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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)**

# CONTINUING CONNECTED TRANSACTIONS

## THE CONTINUING CONNECTED TRANSACTIONS

On 1 December 2025, the Company entered into the Purchase Agreement with Jinjiang Longquan pursuant to which the Group will purchase, and Jinjiang Longquan will sell the Products for a period from the Commencement Date to 31 December 2027 (both dates inclusive).

## LISTING RULES IMPLICATIONS

Jinjiang Longquan is an associate of Mr. Zheng Yu Long under Rule 14A.12 of the Listing Rules, and therefore a connected person of the Company under Chapter 14A of the Listing Rules. As such, the entering into of the Purchase Agreement and the transactions contemplated thereunder would constitute continuing connected transactions for the Company.

As the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) of the annual caps under the Purchase Agreement exceed 0.1% but all of them are less than 5%, the Purchase Agreement and the transactions contemplated thereunder (including the proposed annual caps) are only subject to the reporting and announcement requirements, and are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

## INTRODUCTION

On 1 December 2025, the Company entered into the Purchase Agreement with Jinjiang Longquan pursuant to which the Group will purchase, and Jinjiang Longquan will sell the Products for a period from the Commencement Date to 31 December 2027 (both dates inclusive).

The principal terms of the Purchase Agreement are set out below:

## THE PURCHASE AGREEMENT

| | | |
|---|---|---|
| Date of Purchase Agreement | : | 1 December 2025 |
| Parties | : | (1) The Company<br><br>(2) Jinjiang Longquan |
| Term | : | From the Commencement Date to 31 December 2027 (both dates inclusive) |
| Scope of the Purchase Agreement | : | The Group shall purchase, and Jinjiang Longquan shall sell the Products |
| Pricing policy | : | The Products to be provided by Jinjiang Longquan to the Group will be charged at prevailing market prices of similar products, which will not be more than the terms offered by the Independent Third Party suppliers.<br><br>The terms of the Products to be provided to the Group under the Purchase Agreement shall be determined by the parties after arm's length negotiation and on normal commercial terms that are fair and reasonable and in the interest of the Company and the Shareholders as a whole. |

The Group will separately enter into individual agreement with Jinjiang Longquan on terms and conditions which comply with the principles set out in the Purchase Agreement.

**Historical Transactions and Annual Caps**

The Products purchased by the Group from Jinjiang Longquan for the three years ended 31 December 2024 amounted to RMB13.4 million (equivalent to HK$14.7 million), RMB8.5 million (equivalent to HK$9.4 million), RMB9.1 million (equivalent to HK$10.0 million), respectively. Since (i) 1 January 2025 and up to 30 November 2025; and (ii) the Commencement Date and up to 30 November 2025, the Group purchased products from Jinjiang Longquan amounted to RMB10.0 million (equivalent to HK$11.0 million) and RMB2.3 million (equivalent to HK$2.5 million).

The annual caps of the Products purchased and to be purchased by the Group under the Purchase Agreement:

| | **From the Commencement Date to 31 December 2025** | **For the year ended 31 December** | |
|---|---|---|---|
| | | **2026** | **2027** |
| | **HK$'000** | **HK$'000** | **HK$'000** |
| Proposed annual caps | 6,500 | 15,000 | 15,000 |

The proposed annual caps were determined with reference to the following factors:

(i) in respect of the proposed annual cap from the Commencement Date to 31 December 2025, the actual historical transactions since the Commencement Date up to the date of this announcement and the expected transactions for the December of 2025;

(ii) the historical transactions during the period since 1 January 2025;

(iii) the expected consumptions of the Group based on its projections of sales and productions; and

(iv) prevailing market price of Products and the general increase in price level.

## INTERNAL CONTROL MEASURES

To ensure that the terms of the continuing connected transactions of the Group are on normal commercial terms and on terms no less favorable to the Group than terms offered by Independent Third Parties, the Group has adopted various internal control measures for the Purchase Agreement as follows:

(i) prior to placing order with Jinjiang Longquan, the purchase department of the Group shall obtain at least two quotations from Independent Third Party suppliers with respect to the proposed purchase order;

(ii) determine the price of the Products to be provided by Jinjiang Longquan with reference to the quotations obtained; and

(iii) individual agreement setting out the details of the Products to be purchased together with the quotations obtained shall be submitted to chairman's office for approval.

The Company has put in place in monitoring the purchase of the Products under the Purchase Agreement as follows:

(iv) the Group's financial department has a designated employee to monitor transactions conducted under the Purchase Agreement. No further transaction will be conducted in excess of the annual cap, and transactions will only resume after the Group has complied with all relevant requirements under Chapter 14A of the Listing Rules in relation to the revised annual cap;

(v) the internal audit department of the Group will conduct regular checks to review and assess whether the transactions under the Purchase Agreement have been conducted in accordance with the terms of the relevant agreements and on normal commercial terms;

(vi) the independent non-executive Directors will conduct an annual review of the transactions under the Purchase Agreement to ensure that the Group has complied with its internal approval procedures, terms of the respective agreement and the relevant Listing Rules; and

(vii) the Company will engage external auditors to conduct annual review of transactions under the Purchase Agreement in accordance with the Listing Rules.

