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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)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2025

FINANCIAL HIGHLIGHTS

	Year ended 31 December		Change +/(-)%
	2025 RMB' million	2024 RMB' million	
Key income statement items			
Revenue	969.8	866.7	+11.9%
Gross Profit	266.4	234.6	+13.6%
Adjusted EBITDA/(LBITDA) ¹	70.0	(6.7)	N/A
Profit/loss for the year	11.9	(93.5)	N/A
Key performance indicators			
Gross profit margin	27.5%	27.1%	+0.4%pts
EBITDA margin	7.2%	-0.8%	+8%pts
Net profit/(loss) margin	1.2%	-10.8%	+12%pts
Return on equity ²	5.5%	-41.7%	+47.2%pts
Earnings/(loss) per share – Basic and Diluted	RMB0.05	RMB(0.53)	N/A

- Adjusted EBITDA/(LBITDA) refers to earnings/(loss) before interests, income tax, depreciation, amortisation, allowance for expected credit losses and written-off of property, plant and equipment. The Company believes that the presentation of adjusted EBITDA/(LBITDA), being a non-IFRS measure, will facilitate the evaluation of financial performance of the Group by excluding potential impact of certain non-operating and non-recurring items. Such non-IFRS measure may be defined differently from similar terms used by other companies. The Company's presentation of this non-IFRS measure should not be construed as an inference that the Group's future results will be unaffected by these items.
- Return on equity is calculated using profit/(loss) and total comprehensive income/(loss) for the year divided by average of monthly ending equity balance for the year.

The board (the “**Board**”) of directors (the “**Director(s)**”) of Labixiaoxin Snacks Group Limited (the “**Company**”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively referred to as the “**Group**”, “**we**” or “**our**”) for the year ended 31 December 2025, together with comparative figures for the year ended 31 December 2024, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2025

	<i>Notes</i>	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Revenue	3	969,806	866,675
Cost of sales		<u>(703,441)</u>	<u>(632,059)</u>
Gross profit		266,365	234,616
Other income	4	5,446	3,644
Other (loss)/gain, net	5	(83)	138
Allowance for expected credit losses, net		(5,836)	(22,877)
Written-off of property, plant and equipment		(2,882)	(4,789)
Selling and distribution expenses		(138,910)	(168,643)
Administrative expenses		<u>(93,556)</u>	<u>(115,348)</u>
Operating profit/(loss)		<u>30,544</u>	<u>(73,259)</u>
Finance income		53	225
Finance costs		<u>(17,774)</u>	<u>(20,426)</u>
Finance costs, net	6	<u>(17,721)</u>	<u>(20,201)</u>
Profit/(loss) before taxation	7	12,823	(93,460)
Taxation	8	<u>(973)</u>	<u>–</u>
Profit/(loss) and total comprehensive income/ (loss) for the year		<u>11,850</u>	<u>(93,460)</u>
Earnings/(loss) per share attributable to equity holders of the Company (<i>RMB per share</i>)	9		
– Basic and diluted		<u>0.05</u>	<u>(0.53)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

	<i>Notes</i>	2025 RMB'000	2024 <i>RMB'000</i>
ASSETS			
Non-current assets			
Right-of-use assets		82,211	84,316
Property, plant and equipment		267,264	237,420
Deposits for property, plant and equipment		58,894	33,098
		408,369	354,834
Current assets			
Inventories		70,450	91,748
Trade receivables	<i>11</i>	165,740	165,489
Prepayments and other receivables		150,958	129,269
Cash and bank balances		76,795	52,501
		463,943	439,007
Total assets		872,312	793,841
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital		1,546	1,546
Reserves		224,823	212,973
Total equity		226,369	214,519

		2025	2024
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
LIABILITIES			
Non-current liabilities			
Deferred tax liabilities		<u>15,846</u>	<u>15,846</u>
		<u>15,846</u>	<u>15,846</u>
Current liabilities			
Trade and other payables	12	105,620	107,076
Bank borrowings	13	524,090	456,400
Lease liabilities		<u>387</u>	<u>–</u>
		<u>630,097</u>	<u>563,476</u>
Total liabilities		<u>645,943</u>	<u>579,322</u>
Total equity and liabilities		<u>872,312</u>	<u>793,841</u>
Net current liabilities		<u>(166,154)</u>	<u>(124,469)</u>
Total assets less current liabilities		<u>242,215</u>	<u>230,365</u>

NOTES:

1 General information

Labixiaoxin Snacks Group Limited (the “**Company**”) was incorporated in Bermuda on 4 May 2004 and domiciled in Bermuda. The Company’s immediate and ultimate holding company is Alliance Food and Beverages (Holding) Company Limited, a company incorporated in the British Virgin Islands (the “**BVI**”). The address of the Company’s registered office is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The address of its principal place of business is Wuli Industrial Area, Jinjiang, Fujian, the People’s Republic of China (the “**PRC**”) (中國福建省晉江市五里工業園區).

