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 INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2026

FINANCIAL HIGHLIGHTS

	Unaudited Six months ended 30 June		
	2026	2025	*+/(-)*
	RMB' million	*RMB' million*	
Key income statement items			
Revenue	**628.5**	516.0	+21.8%
Gross Profit	**143.0**	131.5	+8.7%
EBITDA (1)	**13.3**	28.6	-53.5%
(Loss)/profit for the period	**(17.7)**	2.5	N/A
Key performance indicators			
Gross profit margin	**22.8%**	25.5%	-2.7%pts
EBITDA margin	**2.1%**	5.5%	-3.4%pts
Net (loss)/profit margin	**-2.8%**	0.5%	-3.3%pts
Return on equity (LTM)(2)	**-6.3%**	1.2%	-7.5%pts
(Loss)/earning per share			
– Basic	**RMB(0.08)**	RMB0.01	RMB(0.09)
– Diluted	**RMB(0.08)**	RMB0.01	RMB(0.09)

Notes:

1. EBITDA refers to (loss)/profit before interests, income tax, depreciation, amortisation and allowance for expected credit losses.

2. Return on equity is calculated using profit/(loss) for the last six months divided by average of monthly ending equity balance for the relevant period.

The board (the "**Board**") of directors (the "**Directors**") of Labixiaoxin Snacks Group Limited (the "**Company**") is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (the "**Group**") for the six months ended 30 June 2026, together with comparative figures for the corresponding period in year 2025, as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2026

		Unaudited	
		Six months ended 30 June	
	Note	**2026**	2025
		RMB'000	*RMB'000*
Revenue	*5*	**628,463**	515,996
Cost of sales		**(485,423)**	(384,462)
Gross profit		**143,040**	131,534
Other income	*6*	**6,655**	4,544
Other gain/(loss), net	*7*	**225**	(482)
Allowance for expected credit losses, net		**(1,467)**	(1,143)
Written-off of property, plant and equipment		**(1,270)**	–
Selling and distribution expenses		**(96,515)**	(71,104)
Administrative expenses		**(57,491)**	(51,234)
Operating (loss)/profit		**(6,823)**	12,115
Finance income		**45**	41
Finance costs		**(8,492)**	(8,659)
Finance costs, net	*8*	**(8,447)**	(8,618)
(Loss)/profit before taxation	*9*	**(15,270)**	3,497
Taxation	*10*	**(2,400)**	(973)
(Loss)/profit and total comprehensive (loss)/profit for the period		**(17,670)**	2,524
(Loss)/earning per share attributable to equity holders of the Company *(RMB per share)*	*11*		
– Basic		**(0.08)**	0.01
– Diluted		**(0.08)**	0.01

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2026

	Note	**Unaudited 30 June 2026** ***RMB'000***	Audited 31 December 2025 *RMB'000*
ASSETS			
Non-current assets			
Goodwill	*16*	**144,591**	–
Intangible assets		**47,798**	–
Right-of-use assets		**80,971**	82,211
Property, plant and equipment		**281,772**	267,264
Deposits for property, plant and equipment		**47,136**	58,894
		602,268	408,369
Current assets			
Inventories		**114,514**	70,450
Trade receivables	*13*	**157,652**	165,740
Prepayments and other receivables		**155,701**	150,958
Cash and bank balances		**39,428**	76,795
		467,295	463,943
Total assets		**1,069,563**	872,312
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital		**1,689**	1,546
Reserves		**303,613**	224,823
Total equity		**305,302**	226,369

	Note	Unaudited 30 June 2026 RMB'000	Audited 31 December 2025 RMB'000
LIABILITIES			
Non-current liability			
Convertible bond	*16*	**81,637**	–
Deferred tax liabilities		**17,988**	15,846
		99,625	15,846
Current liabilities			
Trade and other payables	*14*	**227,329**	105,620
Bank borrowings	*15*	**436,920**	524,090
Lease liabilities		**387**	387
		664,636	630,097
Total liabilities		**764,261**	645,943
Total equity and liabilities		**1,069,563**	872,312
Net current liabilities		**(197,341)**	(166,154)
Total assets less current liabilities		**404,927**	242,215

