and its associates in the Company would be increased to approximately 61.10% of the then issued share capital of the Company, and such increase would not give rise to an obligation to make a mandatory general offer under Rule 26 of the Takeovers Code ; and (ii) the amount of shares held by the public would be reduced to approximately 38.90%.

The Company has no intention to exercise the Share Buy-back Mandate to such extent that it would give rise to an obligation to make a mandatory offer under the Takeovers Code.

The Directors will use their best endeavours to ensure that the Share Buy-back Mandate will not be exercised to such extent that the number of Shares held by the public will fall below the relevant minimum percentage as prescribed under the requirements of the Listing Rules.

**7. SHARE BUY-BACKS BY THE COMPANY**

The Company had not bought back any Shares (whether on the Stock Exchange or otherwise) in the 6 months preceding the Latest Practicable Date.



**8. SHARE PRICES**

During each of the previous 12 months up to the Latest Practicable Date, the highest and lowest traded prices for Shares on the Stock Exchange were as follows:

	<b>Highest</b> <i>HK\$</i>	<b>Lowest</b> <i>HK\$</i>
<b>2020</b>		
March	0.440	0.260
April	0.395	0.335
May	0.420	0.340
June	0.410	0.330
July	0.380	0.315
August	0.350	0.270
September	0.340	0.265
October	0.310	0.248
November	0.345	0.265
December	0.340	0.241
<b>2021</b>		
January	0.265	0.230
February	0.275	0.241
March	0.275	0.240
April	0.260	0.242
May (up to the Latest Practicable Date)	0.260	0.244

*The biographical details of the Directors proposed to be re-elected at the Annual General Meeting are set out as follows:*

**Zheng Yu Long****Executive Director**

Mr. Zheng Yu Long, aged 55, is an executive Director. He was appointed as a Director on 1 June 2004 and was re-designated as an executive Director on 23 September 2011. Mr. Zheng is primarily responsible for the overall operations, strategic planning and business development of the Group. He is also actively involved in the marketing of the products and branding of the Group, and procurement of raw materials from suppliers. Mr. Zheng is a key contact person between the Group and its business partners. He is one of the founders of the Group's jelly products business and is also a director of the Group's subsidiary, Timeluck. Mr. Zheng joined the Group in 2000 as a managing director of LBXX Fujian. Mr. Zheng has over 26 years of experience in the marketing and manufacturing of snack food products. Since joining the Group in 2000, Mr. Zheng has dedicated the past 20 years to expand and promote the Group's business from a manufacturer of jelly products to a recognized snack food brand in China. From 1991 to 2000, Mr. Zheng was the general manager of Jinjiang Weili Foods Co., Ltd. (晉江市味力食品有限公司), where he was responsible for the daily operations, sales, production, procurement and business development of this company. Through such experiences, Mr. Zheng has developed extensive relationships with the industry partners and is able to keep abreast of the latest development of the snack food industry. Mr. Zheng Yu Long was brought up in the PRC. Mr. Zheng has never been a full time government official of any country, or a full time employee of any state or government-owned/operated entity for a substantial period of time. Mr. Zheng is the brother of Mr. Zheng Yu Shuang and Mr. Zheng Yu Huan and the brother-in-law of Mr. Li Hung Kong.

Save as disclosed in this circular, Mr. Zheng did not have any directorship in any other listed public companies in the last three years.

Mr. Zheng is a director of Alliance Food and Beverages (Holding) Company Limited ("**Alliance Holding**") which is the controlling shareholder of the Company interested in 610,915,527 Shares as at the Latest Practicable Date. In addition, Mr. Zheng is also personally and beneficially interested in 119,935,060 Shares as at the Latest Practicable Date. Save as disclosed, Mr. Zheng does not have any interest in the shares or underlying shares in the Company within the meaning of Part XV of the Securities and Futures Ordinance of Hong Kong (Chapter 571 of the Laws of Hong Kong) ("**SFO**"). Save as disclosed in this circular, Mr. Zheng is not related to any other directors, senior management, substantial shareholders or controlling shareholders of the Company.

Mr. Zheng entered into a three-year service contract with the Company and he was appointed with specific terms. He is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Bye-laws. Mr. Zheng receives a director's fee of RMB800,000 per annum which is determined by the Board with reference to his experience, duties and responsibilities, and to prevailing market conditions. Mr. Zheng shall also be entitled to discretionary bonus, share options under the share option scheme of the Company and other incentives as determined by the remuneration committee of the Company from time to time with reference to the remuneration policy of the Company. The total amount of director's remuneration of Mr. Zheng for the year ended 31 December 2020 was RMB816,000.

Save as disclosed above, Mr. Zheng has confirmed that there is no other matter that needs to be brought to the attention of the Shareholders in connection with his re-election and there is no other information that should be disclosed pursuant to paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules.

**Li Biao****Independent Non-Executive Director**

Mr. Li Biao, aged 54, is the independent non-executive Director. He was appointed as an independent non-executive Director on 7 August 2020. Mr. Li has over 20 years of experience in the food industry. Mr. Li graduated from the department of business administration of Beihang University (北京航空航天大學) and has previously worked at state-owned enterprises and government offices in the People's Republic of China. Mr. Li is currently the deputy chief editor of China Food Safety Post (中國食品安全報社), a supervisor of State Administration for Market Regulation (國家市場監督管理局) and an officer of the quality and marketing committee of China Association for Quality Promotion (中國質量萬里行促進會). Mr. Li is also the deputy executive officer and secretary general of the brand promotion committee of China Academy of Management Science (中國管理科學研究院), the secretary general of National Nutrition and Safety Industry Committee (全國營養健康產業委員會), and the secretary general of China Food Safety Annual Conference (中國食品安全年會).

