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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)

**SUPPLEMENTAL ANNOUNCEMENT
IN RELATION TO THE DISCLOSEABLE TRANSACTION**

Financial Adviser



Shenwan Hongyuan Capital (H.K.) Limited

Reference is made to the announcement of Labixiaoxin Snacks Group Limited (the “**Company**”) dated 5 February 2026 in relation to the discloseable transaction (the “**Announcement**”). Capitalised terms used herein shall have the same meaning as those defined in the Announcement.

The Company would like to provide the following supplemental information in respect of the Announcement.

THE CONVERTIBLE BOND

Set out below are the adjustment mechanisms to the Conversion Price, all of which will only be triggered by corporate actions within the control of the Company:

In the case of consolidation, subdivision or re-classification of the Shares:

If and whenever any consolidation or sub-division or re-classification of the Shares occurs, the Conversion Price in force immediately prior thereto shall be adjusted by multiplying it by the following fraction:

$$\frac{A}{B}$$

where:

- A = the aggregate number of Shares in issue immediately before such consolidation, sub-division or reclassification; and
- B = the aggregate number of Shares in issue immediately after such consolidation, sub-division or reclassification.

Each such adjustment shall be effective from the close of business in Hong Kong on the day immediately preceding the date on which the consolidation or sub-division or re-classification becomes effective.

In the case of rights issues of Shares or options over Shares:

If and whenever the Company shall after the date of the issuance of the Convertible Bond offer to holders of Shares new Shares for subscription by way of rights, or shall grant to holders of Shares any options, warrants or other rights to subscribe for or purchase any Shares, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before the date of the announcement of such offer or grant (as the case may be) by the following fraction:

$$\frac{C + D}{C + E}$$

where:

C = the number of Shares in issue immediately before the date of such announcement;

D = the number of Shares which the aggregate amount (if any) payable for the rights, options or warrants and for the total number of new Shares comprised therein would purchase at the current market price per Share (being, in respect of the Shares on a particular date, the average closing price per Share quoted on the daily quotation sheet of the Stock Exchange for the five (5) consecutive Trading Days immediately preceding such date) (the “**Current Market Price**”); and

E = the aggregate number of Shares offered for subscription or comprised in the options or warrants or other rights

Such adjustment shall become effective (if appropriate retroactively) from the commencement of the day next following the record date for the offer.

In the case of issues at less than Current Market Price:

If and whenever the Company shall issue any Shares at a price per Share which is less than the Current Market Price at the date of the announcement of the terms of such issue, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before the date of such announcement by the following fraction:

$$\frac{F}{G}$$

where:–

F = the price per Share at which the Shares are issued; and

G = the Current Market Price at the date of the issue.

Such adjustment shall become effective on the date of the issue.

Where, following an adjustment to the Conversion Price pursuant to the conditions of the Convertible Bond, an issue of Shares is required which would exceed the limit on the allotment and issue of Shares in the General Mandate and which would not otherwise be validly authorised or resolved by appropriate corporate actions of the Company, the Company shall:

- (i) issue and deliver the number of Shares to which the Bondholder would have been entitled upon exercise of the Conversion Rights up to the maximum possible extent which would not exceed the limit on the allotment and issue of Shares in the General Mandate;
- (ii) use its best endeavours to obtain the requisite Board and Shareholder authorisations (including but not limited to obtaining a specific mandate from Shareholders) to allot and issue the relevant number of Shares that would be issuable upon exercise of the Conversion Rights in respect of the Convertible Bond at the adjusted Conversion Price (having taken into account of the Shares already issued and delivered as mentioned in (i) above);

(iii) if, after all the Shares have been issued pursuant (i) and (ii), the total number of Shares that are issued is still insufficient to satisfy all the shares that are required to be issued pursuant to the relevant conversion notice, immediately pay to the Bondholder an amount which is equal to the product of the following formula in to the registered account of the Bondholder:

Total number of outstanding Shares x the closing price of the Shares on the date of the conversion notice.