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 ("**Alliance Holding**"), a company incorporated in the British Virgin Islands ("**BVI**"). The address of the Company's registered office is Richmond House, 12 Par-la-Ville Road, Hamilton HM 08, Bermuda. The address of its principal place of business is Wuli Industrial Area, Jinjiang, Fujian, the People's Republic of China ("**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 Group are manufacturing and sale of jelly products, confectionary products, beverages products and other snacks products. Following the acquisition of Qucloud AI HK Limited and its subsidiaries in 2026, the Group also engaged in providing enterprise intelligent services to enterprises in the PRC.

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

The condensed consolidated interim financial information is presented in Renminbi ("**RMB**"), unless otherwise stated. The condensed consolidated interim financial information is unaudited but has been reviewed by the Company's Audit Committee.

2 Basis of Preparation

The condensed consolidated interim financial information for the six months ended 30 June 2026 has been prepared in accordance with International Accounting Standard ("**IAS**") 34 "Interim Financial Reporting". The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2025, which have been prepared in accordance with International Financial Reporting Standards ("**IFRS**").

The Group incurred a net loss of approximately RMB17,670,000 (six months ended 30 June 2025: net profit of approximately RMB2,524,000) for the six months ended 30 June 2026. As at 30 June 2026, the Group's current liabilities exceeded its current assets by approximately RMB197,341,000 (as at 31 December 2025: approximately RMB166,154,000). Include therein were the bank borrowings of approximately RMB436,920,000 as at 30 June 2026, of which approximately RMB358,920,000 is repayable within one year. The remaining bank borrowings, amounting to approximately RMB78,000,000 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 management. The cash flow projections cover a period of twelve months from 30 June 2026. 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 30 June 2026. Accordingly, the Directors are satisfied that it is appropriate to prepare the condensed consolidated interim financial information on a going concern basis.

Notwithstanding the above results, the condensed consolidated interim financial information has 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 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 RMB13,373,000 from a loan facility of RMB50,000,000 to the Group as at 30 June 2026, 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 Directors 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 condensed consolidated interim financial information.

The preparation of condensed consolidated interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparing the condensed consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial statements for the year ended 31 December 2025.

3 Changes in Accounting Policies

The International Accounting Standards Board has issued a number of new IFRS and amendments to IFRS that are first effective for the current accounting period. None of these developments have had a material effect on these condensed consolidated interim financial information. The Group has not applied any new standard, amendments or interpretation that is not yet effective for the current accounting period.

4 Financial Risk Management

The Group's activities expose it to market risks (including currency risk and interest rate risk), credit risk and liquidity risk.

The condensed consolidated interim financial information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2025.

There have been no material changes in the risk management department since year end or in any risk management policies since the year end.

5 Segment Information

The Group is principally engaged in the manufacturing and sale of jelly products, confectionary products, beverages products and other snacks products. On 31 March 2026, the Group completed the acquisition of the Qucloud Group, which is principally engaged in providing enterprise intelligent services to enterprises in the PRC.

The chief operating decision-maker (the "**CODM**") has been identified as the executive Directors. 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. Snacks products (including jelly products, confectionary products, beverages products and other snacks products)

ii. Enterprise intelligent services (including model as a service ("**MaaS**") and result as a service ("**RaaS**") income)

The CODM assesses the performance of the operating segments based on measure of segment results without allocation of corporate income (including 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 from external parties reported to the CODM is measured in a manner consistent with that in the condensed consolidated statement of profit or loss and other comprehensive income.

Geographical information

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

As at 30 June 2026 and 31 December 2025, majority of the Group's assets, liabilities and capital expenditure were located or utilised in the PRC.