Save as disclosed in this circular, Mr. Li did not have any directorship in any other listed public companies in the last three years.

Mr. Li does not have any relationship with any Director, senior management or substantial or controlling Shareholders of the Company and does not have any interest in the shares, underlying shares or debentures of the Company or any of its associated corporations within the meaning of Part XV of the SFO.

There is no director's service contract entered into between any member of the Group and Mr. Li and he was not appointed for a specific term except that he is subject to retirement by rotation and re-election at the annual general meetings of the Company in accordance with the bye-laws of the Company, he will hold office until the annual general meeting to be held in 2021 and will then be eligible for re-election; thereafter he will retire by rotation and will be eligible for re-election provided that he shall be subject to retirement at least once every three years. Mr. Li receives a director's fee of HK\$120,000 per annum which is determined by the Board with reference to his experience, duties and responsibilities, and to prevailing market conditions. Mr. Li shall also be entitled to discretionary bonus, share options under the share option scheme of the Company and other incentives as determined by the remuneration committee of the Company from time to time with reference to the remuneration policy of the Company. The total amount of director's remuneration of Mr. Li for the year ended 31 December 2020 was HK\$47,935.

Save as disclosed above, Mr. Li has confirmed that there is no other matter that needs to be brought to the attention of the Shareholders in connection with his re-election and there is no other information that should be disclosed pursuant to paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules.

**Chung Yau Tong****Independent Non-Executive Director**

Mr. Chung Yau Tong, aged 49, is the independent non-executive Director. He was appointed as an independent non-executive Director on 23 September 2011. Mr. Chung has 25 years of experience in audit practice, financial management and compliance assurance of listed companies in Hong Kong. From 1994 to 2000, Mr. Chung was with PricewaterhouseCoopers, where he last held the position of a manager. Mr. Chung was with CITIC 21CN Company Limited (Stock code: 00241) from 2000 to 2005, where he last held the position as the group financial controller. He was a qualified accountant of Gome Electrical Appliances Holding Company Limited (Stock code: 00493) from 2005 to March 2007. Mr. Chung was the financial controller and company secretary of Vongroup Limited (Stock code: 00318) from March 2007 to December 2007. He currently serves as the financial controller and company secretary of Chaoyue Group Limited (a company listed on the Main Board of the Stock Exchange and now known as International Business Settlement Holdings Limited, stock code: 00147) since 2008. Mr. Chung received a bachelor's degree in business administration from The University of Hong Kong in 1994. He is a fellow of the Association of Chartered Certified Accountants and a certified public accountant of the Hong Kong Institute of Certified Public Accountants.

Save as disclosed in this circular, Mr. Chung did not have any directorship in any other listed public companies in the last three years.

Mr. Chung does not have any relationship with any Director, senior management or substantial or controlling Shareholders of the Company and does not have any interest in the shares, underlying shares or debentures of the Company or any of its associated corporations within the meaning of Part XV of the SFO.

There is no director's service contract entered into between any member of the Group and Mr. Chung and he was not appointed for a specific term except that he is subject to retirement by rotation and re-election at the annual general meetings of the Company in accordance with the bye-laws of the Company, he will hold office until the annual general meeting to be held in 2021 and will then be eligible for re-election; thereafter he will retire by rotation and will be eligible for re-election provided that he shall be subject to retirement at least once every three years. Mr. Chung receives a director's fee of HK\$240,000 per annum which is determined by the Board with reference to his experience, duties and responsibilities, and to prevailing market conditions. Mr. Chung shall also be entitled to discretionary bonus, share options under the share option scheme of the Company and other incentives as determined by the remuneration committee of the Company from time to time with reference to the remuneration policy of the Company. The total amount of director's remuneration of Mr. Chung for the year ended 31 December 2020 was HK\$240,000.

Save as disclosed above, Mr. Chung has confirmed that there is no other matter that needs to be brought to the attention of the Shareholders in connection with his re-election and there is no other information that should be disclosed pursuant to paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules.

*The following is a summary of the principal terms of the New Share Option Scheme to be approved at the AGM. It does not form part of, nor is it intended to be part of the rules of the New Share Option Scheme and it should not be taken as affecting the interpretation of the rules of the New Share Option Scheme. The Directors reserve the right at any time prior to the AGM to make such amendments to the New Share Option Scheme as they may consider necessary or appropriate provided that such amendments do not conflict with any material aspects with the summary of this Appendix.*

## **1. PRINCIPAL TERMS OF THE NEW SHARE OPTION SCHEME**

This appendix summarizes the principal terms of the New Share Option Scheme.

### **(a) Purpose**

The New Share Option Scheme is a share incentive scheme prepared in accordance with Chapter 17 of the Listing Rules and is established to recognise and acknowledge the contributions that the Eligible Participants (as defined in paragraph (b) below) had or may have made to the Group. The New Share Option Scheme will provide the Eligible Participants an opportunity to have a personal stake in the Company with the view to achieving the following objectives:

- (a) motivate the Eligible Participants to optimise their performance efficiency for the benefit of the Group; and
- (b) attract and retain or otherwise maintain an on-going business relationship with the Eligible Participants whose contributions are or will be beneficial to the long-term growth of the Group.