The Company is an investment holding company. The principal activities of the Company and its subsidiaries (collectively referred to as the “**Group**”) are manufacturing and sales of jelly products, confectionary products, beverages products and other snacks products.

The Company’s shares are listed on the main board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The consolidated financial statements are presented in thousands of units of Renminbi (“**RMB’000**”), which is also the functional currency of the Company, unless otherwise stated.

2 Basis of preparation

Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (the “**IASB**”). For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) and by the Hong Kong Companies Ordinance (the “**CO**”).

Going concern basis

As at 31 December 2025, the Group's current liabilities exceeded its current assets by approximately RMB166,154,000 (2024: approximately RMB124,469,000). Include therein were the bank borrowings of approximately RMB524,090,000 as at 31 December 2025, of which approximately RMB457,090,000 is repayable within one year. The remaining bank borrowings, amounting to approximately RMB67,000,000 were classified as current liabilities due to the existence of a repayment on demand clause in the loan agreements.

The directors have reviewed the Group's cash flow projections prepared by the management. The cash flow projections cover a period of twelve months from 31 December 2025. They are of the opinion that, taking into account the plans and measures as stated below, the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due within twelve months from 31 December 2025. Accordingly, the directors are satisfied that it is appropriate to prepare the consolidated financial statements on a going concern basis.

Notwithstanding the above results, the consolidated financial statements have been prepared on a going concern basis, the validity of which is dependent upon the success of the Group's future operations, its ability to generate adequate cash flows in order to meet its obligations as and when fall due and its ability to refinance or restructure its borrowings such that the Group can meet its future working capital and financing requirements. Also, the directors of the Company are of the opinion that the Group will be able to finance its future financing requirements and working capital based on the following considerations:

(1) Financial support from substantial shareholder

Mr. Zheng Yu Long, the substantial shareholder of the Company who has already provided the aggregate amount of approximately RMB8,880,000 from a loan facility of RMB50,000,000 to the Group as at 31 December 2025, has to continuously provide financial support for the continuing operations of the Company so as to enable it to meet its liabilities when they fall due and carry on its business without a significant curtailment of operations in the twelve months from the date of this announcement.

(2) *Bank borrowings*

The Group will continue to actively negotiate with its banks in a timely manner to ensure that the facilities and bank borrowings remain available. Given the Group's relationship with the banks and its historical success in renewing bank borrowings, the director believe that the bank borrowings will be successfully renewed upon maturity. For remaining bank borrowings with repayable on demand clause, the directors do not believe that it is probable that the banks will exercise their discretionary rights to demand immediate repayment. The directors believe that such bank borrowings will be repaid in accordance with the scheduled repayment dates set out in the loan agreements.

(3) *Alternative sources of external funding*

The Group will take steps to obtain external funding in order to improve the working capital and liquidity and cash flow position of the Group.

(4) *Cost control measurements*

The Group has taken measures to tighten cost controls over production costs and expenses with the aim of attaining profitable and positive cash flow operations.

(5) *Business reorganisation*

The Group may seek to implement various strategies to enhance the Group's revenue and consider the disposal of non-core business and/or financial assets if required.

Should the going concern assumption be inappropriate, adjustments may have to be made to reflect the situation that assets may need to be realised other than at the amounts at which they are currently carried in the consolidated statement of financial position. The effect of these adjustments has not been reflected in the consolidated financial statements.

The consolidated financial statements have been prepared on the historical cost basis.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The preparation of the consolidated financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policy.

Amendment to IFRS Accounting Standards that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to an IFRS Accounting Standards as issued by the IASB for the first time, which are mandatorily effective for the Group's annual periods beginning on 1 January 2025 for the preparation of the consolidated financial statements:

Amendments to IAS 21	Lack of Exchangeability
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The application of the amendments to IFRS Accounting Standards in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

New and amendments to IFRS Accounting Standards in issued but not yet effective

The Group has not early applied the following new and amendments to IFRS Accounting Standards that have been issued but are not yet effective:

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments ²
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity ²
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards – Volume 11 ²
IFRS 18	Presentation and Disclosure in Financial Statements ³
Amendments to IAS 21	Translation to a Hyperinflationary Presentation Currency ³

¹ Effective for annual period beginning on or after a date to be determined.