Information about major customers

Revenue from customers which individually contributed over 10% of the Group's revenue for the six months ended 30 June 2026 and 2025 is as follows:

	Unaudited	
	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Customer A	**67,377**	N/A*

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

Segment revenue and results

	Unaudited		
	Six months ended 30 June 2026		
	Snacks products *RMB'000*	**Enterprise intelligent services** *RMB'000*	**Reportable segments total** *RMB'000*
Revenue			
Sales to external customers	**536,796**	**91,667**	**628,463**
Cost of sales	**(402,944)**	**(82,479)**	**(485,423)**
Gross profit	**133,852**	**9,188**	**143,040**
Results of reportable segments	**44,103**	**2,422**	**46,525**

Note: For sales to external customer, the revenue is recognized 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 loss for the period is as follows:

	Unaudited Six months ended 30 June 2026 Snacks products *RMB'000*	 Enterprise intelligent services *RMB'000*	 Reportable segments total *RMB'000*
Results of reportable segments			**46,525**
Corporate income			**6,880**
Corporate expenses			**(60,228)**
Operating loss			**(6,823)**
Finance income			**45**
Finance costs			**(8,492)**
Loss before taxation			**(15,270)**
Taxation			**(2,400)**
Loss for the period			**(17,670)**
Amounts included in the measure of segment profit or loss:			
Capital expenditure	**17,575**	**–**	**17,575**
Amortisation of intangible assets	**–**	**1,237**	**1,237**
Depreciation of right-of-use assets	**1,240**	**–**	**1,240**
Depreciation of property, plant and equipment	**13,650**	**14**	**13,664**
Loss on disposal of property, plant and equipment	**8**	**–**	**8**
Allowance for expected credit losses on trade receivables	**1,467**	**–**	**1,467**

	Unaudited		
	Six months ended 30 June 2025		
	Snacks products	Enterprise intelligent services	Reportable segments total
	RMB'000	*RMB'000*	*RMB'000*
Revenue			
Sales to external customers	515,996	–	515,996
Cost of sales	(384,462)	–	(384,462)
Gross profit	131,534	–	131,534
Results of reportable segments	60,430	–	60,430

Note: For sales to external customer, the revenue is recognized 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 period is as follows:

	Unaudited		
	Six months ended 30 June 2025		
	Snacks products *RMB'000*	Enterprise intelligent services *RMB'000*	Reportable segments total *RMB'000*
Results of reportable segments			60,430
Corporate income			4,062
Corporate expenses			(52,377)
Operating profit			12,115
Finance income			41
Finance costs			(8,659)
Profit before taxation			3,497
Taxation			(973)
Profit for the period			2,524
Amounts included in the measure of segment profit or loss:			
Capital expenditure	13,394	–	13,394
Depreciation of right-of-use assets	1,240	–	1,240
Depreciation of property, plant and equipment	14,106	–	14,106
Allowance for expected credit losses on trade receivables	1,143	–	1,143

6 Other Income

	Unaudited Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Rental income	**1,925**	1,291
Government subsidy	**207**	835
Sundry income	**4,523**	2,418
	6,655	4,544

7 Other Gain/(Loss), Net

	Unaudited Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Loss on disposal of property, plant and equipment	**(8)**	–
Gain/(loss) on sale of scrap materials	**287**	(560)
Net exchange (loss)/gain	**(54)**	78
	225	(482)

8 Finance Costs, Net

	Unaudited Six months ended 30 June 2026 *RMB'000*	2025 *RMB'000*
Finance costs:		
Interest expenses on bank borrowings	**(8,372)**	(8,638)
Interest expenses on loan from a director	**(120)**	(21)
Total finance costs	**(8,492)**	(8,659)
Finance income:		
Interest income on bank deposits	**45**	41
Total finance income	**45**	41
Finance costs, net	**(8,447)**	(8,618)

9 (Loss)/Profit Before Taxation

(Loss)/profit before taxation is arrived at after charging the following:

	Unaudited Six months ended 30 June 2026 *RMB'000*	2025 *RMB'000*
Cost of inventory sold	**454,901**	306,411
Advertising and promotion expenses	**46,133**	27,873
Freight and transportation expenses	**22,551**	18,282
Staff cost (including Directors' remunerations)		
– Salaries and bonuses	**60,741**	55,997
– Employer's contribution to defined contribution plans	**5,008**	4,045
Subcontracting expenses	**28,297**	27,413
Depreciation of property, plant and equipment	**13,664**	14,106
Depreciation of right-of-use assets	**1,240**	1,240
Amortisation of intangible assets	**1,237**	–
Allowance for expected credit losses, net	**1,467**	1,143
Loss on disposal of property, plant and equipment	**8**	–
Written-off of property, plant and equipment	**1,270**	–

10 Taxation

	Unaudited	
	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Current income tax – PRC Enterprise Income Tax	**2,400**	973
Deferred tax, net	**–**	–
	2,400	–

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 six months ended 30 June 2026 and 2025.