### **(b) Who may join and basis of determining the eligibility**

The Board may, at its discretion, offer to grant an option to the Eligible Participants to subscribe for such number of new Shares as the Board may determine at an Exercise Price determined in accordance with paragraph (f) below. An “**Eligible Participant**” means any full-time or part-time employees, executives, officers or directors (including independent non-executive directors) of the Company or any of its subsidiaries; and any advisors, consultants, agents, suppliers, customers and distributors who, in the sole opinion of the Board will contribute or have contributed to the Company and/or any of its subsidiaries.

**(c) Acceptance of an offer of Options**

An option shall be deemed to have been granted and accepted by the Grantee and to have taken effect when the duplicate offer document constituting acceptances of the Options duly signed by the Grantee, together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the grant thereof, is received by the Company on or before the relevant Acceptance Date. Such remittance shall in no circumstances be refundable. Any offer to grant an option to subscribe for Shares may be accepted in respect of less than the number of Shares for which it is offered provided that it is accepted in respect of a board lot for dealing in Shares on the Stock Exchange or an integral multiple thereof and such number is clearly stated in the duplicate offer document constituting acceptance of the option. To the extent that the offer to grant an option is not accepted by any prescribed Acceptance Date, it shall be deemed to have been irrevocably declined.

Subject to paragraphs (l), (m), (n), (o) and (p), an Option shall be exercised in whole or in part and, other than where it is exercised to the full extent outstanding, shall be exercised in integral multiples of such number of Shares as shall represent one board lot for dealing in Shares on the Stock Exchange for the time being, by the Grantee by giving notice in writing to the Company stating that the Option is thereby exercised and the number of Shares in respect of which it is exercised. Each such notice must be accompanied by a remittance for the full amount of the Exercise Price for the Shares in respect of which the notice is given. Within 21 days after receipt of the notice and the remittance and, where appropriate, receipt of the certificate by the auditor to the Company or the approved independent financial adviser as the case may be pursuant to paragraph (r), the Company shall allot and issue the relevant number of Shares to the Grantee credited as fully paid and issue to the Grantee certificates in respect of the Shares so allotted.

The exercise of any Option shall be subject to the Shareholders in general meeting approving any necessary increase in the authorised share capital of the Company.

**(d) Maximum number of Shares**

The maximum number of Shares in respect of which Options may be granted under the New Share Option Scheme and under any other schemes of the Company must not in aggregate exceed 10% of the total number of Shares in issue as at the Adoption Date (i.e. 132,897,700 Shares, assuming no further issue or repurchase of Shares from the Latest Practicable Date (or such number of Shares as shall result from a sub-division or a consolidation of such 132,897,700 Shares from time to time so that the maximum number of Shares that may be issued upon exercise of all Options to be granted under the New Share Option Scheme and any other New Share Option Scheme of the Company as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or sub-division shall be the same)). Subject to the issue of a circular by the Company and the approval of the Shareholders in general meeting and/or such other requirements prescribed under the Listing Rules from time to time, the Board may:

- (a) renew this limit at any time to 10% of the Shares in issue as at the date of the approval by the Shareholders in general meeting; and/or
- (b) grant options beyond the 10% limit to Eligible Participants specifically identified by the Board. The circular issued by the Company to the Shareholders shall contain a generic description of the specified Eligible Participants who may be granted such options, the number and terms of the options to be granted, the purpose of granting options to the specified Eligible Participants with an explanation as to how the options serve such purpose, the information required under Rule 17.02(2)(d) and the disclaimer required under Rule 17.02(4) of the Listing Rules.

Notwithstanding the foregoing and subject to paragraph (r) below, the maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the New Share Option Scheme and any other New Share Option Schemes of the Company at any time shall not exceed 30% of the Shares in issue from time to time. No options shall be granted under any schemes of the Company (including the New Share Option Scheme) if this will result in the 30% limit being exceeded. The maximum number of Shares in respect of which options may be granted shall be adjusted, in such manner as the auditor of the Company or an approved independent financial adviser shall certify to be appropriate, fair and reasonable in the event of any alteration in the capital structure of the Company in accordance with paragraph (r) below whether by way of consolidation, capitalisation issue, rights issue, sub-division or reduction of the share capital of the Company but in no event shall exceed the limit prescribed in this paragraph.



**(e) Maximum number of options to any one individual**

The total number of Shares issued and which may fall to be issued upon exercise of the options granted under the New Share Option Scheme and any other New Share Option Schemes of the Company (including both exercised and outstanding options) to each Eligible Participant in any 12-month period up to and including the date of grant shall not exceed 1% of the Shares in issue as at the date of grant. The Board shall forward to an Eligible Participant an offer document in such form as the Board may from time to time determine (or, alternatively, documents accompanying the offer document which state), among others:

- (i) the Eligible Participant's name, address and occupation;
- (ii) the date on which an Option is offered to an Eligible Participant which must be a date on which the Stock Exchange is open for the business of dealing in securities;
- (iii) the date upon which an offer for an Option must be accepted;
- (iv) the date upon which an Option is deemed to be granted and accepted in accordance with paragraph (c);
- (v) the number of Shares in respect of which the Option is offered;
- (vi) the Exercise Price and the manner of payment of such price for the Shares on and in consequence of the exercise of the Option;
- (vii) the date of expiry of the Option as may be determined by the Board;
- (viii) the method of acceptance of the Option which shall, unless the Board otherwise determines, be as set out in paragraph (c); and
- (ix) such other terms and conditions (including, without limitation, any minimum period for which the Option must be held before it can be exercised and/or any performance targets which must be achieved before the Option can be exercised) relating to the offer of the Option which in the opinion of the Board are fair and reasonable but not being inconsistent with the New Share Option Scheme and the Listing Rules.