² Effective for annual periods beginning on or after 1 January 2026.

³ Effective for annual periods beginning on or after 1 January 2027.

Except for the new IFRS Accounting Standard mentioned below, the directors anticipate that the application of the new and amendments to IFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 Presentation and Disclosure in Financial Statements, which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 Presentation of Financial Statements. This new IFRS Accounting Standard, while carrying forward many of the requirements in IAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Minor amendments to IAS 7 Statement of Cash Flows and IAS 33 Earnings per Share are also made.

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of IFRS 18 on the Group's consolidated financial statements.

3. Segment information and revenue

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

The chief operating decision-maker (the “**CODM**”) has been identified as the executive directors of the Company. The CODM reviews the Group’s internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

The CODM considers the business by products and assesses the performance of the following operating segments:

- i. Jelly products
- ii. Confectionary products
- iii. Beverages products
- iv. Other snacks products

The CODM assesses the performance of the operating segments based on measure of segment results without allocation of corporate income (included the other income and other gain) and corporate expenses including the administrative expense and other loss. Other information provided to the CODM is measured in a manner consistent with that in the consolidated financial statements. The Company’s executive directors make decisions based on the operating results of each segment and review reports on the ageing analysis of trade receivables and expected usage of inventories of the Group as a whole. No information of segment assets and liabilities is reviewed by the Company’s executive directors for the assessment of performance of operating segments. Therefore, only the segment revenue and segment results are presented.

The revenue of external parties reported to the CODM is measured in a manner consistent with that in the consolidated statement of profit or loss and other comprehensive income.

Geographic information

No geographic information has been presented as all of the Group's operating activities are carried out in the PRC.

As at 31 December 2025 and 2024, majority of the Group's assets, liabilities and capital expenditure were located or utilised in the PRC.

Revenue of customers which individually contributed over 10% of the Group's revenue for the years ended 31 December 2025 and 2024 is as follows:

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Customer A	142,009	127,790
Customer B	N/A*	97,212

* *The corresponding revenue does not contribute over 10% of the Group's revenue for the respective year.*

Segment revenue and results

	Year ended 31 December 2025				
	Jelly	Confectionary	Beverages	Other	Reportable
	products	products	products	snacks	segments
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	total
					<i>RMB'000</i>
Revenue					
Sales to external customers	870,043	62,427	1,741	35,595	969,806
Cost of sales	(625,525)	(49,634)	(2,090)	(26,192)	(703,441)
Gross profit/(loss)	244,518	12,793	(349)	9,403	266,365
Results of reportable segments	81,651	3,178	(645)	3,837	88,021

Performance obligation for contracts with customers and revenue recognition policies

Revenue of the processing and sales of jelly products, confectionary products, beverages products and other snacks products is recognised when control of the products has transferred, being at the point the products are delivered to the customer and the customer has accepted the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specified location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

For sales to external customer, the revenue is recognised at a point in time. All revenue contracts are for period of one year or less. As permitted by practical expedient under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

A reconciliation of results of reportable segments to profit for the year is as follows:

	2025
	<i>RMB'000</i>
Results of reportable segments	88,021
Corporate income	5,484
Corporate expenses	<u>(62,961)</u>
Operating profit	30,544
Finance income	53
Finance costs	<u>(17,774)</u>
Profit before taxation	12,823
Taxation	<u>(973)</u>
Profit for the year	<u><u>11,850</u></u>

Amounts included in the measure of segment profit or loss:

	Year ended 31 December 2025				
	Jelly products <i>RMB'000</i>	Confectionary products <i>RMB'000</i>	Beverages products <i>RMB'000</i>	Other snacks products <i>RMB'000</i>	Reportable segments total <i>RMB'000</i>
Capital expenditure	54,353	3,900	109	2,223	60,585
Depreciation of right-of-use assets	2,561	184	6	105	2,856
Depreciation of property, plant and equipment	24,991	1,793	50	1,025	27,859
Written-off of property, plant and equipment	2,586	186	5	105	2,882
Allowance for expected credit losses on trade receivables, net	5,450	391	11	223	6,075
	Year ended 31 December 2024				
	Jelly products <i>RMB'000</i>	Confectionary products <i>RMB'000</i>	Beverages products <i>RMB'000</i>	Other snacks products <i>RMB'000</i>	Reportable segments total <i>RMB'000</i>
Revenue					
Sales to external customers	759,190	92,586	2,441	12,458	866,675
Cost of sales	(553,049)	(67,490)	(2,061)	(9,459)	(632,059)
Gross profit	206,141	25,096	380	2,999	234,616
Results of reportable segments	(16,959)	(725)	(327)	(371)	(18,382)