PRC Enterprise Income Tax

PRC Enterprise Income Tax has been provided at rate of 25% (2025: 25%) on taxable profit of the Group's PRC subsidiaries during the six months ended 30 June 2026 and 2025.

11 (Loss)/earning per Share

(a) Basic (loss)/earning per share

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

	Unaudited	
	Six months ended 30 June	
	2026	2025
Net (loss)/profit attributable to the equity holders of Company *(RMB'000)*	**(17,670)**	2,524
Weighted average number of ordinary shares in issue for basic (loss)/earning per share *('000)*	**228,949**	218,416
Basic (loss)/earning per share *(RMB per share)*	**(0.08)**	0.01

(b) Diluted (loss)/earning per share

Diluted loss per share for the six months ended 30 June 2026 is the same as basic loss per share as the conversion of the Company's outstanding convertible bond would have an anti-dilutive effect. Diluted earning per share for the six months ended 30 June 2025 is the same as the basic earning per share.

12 Dividends

The directors of the Company do not recommend the payment of an interim dividend for the six months ended 30 June 2026 (2025: Nil).

13 Trade Receivables

	Unaudited 30 June 2026	Audited 31 December 2025
	RMB'000	*RMB'000*
Trade receivables	**220,077**	226,698
Less: Allowance for expected credit losses	**(62,425)**	(60,958)
	157,652	165,740

For the six months ended 30 June 2026, the Group's revenue are generally on credit term of 30 to 180 days (For the six months ended 30 June 2025: 180 days). As at 30 June 2026 and 31 December 2025, the ageing analysis of trade receivables, based on pass due, and net of allowance for credit losses, is as follows:

	Unaudited 30 June 2026	Audited 31 December 2025
	RMB'000	*RMB'000*
Less than 30 days	**143,924**	162,250
31 days – 90 days	**8,364**	2,114
91 days – 180 days	**5,364**	1,376
	157,652	165,740

As at 30 June 2026, included in the above allowance for expected credit losses on trade receivables is approximately RMB62,425,000 (As at 31 December 2025: approximately RMB60,958,000). The individually impaired trade receivable relates to customers that were in default or delinquency in payments and only a portion of the receivables is expected to be recovered.

14 Trade and Other Payables

Included in trade and other payables, as of the end of the reporting period, the bills payable were amounted to approximately RMB6,600,000 (As at 31 December 2025: Nil) and the trade payables were amounted to approximately RMB127,658,000 (As at 31 December 2025: RMB47,779,000).

(i) The bills payable were unsecured and with maturity period of within one year.

(ii) The credit periods granted by suppliers generally range from 30 to 90 days (2025: 30 to 60 days). As at 30 June 2026, the ageing analysis of trade payables based on invoice date is as follows:

	Unaudited 30 June 2026	Audited 31 December 2025
	RMB'000	*RMB'000*
Less than 30 days	**76,589**	36,080
31 days – 90 days	**29,966**	6,397
Over 90 days	**21,103**	5,302
	127,658	47,779

15 Bank Borrowings

	Unaudited 30 June 2026	Audited 31 December 2025
	RMB'000	*RMB'000*
Secured bank borrowings	**436,920**	524,090
Unsecured bank borrowings	**–**	–
Total bank borrowings	**436,920**	524,090
Carrying amount of bank borrowings wholly repayable:		
On demand or within 1 year	**436,920**	524,090

16 Acquisition of subsidiaries

On 5 February 2026, the Company entered into a sale and purchase agreement with Qucloud AI. Inc., an independent third party (the "**Vendor**"), pursuant to which, the Company (or its nominee) has conditionally agreed to purchase, and the Vendor has conditionally agreed to sell the entire issued share capital of Qucloud AI HK Limited (the "**Acquisition**") at the consideration of HK$188,480,000, which were satisfied by the allotment and issue of 20,834,480 new shares of the Company at the issue price of HK$3.98 per share (the "**Consideration Shares**") and the issue of convertible bonds in the principal sum of HK$105,558,769.60 (the "**Convertible Bond**"). Upon full conversion of the Convertible Bond at the conversion price of HK$4.62 per conversion share (subject to adjustments), a total of 22,848,218 conversion shares will be issued.