Any further grant of options in excess of the 1% limit shall be subject to:

- (a) the issue of a circular by the Company containing the identity of the Eligible Participant, the numbers of and terms of the options to be granted (and options previously granted to such participant), the information as required under Rules 17.02(2)(d) and the disclaimer required under 17.02(4) of the Listing Rules; and
- (b) the approval of the Shareholders in general meeting and/or other requirements prescribed under the Listing Rules from time to time with such Eligible Participant and his close associates (as defined in the Listing Rules) (or his/her associates if the Eligible Participant is a connected person) abstaining from voting. The numbers and terms (including the Exercise Price) of options to be granted to such participant must be fixed before the Shareholders' approval and the date of the Board meeting at which the Board proposes to grant the options to such Eligible Participant shall be taken as the date of grant for the purpose of calculating the Exercise Price of the Shares.

**(f) Price of Shares**

Subject to any adjustments made as described in paragraph (r) below, the Exercise Price of a Share in respect of any particular option granted under the New Share Option Scheme shall be such price as the Board in its absolute discretion shall determine, save that such price must be at least the higher of:

- (a) the official closing price of the Shares as stated in the Stock Exchange's daily quotation sheets on the date of grant, which must be a day on which the Stock Exchange is open for the business of dealing in securities;
- (b) the average of the official closing prices of the Shares as stated in the Stock Exchange's daily quotation sheets for the five (5) Business Days immediately preceding the date of grant; and
- (c) the nominal value of a Share.

**(g) Granting options to connected persons**

Any grant of options to a director, chief executive or substantial shareholder (as defined in the Listing Rules) of the Company or any of their respective associates (as defined in the Listing Rules) is required to be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the Grantee of the Options). If the Board proposes to grant options to a substantial shareholder or any independent non-executive Director or their respective associates (as defined in the Listing Rules) which will result in the number of Shares issued and to be issued upon exercise of options granted and to be granted (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:

- (a) representing in aggregate over 0.1% or such other percentage as may be from time to time provided under the Listing Rules of the Shares in issue; and
- (b) having an aggregate value in excess of HK\$5 million or such other sum as may be from time to time provided under the Listing Rules, based on the official closing price of the Shares at the date of each grant, such further grant of options will be subject to the issue of a circular by the Company and the approval of the Shareholders in general meeting on a poll at which the Grantee, his/her associates and all core connected persons (as defined in the Listing Rules) of the Company shall abstain from voting in favour, and/or such other requirements prescribed under the Listing Rules from time to time.

The circular to be issued by the Company to the Shareholders pursuant to the above paragraph shall contain the following information:

- (a) the details of the number and terms (including the Exercise Price) of the options to be granted to each selected Eligible Participant which must be fixed before the Shareholders' meeting and the date of Board meeting for proposing such further grant shall be taken as the date of grant for the purpose of calculating the Exercise Price of such options;
- (b) a recommendation from the independent non-executive Directors (excluding any independent non-executive Director who is the Grantee of the options) to the independent Shareholders as to voting;

- (c) the information required under Rule 17.02(2)(c) and (d) and the disclaimer required under Rule 17.02(4) of the Listing Rules; and
- (d) the information required under Rule 2.17 of the Listing Rules.

**(h) Restrictions on the times of grant of Options**

A grant of options may not be made after an inside information event has come to the knowledge of the Company until it has been published pursuant to the requirements of the Listing Rules and the Inside Information Provisions of Part XIVA of the SFO. In particular, no options may be granted during the period commencing one month immediately preceding the earlier of:

- (a) the date of the Board meeting (as such date to first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the Company's annual results or half-year, quarterly or other interim period (whether or not required under the Listing Rules); and
- (b) the deadline for the Company to publish an announcement of its annual results or half-year, or quarterly or other interim period (whether or not required under the Listing Rules),

and ending on the date of actual publication of the results announcement, and where an option is granted to a Director:

- (c) no options shall be granted during the period of 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and
- (d) during the period of 30 days immediately preceding the publication date of the quarterly results (if any) and half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results.

**(i) Rights are personal to Grantee**

An option is personal to the Grantee and may be exercised or treated as exercised, as the case may be, in whole or in part. No Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest (legal or beneficial) in favour of any third party over or in relation to any option or attempt so to do (save that the Grantee may nominate a nominee in whose name the Shares issued pursuant to the New Share Option Scheme may be registered). Any breach of the foregoing shall entitle the Company to cancel any outstanding options or any part thereof granted to such Grantee.