A reconciliation of results of reportable segments to loss for the year is as follows:

	2024 <i>RMB'000</i>
Results of reportable segments	(18,382)
Corporate income	3,782
Corporate expenses	<u>(58,659)</u>
Operating loss	(73,259)
Finance income	225
Finance costs	<u>(20,426)</u>
Loss before taxation	(93,460)
Taxation	<u>—</u>
Loss for the year	<u><u>(93,460)</u></u>

Amounts included in the measure of segment profit or loss:

	Year ended 31 December 2024				
	Jelly products <i>RMB'000</i>	Confectionary products <i>RMB'000</i>	Beverages products <i>RMB'000</i>	Other snacks products <i>RMB'000</i>	Reportable segments total <i>RMB'000</i>
Capital expenditure	<u>35,619</u>	<u>4,344</u>	<u>114</u>	<u>585</u>	<u>40,662</u>
Depreciation of right-of-use assets	<u>2,172</u>	<u>265</u>	<u>8</u>	<u>37</u>	<u>2,482</u>
Depreciation of property, plant and equipment	<u>31,914</u>	<u>3,892</u>	<u>102</u>	<u>523</u>	<u>36,431</u>
Written-off of property, plant and equipment	<u>4,196</u>	<u>512</u>	<u>13</u>	<u>68</u>	<u>4,789</u>
Allowance for expected credit losses on trade receivables, net	<u>20,010</u>	<u>2,440</u>	<u>64</u>	<u>328</u>	<u>22,842</u>

4. Other income

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Rental income	2,838	3,155
Sundry income	518	360
Government grants	2,090	129
	<u>5,446</u>	<u>3,644</u>

5. Other (loss)/gain, net

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Net exchange gain	38	322
Loss on sales of raw materials and scrap materials	(121)	(184)
	<u>(83)</u>	<u>138</u>

6. Finance costs, net

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Finance costs:		
Interest expenses on bank borrowings	(17,652)	(20,065)
Interest expenses on loan from a director	(82)	(361)
Interest expenses on lease liabilities	(40)	–
	<hr/>	<hr/>
Total finance cost	<u>(17,774)</u>	<u>(20,426)</u>
Finance income:		
Interest income on bank deposits	53	225
	<hr/>	<hr/>
Total finance income	<u>53</u>	<u>225</u>
	<hr/>	<hr/>
Finance costs, net	<u>(17,721)</u>	<u>(20,201)</u>

7. Profit/(loss) before taxation

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
The Group's profit/(loss) before taxation is arrived at after charging/(crediting):		
Auditors' remuneration		
– Audit service	1,128	1,086
Staff costs (including directors' remuneration)		
– Salaries and bonuses	97,624	106,603
– Retirement benefit costs	8,086	7,059
Subcontracting expenses	49,413	34,872
Advertising and promotion expenses	56,277	96,055
Depreciation of right-of-use assets	2,856	2,482
Depreciation of property, plant and equipment	27,859	36,431
Allowance for expected credit losses on trade receivables, net	6,075	22,842
(Reversal of)/allowance for expected credit losses on other receivables, net	(239)	35
Cost of inventories sold	575,527	506,062
Written-off of property, plant and equipment	2,882	4,789
Freight and transportation expenses	36,381	33,629
	<u>36,381</u>	<u>33,629</u>

8. Taxation

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Current income tax – PRC Enterprise Income Tax	973	–
Deferred tax, net	–	–
	<u>973</u>	<u>–</u>

Hong Kong Profits Tax, Bermuda and BVI Income Tax

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. Accordingly, the Hong Kong Profits Tax of the qualifying group entity is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2 million.

No provision of Hong Kong Profits Tax, Bermuda and BVI Income Tax has been made, as the Group did not generate any assessable profits in these jurisdictions during the years ended 31 December 2025 and 2024.

PRC Enterprise Income Tax

PRC Enterprise Income Tax has been provided at the rate of 25 % (2024: 25%) on taxable profits of the Group's PRC subsidiaries during the year.

9. Earnings/(loss) per share

(a) Basic earnings/(loss) per share

Basic earnings/(loss) per share is calculated by dividing the net profit/(loss) attributable to the Company's equity holders by the weighted average number of ordinary shares in issue during the year.

	2025	2024
Net profit/(loss) attributable to the equity holders of the Company (<i>RMB '000</i>)	<u><u>11,850</u></u>	<u><u>(93,460)</u></u>
Weighted average number of ordinary shares in issue for basic earnings/(loss) per share (<i>'000</i>)	<u><u>218,416</u></u>	<u><u>174,956</u></u>
Basic earnings/(loss) per share (<i>RMB per share</i>)	<u><u>0.05</u></u>	<u><u>(0.53)</u></u>

(b) Diluted earnings/(loss) per share

There were no potential ordinary shares in issue for both 2025 and 2024. Therefore, the diluted earnings/(loss) per share of the Company is the same as the basic earnings/(loss) per share.