The Acquisition was completed on 31 March 2026 with the Consideration Shares and Convertible Bond issued on the same day. Qucloud AI HK Limited and its subsidiaries become the wholly-owned subsidiaries of the Group with effect from 31 March 2026.

Qucloud AI HK Limited was incorporated in 2025 in Hong Kong. Qucloud AI HK Limited and its subsidiaries are principally engaged in providing enterprise intelligent services to enterprises in the PRC.

Details of recognised amounts of identifiable assets acquired and liabilities assumed, goodwill, consideration and net cash inflow are as follows:

Recognised amounts of identifiable assets acquired and liabilities assumed:

	RMB'000
Property, plant and equipment	117
Intangible assets	49,035
Trade receivables	14,457
Other current assets	21,353
Cash and cash equivalents	334
Bank borrowings	(30,200)
Trade payables	(13,636)
Deferred tax liabilities	(2,142)
Other current liabilities	(5,668)
Total net identifiable assets	33,650
Goodwill	144,591
Consideration	178,241
Consideration represents:	
Fair value of consideration shares issued	68,954
Fair value of Convertible Bond issued (debt portion)	81,637
Fair value of Convertible Bond issued (equity portion)	27,650
Total consideration	178,241
Net cash inflow	
Cash and cash equivalents acquired	334
	334

17 Event After the Reporting Period

There were no significant events that have occurred subsequent to the end of the reporting period.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

During the six months ended 30 June 2026, the Group recorded revenue of RMB628.5 million, representing an increase of approximately 21.8% as compared with the same period of year 2025 mainly due to increase in sales of snacks products by 4.0% and the revenue contributed by Qucloud AI HK Limited and its subsidiaries ("**Qucloud Group**") acquired by the Group during the six months ended 30 June 2026.

According to the Asian Development Bank, the gross domestic product (GDP) of the PRC is forecasted to grow by 4.6% and 4.5% in 2026 and 2027 respectively, supported by fiscal policies and a gradual recovery in consumption, despite challenges arising from global trade tensions and the continued slowdown in the property sector. Against this backdrop, the Group benefited from improving consumer sentiment in the PRC. In recent years, the Group has devoted significant efforts to expanding its new sales channels ("**New Sales Channels**"), including sales through snacks convenience stores chains ("**Snacks Convenience Stores Chains**") and e-commerce platform on major social media channels such as Douyin and Xiaohongshu. The continued expansion of these New Sales Channels contributed to the growth in sales of the Group's snacks products including jelly products, confectionary products, beverage products and other snacks products, during the six months ended 30 June 2026.

With the rising importance of Artificial Intelligence ("**AI**") in recent years, the Group decided to extend its business into this important business sector by acquiring Qucloud Group in early 2026 (the "**Acquisition**"). The Acquisition was completed on 31 March 2026. The Qucloud Group is principally engaged in providing enterprise intelligent services in the PRC, offering a comprehensive suite of products and services covering scenarios including data intelligence, operation management, customer engagement and marketing growth. It helps enterprises achieve a business closed-loop spanning from intelligent analytics, decision-making recommendations to controlled execution, and continuously enhances operational efficiency and growth capacity. For instance, leveraging big data, artificial intelligence and enterprise-grade intelligent agent technology, Qucloud Group provides enterprises (including food and consumer goods manufacturers) with products and solutions such as enterprise management, data management, operational decision-making, media analytics and social management, enabling customers to achieve consumer data accumulation, marketing insights, channel synergy and digital operations. The Acquisition will enable the Group to tap into one of the rising industries, which broaden revenue sources of the Group, and at the same time create synergies with the Group's existing business. The Group is implementing the Qucloud Group's intelligent marketing tools with a view to achieving precise consumer outreach, significantly improving the operational and marketing efficiency and brand loyalty for promoting the Group's products. In the long run, the Acquisition is expected to strengthen the Group's abilities to engage customers through AI solutions, accelerating its transformation from a traditional manufacturing enterprise in to a data-driven modern consumer goods group. During the period from the completion date of the Acquisition to 30 June 2026, the revenue derived from the provision of enterprise intelligent services amounted to approximately RMB91.7 million.