**(j) Time of exercise of Options and duration of the New Share Option Scheme**

An option may be exercised in accordance with the terms of the New Share Option Scheme at any time after the date upon which the option is deemed to be granted and accepted and prior to the expiry of 10 years from that date. There is no general requirement on the minimum period for which an Option must be held or the performance targets which must be achieved before an Option can be exercised under the terms of the New Share Option Scheme. The period during which an option may be exercised will be determined by the Board in its absolute discretion, save that no option may be exercised more than 10 years after it has been granted. No option may be granted more than 10 years after the date of approval of the New Share Option Scheme. Subject to earlier termination by the Company in general meeting or by the Board, the New Share Option Scheme shall be valid and effective for a period of 10 years from the date of its adoption.

**(k) Performance target**

A Grantee may be required to achieve any performance targets as the Board may then specify in the grant before any options granted under the New Share Option Scheme can be exercised.

**(l) Rights on ceasing employment or death**

If the Grantee of an option ceases to be an employee of the Company or any of its subsidiaries:

- (a) by any reason other than death or termination of his employment on the grounds specified in paragraph (m) below, the Grantee may exercise the option up to the entitlement of the Grantee as at the date of cessation (to the extent not already exercised) within a period of one month from such cessation; or
- (b) by reason of death, his personal representative(s) may exercise the option within a period of 12 months from such cessation, which date shall be the last actual working day with the Company or the relevant subsidiary whether salary is paid in lieu of notice or not, failing which it will lapse.

**(m) Rights on dismissal**

If the Grantee of an option ceases to be an employee of the Company or any of its subsidiaries on the grounds that he has been guilty of serious misconduct, or in relation to an employee of the Group (if so determined by the Board) on any other ground on which an employee would be entitled to terminate his employment at common law or pursuant to any applicable laws or under the Grantee's service contract with the Group, or has been convicted of any criminal offense involving his integrity or honesty, his option will lapse and not be exercisable after the date of termination of his employment.

**(n) Rights on takeover**

If a general offer (whether by way of takeover offer, share repurchase offer or scheme of arrangement or otherwise in like manner) is made to all the Shareholders (or all such Shareholders other than the offeror and/or any person controlled by the offeror and/or any person acting in concert with the offeror (as defined in the Takeovers Codes)) and such offer becomes or is declared unconditional during the option period of the relevant option, the Grantee of an option shall be entitled to exercise the option in full (to the extent not already exercised) at any time within 14 days after the date on which the general offer becomes or is declared unconditional.

**(o) Rights on winding-up**

In the event a notice is given by the Company to its members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall forthwith give notice thereof to all Grantees and thereupon, each Grantee (or his legal personal representative(s)) shall be entitled to exercise all or any of his options (to the extent not already exercised) at any time not later than two Business Days prior to the proposed general meeting of the Company referred to above by giving notice in writing to the Company, accompanied by a remittance for the full amount of the aggregate Exercise Price for the Shares in respect of which the notice is given, whereupon the Company shall as soon as possible and, in any event, no later than the Business Day immediately prior to the date of the proposed general meeting, allot the relevant Shares to the Grantee credited as fully paid and register the Grantee as holder thereof.

**(p) Rights on compromise or arrangement between the Company and its members or creditors**

If a compromise or arrangement between the Company and its members or creditors is proposed for the purposes of a scheme for the reconstruction of the Company or its amalgamation with any other companies pursuant to the Bermuda Companies Act, the Company shall give notice to all the Grantees of the options on the same day as it gives notice of the meeting to its members or creditors summoning the meeting to consider such a compromise or arrangement and any Grantee may by notice in writing to the Company accompanied by a remittance for the full amount of the aggregate Exercise Price for the Shares in respect of which the notice is given (such notice to be received by the Company at any time prior to 12 noon (Hong Kong time) on the Business Day prior to the proposed meeting), exercise the option to its full extent or to the extent specified in the notice and the Company shall as soon as possible and in any event no later than the Business Day immediately prior to the date of the proposed meeting, allot and issue such number of Shares to the Grantee which falls to be issued on such exercise of the option credited as fully paid and register the Grantee as holder thereof.

With effect from the date of such meeting, the rights of all Grantees to exercise their respective options shall forthwith be suspended. Upon such compromise or arrangement becoming effective, all options shall, to the extent that they have not been exercised, lapse and determine. If for any reason such compromise or arrangement does not become effective and is terminated or lapses, the rights of Grantees to exercise their respective options shall with effect from such termination be restored in full but only upon the extent not already exercised and shall become exercisable.

**(q) Ranking of Shares**

The Shares to be allotted upon the exercise of an option will not carry voting rights until completion of the registration of the Grantee (or any other person) as the holder thereof. Subject to the aforesaid, Shares allotted and issued on the exercise of options will rank pari passu in all respects and shall have the same voting, dividend, transfer and other rights, including those arising on liquidation as attached to the other fully-paid Shares in issue on the date of exercise.