10 Dividends

The directors of the Company do not recommend the payment of a final dividend for the year ended 31 December 2025 (2024: Nil).

11 Trade receivables

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Trade receivables	226,698	220,372
Less: Allowance for expected credit losses	(60,958)	(54,883)
	<u>165,740</u>	<u>165,489</u>

For the year ended 31 December 2025, the Group's revenue are generally on credit term of 180 days (2024: 180 days). As at 31 December 2025 and 2024, the ageing analysis of trade receivables, based on past due, and net of allowance for expected credit losses, is as follows:

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Less than 30 days	162,250	155,418
31 days – 90 days	2,114	6,410
91 days to 180 days	1,376	3,661
	<u>165,740</u>	<u>165,489</u>

Included in the above allowance for expected credit losses on trade receivables is approximately RMB60,958,000 (2024: approximately RMB54,883,000). The individually impaired trade receivable relates to consumers that were in default or delinquency in payments and only a portion of the receivables is expected to be recovered.

12. Trade and other payables

Included in trade and other payables, as of the end of the reporting period, the trade payables were approximately RMB47,779,000 (2024: RMB39,560,000).

The credit periods granted by suppliers generally range from 30 to 60 days (2024: 30 to 60 days).

The ageing analysis of trade payables based on invoice date is as follows:

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Less than 30 days	36,080	28,297
31 days - 90 days	6,397	9,008
Over 90 days	5,302	2,255
	<u>47,779</u>	<u>39,560</u>

13. Bank borrowings

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Secured bank borrowings	<u>524,090</u>	<u>456,400</u>

Carrying amount of bank borrowings wholly repayable:

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
On demand or within 1 year	<u>524,090</u>	<u>456,400</u>

14 Events after the reporting period

On 5th February 2026, the Company entered into the sale and purchase agreement with the vendor, pursuant to which, the Company (or its nominee) has conditionally agreed to purchase, and the vendor has conditionally agreed to sell the target shares, at the consideration of HK\$188.48 million, which shall be satisfied by the allotment and issue of 20,834,480 consideration shares at the issue price of HK\$3.98 per consideration share and the issue of the convertible bond within 5 business days after completion. For further details, please refer to announcements of the Company dated 5 February 2026 and 18 March 2026.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

During the year ended 31 December 2025, the Group recorded revenue of RMB969.8 million, representing an increase of approximately 11.9% as compared with year 2024 mainly due to increase in sales of jelly products and other snacks products by 14.6% and 185.7%, respectively. During the year ended 31 December 2025, the gross domestic product (“GDP”) of the People’s Republic of China (the “PRC”) grew by 5%, supported by fiscal policies and gradual recovery in consumption, despite facing challenges from global trade tensions and a slowing property sector. The Group’s sales were positively affected by the improving consumer sentiment in the PRC. In the past few years, the Group had put immense efforts in expanding its new sales channels (“New Sales Channels”) e.g. sales through major snacks convenience stores chains in the PRC (“Snacks Convenience Stores Chains”) and e-commerce on major social media platforms e.g. Douyin. The expansion of these New Sales Channels continued to boost the sales of our jelly products, confectionary products and other snacks products.

The gross profit margin of the Group increased slightly from 27.1% in the year ended 31 December 2024 to 27.5% in the year ended 31 December 2025. For the year ended 31 December 2025, the Group recorded a net profit of RMB11.9 million (2024: net loss of RMB93.5 million).

REVENUE

Revenue increased by approximately 11.9% to RMB969.8 million for the year ended 31 December 2025 compared with 2024. During the year ended 31 December 2025, the Group's sales performance has been positively impacted by the improving consumer sentiment in the PRC. In addition, the expansion of the New Sales Channels, including major Snacks Convenience Stores Chains and e-commerce platforms, also boosted the sales of our jelly and other snacks products.

As at 31 December 2025, the Group had 325 distributors (31 December 2024: 435). The decrease of approximately 25.3% during 2025 reflected the Group's continued shift from traditional distributors to Snacks Convenience Stores Chains, which generally demonstrate stronger sales performance and financial strength.