The gross profit margin of the Group decreased from 25.5% for the six months ended 30 June 2025 to 22.8% for the six months ended 30 June 2026. The decrease was primarily attributable to the higher proportion of sales generated through Snacks Convenience Store Chains, which generally carry lower profit margins than sales through traditional distributors. In addition, the newly acquired enterprise intelligent services business recorded a relatively lower profit margin, as the business remains in its early stage of development and has yet to achieve economies of scale.

For the six months ended 30 June 2026, the Group recorded a net loss of RMB17.7 million (six months ended 30 June 2025: net profit of RMB2.5 million). The turnaround from a net profit for the six months ended 30 June 2025 to a net loss for the six months ended 30 June 2026 was primarily attributable to increases in advertising and promotion expenses and logistic costs. In addition, the turnaround was partly attributable to losses contributed by Qucloud Group since completion of the Acquisition to 30 June 2026.

Revenue

Revenue increased by approximately 21.8% to RMB628.5 million in the first half of year 2026 when compared with the same period in year 2025. During the period under review, the Group's sales performance benefited from the recovery of consumer sentiments of the PRC and the expansion of the New Sales Channels. In addition, the increase in revenue during the period was partly attributable to revenue of approximately RMB91.7 million contributed by Qucloud Group since completion of the Acquisition to 30 June 2026.

Snacks Products Segment

Revenue of snacks products increased by approximately 4.0% from RMB516.0 million in the first half of year 2025 to RMB536.8 million in the first half of year 2026. During the six months ended 30 June 2026, revenue attributable to jelly snacks and jelly beverages increased by approximately 4.1% to RMB490.0 million. The increase in revenue of snacks products was mainly due to recovery of consumer sentiments of the PRC and the expansion of the New Sales Channels during the six months ended 30 June 2026.

Enterprise Intelligent Services Segment

On 31 March 2026, the Group completed the acquisition of the Qucloud Group, which is principally engaged in the provision of enterprise intelligent services in the PRC. During the period from the date of completion of the Acquisition to 30 June 2026, the revenue derived from the provision of enterprise intelligent services amounted to approximately RMB91.7 million.

Cost of Sales and Gross Profit

Cost of sales increased by approximately 26.3% to RMB485.4 million in the first half of year 2026, mainly attributable to the corresponding increase in revenue. The gross profit increased by approximately 8.7% to RMB143.0 million in the first half of year 2026. The gross profit margin decreased from 25.5% in the first half of year 2025 to 22.8% in the first half of year 2026. The decrease was primarily attributable to the higher proportion of sales generated through Snacks Convenience Store Chains, which generally carry lower profit margins than sales through traditional distributors. In addition, the newly acquired enterprise intelligent services business recorded a relatively lower profit margin, as the business remains in its early stage of development and has yet to achieve economies of scale.

Selling and Distribution Expenses

Selling and distribution expenses increased by approximately 35.7% to RMB96.5 million in the first half of year 2026 as compared with the same period in year 2025. The increase was attributable to higher advertising and promotion expenses and logistic costs, as well as the inclusion of the selling and distribution expenses of Qucloud Group since completion of the Acquisition to 30 June 2026.

Administrative Expenses

Administrative expenses increased by approximately 12.2% to RMB57.5 million in the first half of year 2026 as compared with the same period in year 2025. This was mainly due to increase in various administrative costs, as well as the inclusion of administrative expenses of Qucloud Group since completion of the Acquisition to 30 June 2026.