**(r) Effect of alterations to capital**

In the event of any alteration in the capital structure of the Company whilst any option may become or remains exercisable, whether by way of capitalisation issue, rights issue, open offer (if there is a price dilutive element), consolidation, sub-division or reduction of share capital of the Company in accordance with the legal requirements and requirements of the Stock Exchange, other than any alteration in the capital structure of the Company as a result of an issue of Shares as consideration in a transaction to which the Company is a party, such corresponding alterations (if any) shall be made to (a) the number or nominal amount of Shares subject to any options so far as unexercised; and (b) the Exercise Price per Share of each outstanding option provided that:

- (a) any such alterations will be made on the basis that a Grantee shall have the same proportion of the issued share capital of the Company for which any Grantee of an Option is entitled to subscribe pursuant to the Options held by him before such alteration;
- (b) the aggregate Exercise Price payable on full exercise of any option is to remain as nearly as possible the same (and in any event not greater than) as it was before such event;
- (c) no such alteration will be made if the effect of which would be to enable a Share to be issued at less than its nominal value. The issue of securities as consideration in a transaction is not to be regarded as a circumstance requiring any such alterations;



- (d) the auditor of the Company or the approved independent financial adviser shall certify in writing to the Board to be that such adjustments made by the Company satisfy the requirements above and in their/his opinion fair and reasonable and in compliance with Rule 17.03(13) of the Listing Rules and the note thereto FAQ 072-2020 and the supplementary guidance issued by the Stock Exchange on 6 November 2020 and any future guidance and interpretation of the Listing Rules issued by the Stock Exchange from time to time and the note thereto. The capacity of the auditor of the Company or the approved independent financial adviser, as the case may be, in this paragraph is that of experts and not arbitrators and their certificate shall, in absence of manifest error, be final and conclusive and binding on the Company and the Grantees; and
- (e) any such alterations as a result of an issue of securities with a price-dilutive element, such as rights issue, open offer or capitalization issue, should be based on a scrip factor similar to the one used in accounting standards in adjusting the earnings per share figures and the acceptable adjustments set out in the supplementary guidance issued by the Stock Exchange on 5 September 2005 and any future guidance or interpretation of the Listing Rules issued by the Stock Exchange from time to time.

**(s) Expiry of Options**

An option shall lapse automatically and not be exercisable (to the extent not already exercised) on the earliest of:

- (a) the date of expiry of the option as may be determined by the Board;
- (b) the expiry of any of the periods referred to in paragraphs (l), (m), (n), (o) or (p);
- (c) the date on which the scheme of arrangement of the Company referred to in paragraph (p) becomes effective;
- (d) subject to paragraph (o), the date of commencement of the winding-up of the Company;

- (e) the date on which the Grantee ceases to be an Eligible Participant by reason of such Grantee's resignation from the employment of the Company or any of its subsidiaries or the termination of his or her employment or contract on any one or more of the grounds that he or she has been guilty of serious misconduct, or has been convicted of any criminal offense involving his or her integrity or honesty, or in relation to an employee of the Group (if so determined by the Board), or has been insolvent, bankrupt or has made compositions with his/her creditors generally or any other ground on which an employee would be entitled to terminate his employment at common law or pursuant to any applicable laws or under the Grantee's service contract with the Group. A resolution of the Board to the effect that the employment of a Grantee has or has not been terminated on one or more of the grounds specified in this paragraph shall be conclusive; or
- (f) the date on which the Board shall exercise the Company's right to cancel the option at any time after the Grantee commits a breach of paragraph (i) above or the options are cancelled in accordance with paragraph (u) below.

**(t) Alteration of the New Share Option Scheme**

The New Share Option Scheme may be altered in any respect by resolution of the Board except that:

- (a) any alteration to the advantage of the Grantees or the Eligible Participants (as the case may be) in respect of the matters contained in Rule 17.03 of the Listing Rules; and
- (b) any material alteration to the terms and conditions of the New Share Option Scheme or any change to the terms of options granted,

shall first be approved by the Shareholders in general meeting provided that if the proposed alteration shall adversely affect any option granted or agreed to be granted prior to the date of alteration, such alteration shall be further subject to the Grantees' approval in accordance with the terms of the New Share Option Scheme. The amended terms of the New Share Option Scheme shall still comply with Chapter 17 of the Listing Rules and any change to the authority of the Board in relation to any alteration to the terms of the New Share Option Scheme must be approved by Shareholders in general meeting.

**(u) Cancellation of Options**

Any cancellation of options granted but not exercised must be approved by the Grantees of the relevant options in writing. For the avoidance of doubt, such approval is not required in the event any Option is cancelled pursuant to paragraph (i).

**(v) Termination of the New Share Option Scheme**

The Company may by resolution in general meeting or the Board at any time terminate the New Share Option Scheme and in such event no further option shall be offered but the provisions of the New Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any option granted prior thereto or otherwise as may be required in accordance with the provisions of the New Share Option Scheme. Options granted prior to such termination but not yet exercised at the time of termination shall continue to be valid and exercisable in accordance with the New Share Option Scheme.

**(w) Administration of the Board**

The New Share Option Scheme shall be subject to the administration of the Board whose decision as to all matters arising in relation to the New Share Option Scheme or its interpretation or effect (save as otherwise provided herein) shall be final and binding on all parties.

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## NOTICE OF ANNUAL GENERAL MEETING

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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)**

NOTICE IS HEREBY GIVEN that the annual general meeting of Labixiaoxin Snacks Group Limited (the “**Company**”) will be held at Unit 1603-04, 16/F, Causeway Bay Plaza One, 489 Hennessy Road, Causeway Bay, Hong Kong on Wednesday, 23 June 2021 at 10:30 a.m. for the following purposes:

#### ORDINARY BUSINESSES

1. To receive, consider and adopt the audited consolidated financial statements and the reports of the directors of the Company (the “**Directors**”) and the auditors of the Company for the year ended 31 December 2020;
2. To re-elect the following Directors:
  - (a) Zheng Yu Long as executive Director;
  - (b) Li Biao as independent non-executive Director; and
  - (c) Chung Yau Tong as independent non-executive Director.
3. To authorise the board of Directors to fix the Directors’ remuneration;
4. To re-appoint HLB Hodgson Impey Cheng Limited as auditors of the Company and authorise the board of Directors to fix their remuneration;