Jelly products

Revenue from jelly products increased by approximately 14.6% from RMB759.2 million for the year ended 31 December 2024 to RMB870.0 million for the year ended 31 December 2025 due to the reasons explained above. During the year ended 31 December 2025, revenue attributable to jelly snacks increased by approximately 21.7% to RMB554.5 million while sales attributable to jelly beverages increased by approximately 4.0% to RMB315.5 million.

Confectionary products

Revenue from confectionary products decreased by approximately 32.6% from RMB92.6 million for the year ended 31 December 2024 to RMB62.4 million for the year ended 31 December 2025. The Group's confectionary products are mainly for Chinese New Year festival. As Chinese New Year 2026 fell in mid-February, many customers placed orders in January 2026 rather than during 2025.

Beverage products

The beverages market in the PRC remained highly competitive and is dominated by several major brands. Revenue from beverage products of the Group decreased by approximately 28.7% to RMB1.7 million for the year ended 31 December 2025 compared with 2024 mainly because the Group did not launch any major new products in this category during the year given its minimal contribution to the Group.

Other snacks products

Revenue from other snacks products increased by approximately 185.7% to RMB35.6 million for the year ended 31 December 2025 when compared with 2024 mainly due to strong growth in sales of bean curd products.

COST OF SALES AND GROSS PROFIT

Cost of sales increased by approximately 11.3% to RMB703.4 million for the year ended 31 December 2025 compared with 2024 mainly attributable to the corresponding increase in sales. Gross profit increased by approximately 13.6% to RMB266.4 million for the year ended 31 December 2025 compared with 2024. Gross profit margin increased slightly from 27.1% in 2024 to 27.5% in 2025.

SELLING AND DISTRIBUTION EXPENSES

Selling and distribution expenses decreased by approximately 17.6% to RMB138.9 million for the year ended 31 December 2025 compared with 2024 primarily due to a higher proportion of sales through Snacks Convenience Stores Chains and e-commerce channels, which generally require lower advertising and promotion spend. As such, advertising and promotion expenses decreased by approximately 41.4% to RMB56.3 million for the year ended 31 December 2025 compared with 2024.

ADMINISTRATIVE EXPENSES

Administrative expenses decreased by approximately 18.9% to RMB93.6 million for the year ended 31 December 2025 as compared with 2024. This was mainly due to the Group's cost control measures implemented during the year ended 31 December 2025.

INCOME TAX EXPENSE

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate. Pursuant to the rules and regulations of the Bermuda and British Virgin Islands ("BVI"), members of the Group in Bermuda and the BVI are not subject to any income tax. The Group's subsidiaries incorporated in Hong Kong are not liable for profits tax as they did not have any assessable income arising in Hong Kong for the years ended 31 December 2025 and 2024.

The Group's subsidiaries in the PRC are subject to an enterprise income tax rate of 25% on their taxable profit during the year.

NET PROFIT FOR THE YEAR

For the year ended 31 December 2025, the Group recorded a net profit of RMB11.9 million (2024: net loss of RMB93.5 million). The increase in net profit for the year ended 31 December 2025 compared with 2024 was mainly attributable to the combined effect of i) higher sales through Snacks Convenience Stores Chains and e-commerce channels as explained above; ii) a decrease in the allowance for expected credit losses of trade receivables; and iii) a decrease in advertising and promotion expenses and administrative expenses for the year ended 31 December 2025 due to the Group's cost control measures implemented during the year ended 31 December 2025.

FINANCIAL REVIEW

Financial resources and liquidity

The Group mainly finances its operations and capital expenditures by cash and bank balances, operating cash flows, bank borrowings and loan from a Director.

As at 31 December 2025, the cash and bank balances amounted to RMB76.8 million (As at 31 December 2024: RMB52.5 million). The increase in cash and bank balances was mainly due to increase in bank borrowings net of payment of interests. The bank borrowings of the Group increased by RMB67.7 million during the year ended 31 December 2025.

As at 31 December 2025, the Group's gearing ratio (total borrowings, lease liabilities and loan from a Director divided by total equity) was 235.6% (As at 31 December 2024: 212.8%). The Group maintained sufficient cash and available banking facilities for its working capital requirements and for capitalizing on any potential investment opportunities in the future. The Group will continue to make prudent financial arrangements in response to changes in the financial environment.

Cash flow

The Group recorded a net cash inflow from operating activities of RMB52.2 million for the year ended 31 December 2025 (2024: RMB31.5 million). The Group spent RMB86.3 million on investing activities for the year ended 31 December 2025 mainly for production-line upgrades. The Group recorded net cash inflow from financing activities of RMB58.4 million for the year ended 31 December 2025 which was mainly due to new bank borrowings net of payment of interest expenses.