## REASONS AND BENEFITS FOR THE PURCHASE AGREEMENT

The Group is principally engaged in manufacturing and sales of jelly products, confectionary products, beverages products and other snacks products in the People's Republic of China. During its ordinary and usual course of business, the Group has purchased the Products from Jinjiang Longquan for over 10 years, long before it became a connected person of the Company on 17 September 2025, when Mr. Zheng Yu Long, the executive Director and the controlling shareholder of the Company acquired 50% equity interest of Jinjiang Longquan. As Jinjiang Longquan have been providing good quality Products to the Group on a timely basis, which meet the requirements of the Group, the Group will continue to purchase the Products from Jinjiang Longquan. As Jinjiang Longquan has become a connected person of the Company under Chapter 14A of the Listing Rules, the entering into of the Purchase Agreement will enable the Group to continue to purchase the Products from Jinjiang Longquan in compliance with the Listing Rules.

Since the date of Jinjiang Longquan has become a connected person of the Company and up to the date of the Purchase Agreement, the transaction amount of the Products purchased by the Group from Jinjiang Longquan was below the de minimis threshold, and these transactions were fully exempted connected transactions under Chapter 14A of the Listing Rules.

In light of the above and the internal control procedures in place in order to ensure that the transactions conducted under the Purchase Agreement will be on terms no less favorable to the Group than terms offered by Independent Third Parties, details of which are disclosed under the section headed "INTERNAL CONTROL MEASURES" of this announcement, the Board considers that the terms of the Purchase Agreement and the transactions contemplated thereunder are fair and reasonable, entered into on normal commercial terms, in the ordinary and usual course of business of the Group, and are in the interests of the Company and the Shareholders as a whole.

## BOARD APPROVAL

Mr. Zheng Yu Long has abstained from voting on (and has not been counted in the quorum for) the relevant Board resolutions for approving the Purchase Agreement and the transactions contemplated thereunder. As 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, given their relationship with Mr. Zhen Yu Long, Mr. Zheng Yu Shuang, Mr. Zheng Yu Huan and Mr. Li Hung Kong have also abstained from voting on (and have not been counted in the quorum for) the relevant Board resolutions for approving the Purchase Agreement and the transactions contemplated thereunder.

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 Purchase 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.

Jinjiang Longquan is a company established in the People's Republic of China with limited liability and is principally engaged in the manufacturing and sales of plastic products, and the sales of photovoltaic equipment and components. As at the date of this announcement, Jinjiang Longquan is owned as to 50% by Mr. Liu Junsen (劉俊森) and 50% by Mr. Zheng Yu Long. Jinjiang Longquan had been an Independent Third Party up to 16 September 2025 before Mr. Zheng Yu Long acquired 50% equity interest in Jinjiang Longquan.

To the best of the directors' knowledge, information and belief having made all reasonable enquiry, Mr. Liu Junsen is an Independent Third Party.

## LISTING RULES IMPLICATIONS

Jinjiang Longquan is an associate of Mr. Zheng Yu Long under Rule 14A.12 of the Listing Rules, and therefore a connected person of the Company under Chapter 14A of the Listing Rules. As such, the entering into of the Purchase Agreement and the transactions contemplated thereunder would constitute continuing connected transactions for the Company.

As the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) of the annual caps under the Purchase Agreement exceed 0.1% but all of them are less than 5%, the Purchase Agreement and the transactions contemplated thereunder (including the proposed annual caps) are only subject to the reporting and announcement requirements, and are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

## DEFINITIONS

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

| | |
|---|---|
| "associate(s)" | has the meaning ascribed to it under the Listing Rules |
| "Board" | the board of Directors |
| "Commencement Date" | the date on which Jinjiang Longquan became a connected person of the Company, being 17 September 2025 |
| "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 |
| "Group" | the Company and its subsidiaries |
| "Hong Kong" | the Hong Kong Special Administrative Region of the People's Republic of China |
| "Independent Third Party(ies)" | a person(s) or company(ies) who or which is or are independent of the Company and connected persons of the Company as defined under the Listing Rules |
| "Jinjiang Longquan" | Jinjiang Longquan Plastic Company Limited*（晉江隆泉塑膠有限公司） |
| "Listing Rules" | the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time |
| "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 |

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|---|---|
| "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 |
| "Products" | various goods which are required for manufacturing and packaging of the jelly products, confectionary products, other snacks products, beverages products and other products manufactured by the Group from time to time, including but not limited to disposable utensils, containers and bags such as jelly cups, pudding cups, bottle caps, straws and spoons |
| "Purchase Agreement" | a framework agreement entered into between the Company and Jinjiang Longquan pursuant to which the Group will purchase, and Jinjiang Longquan will sell the Products for a period from 17 September 2025 to 31 December 2027 |
| "RMB" | Renminbi, the lawful currency of the People's Republic of China |
| "Share(s)" | ordinary share(s) of nominal value US$0.001 each in the share capital of the Company |
| "Shareholder(s)" | holder(s) of Share(s) |
| "Stock Exchange" | The Stock Exchange of Hong Kong Limited |
| "subsidiaries" | has the same meaning ascribed to it under the Listing Rules |

| | |
|---|---|
| "US$" | United States dollars, the lawful currency of the United States of America |
| "%" | per cent |

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

Hong Kong, 1 December 2025

* *for identification only*

*As at the date of this announcement, the Directors are Zheng Yu Long, Zheng Yu Shuang, Zheng Yu Huan and Wu Qiongyao as executive Directors, Li Hung Kong as non-executive Director and Li Biao, Chung Yau Tong and So Ching Tung, JP as independent non-executive Directors.*

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