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5. To consider and, if thought fit, pass the following resolution as an ordinary resolution of the Company:

“**THAT:**

- (a) subject to paragraph (c) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) shall be in addition to any other authorisation gives to the Directors and shall authorise the Directors during the Relevant Period to make or grant offers, agreements, options and rights of exchange or conversion which might require the exercise of such powers after the end of the Relevant Period;
- (c) the total number of shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a), otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); (ii) the share option scheme of the Company approved by The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”); or (iii) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the bye-laws of the Company, shall not exceed 20% of the total number of shares of the Company in issue as at the date of passing this resolution, and the said approval shall be limited accordingly; and
- (d) for the purposes of this resolution:

“**Relevant Period**” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable laws to be held; and

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- (iii) the date upon which the authority set out in this resolution is revoked or varied by way of ordinary resolution of the Company in general meeting; and

“**Rights Issue**” means an offer of shares open for a period fixed by the Directors to holders of ordinary shares on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any regulatory body or any stock exchange in, any territory outside Hong Kong).”;

- 6. To consider and, if thought fit, pass the following resolution as an ordinary resolution of the Company:

“**THAT:**

- (a) subject to paragraph (c) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to purchase issued shares in the capital of the Company, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) shall be in addition to any other authorisation given to the Directors and shall authorise the Directors on behalf of the Company during the Relevant Period to procure the Company to purchase its shares at a price determined by the Directors;
- (c) the total number of shares of the Company which are authorised to be bought back by the Directors pursuant to the approval in paragraph (a) above shall not exceed 10% of the total number of shares of the Company in issue as at the date of passing this resolution, and the said approval shall be limited accordingly; and

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(d) for the purposes of this resolution:

“**Relevant Period**” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable laws to be held; and
- (iii) the date on which the authority set out in this resolution is revoked or varied by way of ordinary resolution of the Company in general meeting.”; and

7. To consider and, if thought fit, pass the following resolution as an ordinary resolution of the Company:

“**THAT** conditional upon the passing of resolutions nos. 5 and 6 above, the general mandate to the Directors pursuant to resolution no. 5 be and is hereby extended by the addition thereto of an amount representing the total number of shares of the Company bought back by the Company under the authority granted pursuant to the resolution no. 6, provided that such amount shall not exceed 10% of the total number of shares of the Company in issue as at the date of passing this resolution.”

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8. To consider and, if thought fit, pass the following resolutions as an ordinary resolution of the Company:

“**THAT** subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) granting the approval of the listing of, and permission to deal in, the Shares in the capital of the Company, a company incorporated in Bermuda with limited liability, to be issued and allotted pursuant to the exercise of any options that may be granted under the share option scheme of the Company (the “**Share Option Scheme**”), the rules of which are contained in the document marked “A” produced to the AGM and signed by the chairman of the AGM for the purpose of identification,

- (a) the existing share option scheme of the Company adopted on 23 September 2011 be and is hereby terminated; and
- (b) the Share Option Scheme be and is hereby approved and adopted and the Directors be and are hereby authorised to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the Share Option Scheme including without limitation:
  - (i) administering the Share Option Scheme and granting options under the Share Option Scheme;
  - (ii) modifying and/or amending the Share Option Scheme from time to time provided that such modification and/or amendment is effected in accordance with the provisions of the Share Option Scheme relating to modification and/or amendment and the requirements of the Listing Rules;
  - (iii) issuing and allotting from time to time such number of Shares in the capital of the Company as may be required to be issued pursuant to the exercise of the options granted under the Share Option Scheme, subject to a maximum amount of 10% of the total number of issued Shares as at the date of approval of the Share Option Scheme; and



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- (iv) making application at the appropriate time or times to the Listing Committee for the listing of, and permission to deal in, any Shares or any part thereof that may hereafter from time to time be issued and allotted pursuant to the exercise of the options granted under the Share Option Scheme.”

Yours faithfully  
By Order of the Board  
**Mr. Zheng Yu Huan**  
*Chairman*

Hong Kong, 12 May 2021

*Notes:*

- (1) A member entitled to attend and vote at the above meeting may appoint one or, if he holds two or more shares, more proxies to attend and vote instead of him. A proxy need not be a member of the Company.
- (2) Where there are joint holders of any Share, any one of such joint holder may vote, either in person or by proxy, in respect of such Share as if he were solely entitled thereto, but if more than one of such joint holders be present at the Meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
- (3) In order to be valid, a form of proxy together with the power of attorney (if any) or other authority (if any) under which it is signed or a certified copy thereof shall be deposited at the Company’s Hong Kong branch share registrar, Tricor Investor Services Limited, Level 54, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. The proxy form will be published on the website of the Stock Exchange.
- (4) The register of members of the Company will be closed from Friday, 18 June 2021 to Wednesday, 23 June 2021 (both days inclusive) during which period no transfer of shares will be registered. In order to qualify for the entitlement to attend and vote at the forthcoming Annual General Meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company’s Hong Kong branch share registrar, Tricor Investor Services Limited, Level 54, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Thursday, 17 June 2021.