Capital expenditure

During the year ended 31 December 2025, the Group incurred RMB60.6 million for capital expenditure mainly for the upgrade of production lines of the production plants.

Inventory analysis

The Group's inventories primarily consist of finished goods of jelly products, confectionary products, beverage products and other snacks products, as well as raw materials and packaging materials. As at 31 December 2025, the balance decreased by RMB21.3 million when compared with the beginning of the year. The decrease in inventory level was mainly due to the fact that the Group has not yet stocked up on inventories for the 2026 Chinese New Year sales as the 2026 Chinese New Year is in mid of February 2026.

The inventory turnover days for the years ended 31 December 2025 and 2024 were 48 days and 49 days, respectively.

Trade receivables

Trade receivables mainly represent the balance due from wholesale distributors and New Sales Channels customers. The Group typically sells its products on credit and grants 180 days credit to most of the wholesale distributors and New Sales Channels customers. The balance increased by RMB0.3 million when compared with the beginning of the year mainly due to increase in sales during the year ended 31 December 2025. The trade receivable turnover days for the years ended 31 December 2025 and 2024 were 61 days and 93 days, respectively. Subsequent to the year ended 31 December 2025 and up to the date of approval of this announcement, approximately RMB115.7 million of the trade receivables were settled by the wholesale distributors and New Sales Channels customers.

Trade payables

Trade payables mainly represent the balances due to the Group's suppliers who generally grant credit terms ranging from 30 days to 60 days to the Group.

Trade payable turnover days for the years ended 31 December 2025 and 2024 were 41 days and 41 days respectively.

Foreign exchange fluctuations

The Group earns revenue and incurs costs and expenses mainly in Renminbi. The Group is exposed to certain foreign exchange fluctuations arising mainly from the exposure of Renminbi against the Hong Kong dollar and United States dollar. During the year ended 31 December 2025, the Group did not enter into any forward contracts to hedge the foreign exchange exposures as the Directors considered the financial benefits of such forward contracts may not outweigh their costs. The Company will continue to monitor foreign exchange exposures of the Group to best preserve the Group's cash value.

Charges on assets

As at 31 December 2025, land use rights and buildings of the Group with carrying values of RMB81,835,000 (31 December 2024: RMB84,316,000) and RMB131,152,000 (31 December 2024: RMB134,715,000) respectively, were pledged to banks as securities for banking facilities granted to the Group.

Contingent liabilities

As at 31 December 2025, the Group had no material contingent liabilities (31 December 2024: Nil).

Capital commitments

As at 31 December 2025, the Group had no capital commitments (31 December 2024: Nil).

EMPLOYMENT AND REMUNERATION POLICY

As at 31 December 2025, the Group had approximately 910 employees (2024: approximately 860 employees) and the total remuneration expenses for the year ended 31 December 2025 amounted to RMB105.7 million. The employees' salaries are reviewed and adjusted annually based on employees' performance and experience. The Group's employee benefits include performance bonus, mandatory provident fund for Hong Kong employees, social insurance packages for the PRC employees and education subsidy to encourage continuous professional development of staff.

The emoluments of the Directors and senior management of the Company are decided by the Board with the recommendation of the remuneration committee of the Company, having regard to the Group's operating results, individual performance and comparable market statistics.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

The Company and its subsidiaries did not purchase, sell or redeem any of the listed securities of the Company (including sale or transfer of treasury shares) during the year ended 31 December 2025.

As at 31 December 2025, the Company did not hold any treasury shares.

SIGNIFICANT INVESTMENTS AND MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES

There was no significant investments, material acquisitions and disposals of subsidiaries and associated companies during the year ended 31 December 2025. Except for the Acquisition as disclosed in note 14 to the financial information, there was no plan authorised by the Board for other material investments or acquisitions of capital assets as at the date of this announcement.

PROSPECTS

During the year ended 31 December 2025, the GDP of the PRC grew by 5%, supported by fiscal policies and gradual recovery in consumption, despite facing challenges from global trade tensions and a slowing property sector. The Group's sales was positively affected by the improving consumer sentiment in the PRC. As a result, the Group recorded its fifth consecutive year of increase in revenue during the year ended 31 December 2025.

The Directors expect that the steady and healthy growth of the PRC's economy and our business will continue in the short to medium term. To build a solid foundation for mid-to-long term growth, the Group will continue to (i) strengthen brand and product marketing, (ii) launch new snack products from time to time to offer better choices to the consumers, (iii) expand the coverage of the New Sales Channels in the PRC and (iv) increase the use of technology in marketing and manufacturing process e.g. use of intelligent marketing tools with a view to achieving precise consumer outreach and improving the operational and marketing efficiency.