Taxation

During the six months ended 30 June 2026, the Group did not have any assessable profits in Bermuda, BVI and Hong Kong. The subsidiaries in the PRC were subject to income tax rate of 25% on their taxable profit. The income tax expense during the period under review was primarily attributable to a PRC subsidiary.

Net (Loss)/Profit for the Period

For the six months ended 30 June 2026, the Group recorded a net loss of RMB17.7 million (six months ended 30 June 2025: net profit of RMB2.5 million). The turnaround from a net profit for the six months ended 30 June 2025 to a net loss for the six months ended 30 June 2026 was primarily attributable to increases in advertising and promotion expenses and logistic costs. In addition, the turnaround was partly attributable to losses contributed by Qucloud Group since completion of the Acquisition to 30 June 2026.

FINANCIAL REVIEW

Financial resources and liquidity

The Group mainly finances its operations and capital expenditures by cash and bank balances, operating cash flows and bank borrowings. As at 30 June 2026, the bank balances and bank deposits amounted to RMB39.4 million, representing a decrease of RMB37.4 million from RMB76.8 million as at 31 December 2025. The decrease in bank balances and bank deposits was mainly due to repayment of bank borrowings during the period under review.

As at 30 June 2026, the Group's gearing ratio (total borrowings and convertible bond divided by total equity) was 174.4% (As at 31 December 2025: 235.6%). The Group maintains sufficient cash and available banking facilities for its working capital requirements and for capitalising on any potential investment opportunities in the future. The Group will from time to time make prudent financial arrangements and decisions to address changes in the domestic and international financial environment.

Cash flow

The Group recorded net cash inflow from operating activities of RMB101.2 million in the first half of year 2026 (2025: RMB11.4 million). The increase in operating cash inflow for the period under review was mainly due to (i) faster settlement by customers of the Snacks Convenience Stores Chains and enterprise intelligent services; and (ii) longer credit terms granted by certain suppliers of the Group during the period under review.

The Group has spent RMB17.2 million in investing activities in the first half of year 2026 mainly for the upgrade of production lines of the production plants. The Group has net cash outflow from financing activities of RMB121.4 million in the first half of year 2026 mainly due to net effect of repayment of bank borrowings and interest, and increase in loan from a Director during the period under review.

Capital expenditure

During the six months ended 30 June 2026, the Group incurred RMB17.6 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 30 June 2026, inventory increased by 62.5% compared with the balance at the beginning of the year, primarily due to the anticipated increase in sales to Snacks Convenience Stores Chains.

The inventory turnover days for the six months ended 30 June 2026 and the year ended 31 December 2025 were 42 days and 48 days, respectively.

Trade receivables

Trade receivables mainly represent the balance due from wholesale distributors of snacks products, Snacks Convenience Stores Chains and enterprise intelligent services customers. The Group generally sells its snacks products on credit and grants a credit period of up to 180 days to most of the wholesale distributors of snacks products and Snacks Convenience Stores Chains. The Group also grants a credit period ranging from 30 to 60 days to most customers of its enterprise intelligent services business. As at 30 June 2026, trade receivables decreased by 4.9% compared with 31 December 2025, mainly due to faster settlement by customers of the Snacks Convenience Stores Chains and enterprise intelligent services.

The trade receivables turnover days for the six months ended 30 June 2026 and the year ended 31 December 2025 were 47 days and 61 days, respectively.

Trade payables

Trade payables mainly represent the balances due to the Group's suppliers who generally grant credit terms ranging from 30 days to 90 days to the Group.

Trade payable turnover days for the six months ended 30 June 2026 and the year ended 31 December 2025 were 52 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 six months ended 30 June 2026, 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 30 June 2026, land use rights and buildings of the Group with carrying values of RMB80,595,000 (31 December 2025: RMB81,835,000) and RMB139,770,000 (31 December 2025: RMB131,152,000) respectively, were pledged to banks as securities for banking facilities granted to the Group.

Contingent liabilities

As at 30 June 2026, the Group had no contingent liabilities (31 December 2025: Nil).

EMPLOYMENT AND REMUNERATION POLICY

As at 30 June 2026, the Group had approximately 960 employees (As at 31 December 2025: approximately 910 employees) and the total remuneration expenses for the six months ended 30 June 2026 amounted to RMB65.7 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.