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- (5) Considering the outbreak of the coronavirus (COVID-19), certain measures will be implemented at the Annual General Meeting with a view to addressing the risk to attendees of infection, including, without limitation, (i) all attendees being required to (a) undergo compulsory body temperature check; (b) complete a health declaration (a copy of the form is enclosed with this circular), which may be used for contact tracing, if required; and (c) wear surgical masks prior to admission to the venue of the Annual General Meeting; (ii) attendees who are subject to health quarantine prescribed by the HKSAR Government not being admitted to the venue of the Annual General Meeting; (iii) all attendees being required to wear surgical masks throughout the of the Annual General Meeting; (iv) each attendee being assigned a designated seat at the time of registration to ensure social distancing; and (v) no refreshment packs or coffee/tea being provided. The Company reminds attendees that they should carefully consider the risks of attending the Annual General Meeting, taking into account their own personal circumstances.

The Company will keep the evolving COVID-19 situation under review and may implement additional measures which it will announce closer to the date of the Annual General Meeting.

*As at the date of this notice, the board of directors of the Company comprises seven members, of which Zheng Yu Long, Zheng Yu Shuang and Zheng Yu Huan are the executive directors of the Company, Li Hung Kong is the non-executive director of the Company and Li Biao, Sun Kam Ching and Chung Yau Tong are the independent non-executive directors 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)

(於百慕達註冊成立的有限公司)

(Stock Code: 1262)

(股份代號：1262)

## 2021年股東週年大會(「股東週年大會」) 2021 ANNUAL GENERAL MEETING (“AGM”) 健康申報表HEALTH DECLARATION FORM

經考慮近期新型冠狀病毒(COVID-19)的爆發，本公司將於股東週年大會實施預防措施及特別安排，以應對與會人士受感染的風險。敬請閣下如實填寫此表格，並交回予股東週年大會會場登記櫃檯的工作人員。

Considering the recent outbreak of the coronavirus (COVID-19), the Company will implement precautionary measures and special arrangements at the AGM with a view to addressing the risk to attendees of infection. **Please complete this form to the best of your knowledge and return it to the staff at the registration counters at the AGM venue.**

如閣下(i)出現甲部所列出的任何症狀或(ii)於乙部的任何問題的回答為「是」，閣下可能不會獲准進入股東週年大會會場。

If (i) you have any of the symptoms as set out in Part A, or (ii) your answer to any of the questions under Part B is “YES”, you may not be admitted to the AGM venue.

### 甲部Part A (請圈選適用的症狀Please circle as appropriate)

閣下是否有以下任何症狀? Do you have any of the following symptoms?		
發燒Fever	咽喉痛Sore Throat	氣促Shortness of Breath
咳嗽Cough	呼吸困難Breathing Difficulty	

### 乙部Part B (請圈選適用的答案Please circle as appropriate)

在過去14天內' In the past 14 days,			
(i)	閣下曾否到訪香港以外的地方? Did you travel outside Hong Kong?	是Yes	否No
(ii)	閣下是否曾經接受香港衛生署的強制檢疫或醫學監察安排? Have you ever been under compulsory quarantine or medical surveillance order by the Department of Health of Hong Kong?	是Yes	否No
(iii)	閣下是否與COVID-19患者的確診病例及/或疑似確診病例曾有密切接觸*? Have you ever been in close contact* with confirmed case(s) and/or probable case(s) of COVID-19 patient(s)?	是Yes	否No
(iv)	閣下是否曾經與正在接受家居檢疫的任何人士同住? Have you ever lived with any person under home quarantine?	是Yes	否No

\* 指未採取有效防護且與(a)疑似確診病例或確診病例在症狀出現前2天；或(b)採樣前2天與無症狀感染者有密切接觸的人士。

Refers to any person who has not taken effective protection and has been in close contact with (a) probable case(s) or confirmed case(s) 2 days before the symptoms onset; or (b) asymptomatic infected person(s) 2 days before the sampling.

本人聲明以上申報內容全部屬實。I declare that all the above information is true.

簽名：  
Signature : \_\_\_\_\_

日期：  
Date : \_\_\_\_\_

收集個人資料聲明：閣下須提供在此表格中收集的所有資料，以用於本公司預防傳染病發生或傳播相關之工作。若閣下未能提供所有資料，本公司將無法評估閣下是否適合出席股東週年大會，而閣下將可能不會獲准進入股東週年大會會場。所有資料只會在閣下同意或在《個人資料(私隱)條例》允許的情況下，向其他人士或機構作出披露。所有收集的資料將在股東週年大會結束後21天內銷毀。閣下有權按照《個人資料(私隱)條例》要求查閱及/或更正閣下的個人資料，而有關要求須以書面形式向本公司(地址：香港北角英皇道510號港運大廈21樓8室)提出。

Personal Information Collection Statement: Your supply of all information collected in this form is required for the purpose of the Company's prevention of the occurrence or spread of Infectious Diseases. If you fail to provide the information, the Company will not be able to assess your suitability to attend the AGM and you may not be granted access to the AGM venue. The information will only be disclosed to other parties or authorities with your consent or where it is permitted under the Personal Data (Privacy) Ordinance. All information collected will be destroyed in 21 days after the AGM. You have the right to request access to and/or correction of your personal data in accordance with the provisions of the Personal Data (Privacy) Ordinance, and any such request should be made in writing and addressed to the Company at Unit No.8, 21/F, Island Place, 510 King's Road, North Point, Hong Kong.