The Directors believe that these measures will bring positive impacts to the Group's financial performance in the long run. While the near-term outlook for the snacks products sector of the PRC remains challenging due to stiff competition in the industry, the country's ongoing economic reforms and the continuous expansion of the middle and upper class population will propel growth in retail consumption in the long run. Therefore, the Directors are cautiously optimistic to the long term development of the Group's business.

FINAL DIVIDEND

The Directors do not recommend the payment of any final dividend for the year ended 31 December 2025 (2024: Nil).

AUDIT COMMITTEE

The audit committee of the Company (the “**Audit Committee**”) was established in compliance with Rule 3.21 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and with written terms of reference in compliance with the code provisions in Part 2 of the Corporate Governance Code (the “**CG Code**”) as set out in Appendix C1 to the Listing Rules.

The Audit Committee currently comprises three independent non-executive Directors, namely Mr. Chung Yau Tong (chairman of the Audit Committee), Mr. Li Biao and Mr. So Ching Tung, *JP*. The Audit Committee has reviewed with the auditor and management the annual results for the year ended 31 December 2025, the accounting principles and practices adopted by the Group and discussed internal control and financial reporting matters for the year ended 31 December 2025.

REVIEW OF PRELIMINARY ANNOUNCEMENT

The figures contained in the preliminary announcement of the Group’s results for the year ended 31 December 2025 have been agreed by the Group’s auditor, HLB Hodgson Impey Cheng Limited (“**HLB**”), to the amounts set out in the Group’s consolidated financial statements for the year ended 31 December 2025. The work performed by HLB in this respect did not constitute an assurance engagement in accordance with the Hong Kong Standards on Auditing, the Hong Kong Standards on Review Engagements, or the Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently, no assurance has been expressed by HLB on the preliminary announcement.

EXTRACT OF INDEPENDENT AUDITOR’S REPORT

The following is an extract of the independent auditor’s report on the Group’s audited consolidated financial statements for the year ended 31 December 2025. The report includes paragraph of material uncertainty related to going concern, without modification:

Material Uncertainty Related To Going Concern

“We draw attention to Note 3 in the consolidated financial statements, which indicates that as of 31 December 2025, the Group’s current liabilities exceeded its current assets by approximately RMB166,154,000. As stated in Note 3, these events or conditions, along with other matters as set forth in Note 3, indicate that a material uncertainty exists that may cast significant doubt on the Group’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.”

CORPORATE GOVERNANCE PRACTICES

The Company is committed to promoting stringent corporate governance practices and procedures with a view to safeguarding the interests of the shareholders of the Company (the “**Shareholders**”) as well as enhancing investor confidence and the Company’s accountability and transparency. The Company sets out its corporate governance practices with reference to Part 2 of the CG Code. During the year ended 31 December 2025, the Company has complied with all the code provisions set forth under Part 2 of the CG Code and there has been no deviation from the code provisions throughout the year ended 31 December 2025.

The Company continues to review its corporate governance practices regularly to ensure compliance with the CG Code.

MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules and devised its own code of conduct regarding Directors’ dealings in the Company’s securities (the “**Company Code**”) on terms no less exacting than the Model Code.

Specific enquiry has been made of all the Directors, who have confirmed that they have complied with the Model Code and the Company Code throughout the year ended 31 December 2025.

The Company has also established written guidelines on terms no less exacting than the Model Code (the “**Employees Written Guidelines**”) for securities transactions by employees who are likely to be in possession of unpublished inside information of the Company.

No incident of non-compliance of the Employees Written Guidelines by the employees was noted by the Company during the year ended 31 December 2025.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This results announcement of the Company for the year ended 31 December 2025 is published on the website of the Company at www.lbxxgroup.com and the website of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) at www.hkexnews.hk. The annual report of the Company for the year ended 31 December 2025 will be dispatched to the Shareholders and be made available at the respective websites in due course.

ANNUAL GENERAL MEETING

The annual general meeting of the Company for the year ended 31 December 2025 (the “**AGM**”) is proposed to be held on Thursday, 11 June 2026. A notice convening the AGM will be published and despatched in the manner as required by the Listing Rules in due course.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the Shareholders' rights to attend and vote at the AGM, the register of members of the Company will be closed from Monday, 8 June 2026 to Thursday, 11 June 2026, both days inclusive, during which period no transfer of the shares of the Company will be registered. The record date for entitlement to attend and vote at the AGM is Thursday, 11 June 2026. In order to be eligible to attend and vote at the AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on Friday, 5 June 2026.

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

Hong Kong, 30 March 2026

As at the date of this announcement, the Directors of the Company 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.