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

Except for the Acquisition as disclosed in note 16 to the condensed consolidated interim financial information, there was no other significant investments, material acquisitions and disposals of subsidiaries and associated companies during the six months ended 30 June 2026.

There was no plan authorised by the Board for other material investments or acquisitions of capital assets as at the date of this announcement.

PROSPECT

According to the Asian Development Bank, the GDP of the PRC is forecasted to grow by 4.6% and 4.5% in 2026 and 2027 respectively, supported by fiscal policies and gradual recovery in consumption, despite challenges arising from global trade tensions and slowdown in the property sector.

Snacks Products Segment

The Group's sales of snacks products benefited from improving consumer sentiment in the PRC. The Directors remain optimistic about the Group's prospects and expect the steady and healthy growth of the PRC's economy, together with the continued expansion of the Group's business, to support its development in the short to medium term. To build a solid foundation for mid-to-long term growth of its snacks products business, the Group will continue to (i) strengthen brand building and product marketing, (ii) launch new snack products from time to time to broaden consumer choices, (iii) expand the coverage of the New Sales Channels in the PRC, and (iv) enhance the adoption of technology in marketing and manufacturing processes, including the use of intelligent marketing tools, with a view to achieving a more targeted consumer outreach and improving operational and marketing efficiency. The Directors believe that these measures will bring a positive impact on the Group's financial performance of the snacks products sector in the long run. While the near-term outlook for the snacks products sector of the PRC remains challenging due to intense industry competition, 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 remain cautiously optimistic about the long term prospect of the Group's snacks products sector.

Enterprise Intelligent Services Segment

The demand for intelligent transformation in domestic industries continues to grow, and the implementation of enterprise intelligent agents is accelerating. However, competition in the AI enterprise service sector is intensifying, and the industry faces challenges in the short term, such as diverging customer budgets and longer project delivery cycles. The Group leverages its MaaS and RaaS dual-business synergy flywheel and its self-developed QNova full-domain AI platform, accumulating industry experience with over 400 leading clients, forming a stable growth foundation.

In the short to medium term, the Group will iterate its enterprise-level AI products, expand its government and enterprise channels, scale up the implementation of full-domain intelligent operation services, and simultaneously develop computing power support businesses to build a diversified revenue structure. It will also establish a data loop between the two major businesses to feed back into the underlying model, strengthening its zero-intrusion adaptation and compliant controllable technical barriers. While the increased number of industry participants and intensified market competition bring operational pressure in the short term, the long-term market space for enterprise-level intelligent agent services is ample. Based on years of multimodal commercial data accumulation, a rich product system, and a large customer base, management maintains a cautiously optimistic attitude towards the company's medium – to – long term development.

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

During the six months ended 30 June 2026, neither the Company nor its subsidiaries had purchased, sold or redeemed, any of the Company's listed securities (including sale or transfer of treasury shares).

As at 30 June 2026, the Company did not hold any treasury shares.

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 management the unaudited interim results for the six months ended 30 June 2026, the accounting principles and practices adopted by the Group and discussed internal control and financial reporting matters for the six months ended 30 June 2026.

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 six months ended 30 June 2026, 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 six months ended 30 June 2026.

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 six months ended 30 June 2026.

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 six months ended 30 June 2026.

PUBLICATION OF INTERIM REPORT

This interim results announcement is published on the websites of the Stock Exchange (http://www.hkexnews.hk) and the Company (http://www.lbxxgroup.com). The interim report of the Company for the six months ended 30 June 2026 containing all the information required by the Listing Rules will be despatched to Shareholders (if required) and made available on the aforesaid websites in due course.

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

Hong Kong, 28 August 2026

As at the date of this announcement, the Board comprises eight members of which Mr. Zheng Yu Long, Mr. Zheng Yu Shuang, Mr. Zheng Yu Huan and Ms. Wu Qiongyao are the executive Directors; Mr. Li Hung Kong is the non-executive Director; and Mr. Li Biao, Mr. Chung Yau Tong and Mr. So Ching Tung, JP are the 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.