INFORMATION ON THE VENDOR

Based on information available in the public, Linhai Shuyun is owned as to approximately 26.25% by Linhai Bofeng Partnership, approximately 16.64% by Linhai Collaborative Innovation Quyun Venture Capital Partnership Enterprise (Limited Partnership)* (臨海市協同創新趣雲創業投資合夥企業(有限合伙)) (“**Linhai Collaborative Innovation Partnership**”) and 22 other shareholders who are Independent Third Parties with each of them holding less than 10% of equity interest in Linhai Shuyun.

Linhai Bofeng Partnership is owned as to approximately 39.84% by Ms. Wang Huihong (汪慧紅), 35.82% by Mr. Ren Feng (任鋒) (“**Mr. Ren**”), 16.80% by Mr. Yang Fan (楊帆) and 7.54% by Mr. Liu Xin (劉鑫). Linhai Collaborative Innovation Partnership is owned as to (i) approximately 79.49% by Linhai Jingyue Financial Investment Group Co., Ltd.* (臨海市靖越金融投資集團有限公司), which is ultimately owned as to 90% by Finance Bureau of Linhai City; (ii) approximately 19.23% by Hangzhou Qulin Technology Co., Ltd.* (杭州趣臨科技有限公司), which is owned as to 70% by Sun Hongling (孫紅玲) and 30% by Zhang Wei (張偉); and (iii) approximately 1.28% by Zhejiang Collaborative Innovation Investment Management Co. Ltd* (浙江協同創新投資管理有限公司), which is ultimately controlled by Wu Bin (吳彬).

INFORMATION ON THE TARGET GROUP

Beijing Qucloud was established in 2018 and has completed the development of its core technology, namely its full-stack enterprise-grade AI-native operating system (“**Enterprise AI-Native Operating System**”). This system comprises four mature architectural layers (L1: Quick Fabric for infrastructure, L2: Quick AI Data for data intelligence, L2.5: Quick Context for business understanding, L4: Quick Agent Factory for application delivery) and has been fully commercialised. The Enterprise AI Native Operating System enables enterprises to increase operating and marketing efficiency and reduce cost with its AI model capabilities. It supports the enterprises from operation and consumer/supply chain data collection and integration, business analysis and understanding, intelligent agent generation on contract signing, platform deployment and integration, marketing strategy formatting and implementation and ongoing after-sales technical support and service. Beijing Qucloud positions itself as an enterprise-grade AI-native operating system provider in the AI 2.0 era, with its core mission to act as enterprises’ intelligent infrastructure and deliver digital employees to address cognitive and execution gaps in AI transformation.

REASONS AND BENEFITS FOR THE SALE AND PURCHASE AGREEMENT

Business Model of Beijing Qucloud

Beijing Qucloud adopts a platform-based SaaS model. Operations cover end-to-end services for enterprise clients: data integration, business understanding, and intelligent agent generation. It provides dedicated account managers for one-on-one guidance and a 7×24-hour customer service team. It follows a standard B2B enterprise service process: customer qualification review, solution consultation and customization, contract signing, platform deployment and integration, and ongoing after-sales technical support and service.

The maturity and commercial readiness of Beijing Qucloud’s technology are demonstrated by its track record in revenue generation, profitability and successful deployment across multiple industries. In particular:

1. Proven Commercialisation and Financial Performance

In FY2025, Beijing Qucloud generated revenue of RMB109.7 million and gross profit of RMB55.9 million, representing a high gross margin of 51.0%.

This financial performance evidences that its core technologies are market-proven and commercially viable.

2. Established and High-Quality Client Base

In FY2025, Beijing Qucloud served 20 customers, including state-owned enterprises, listed companies and industry-leading corporates. Its top five customers contributed 67.3% of total revenue:

No.	Name	Revenue (RMB million)	Percentage to total revenue
1	Customer A	30.1	27.4%
2	Customer B	17.0	15.5%
3	Customer C	9.8	9.0%
4	Customer D	9.6	8.7%
5	Customer E	7.4	6.7%
Sub-total		73.8	67.3%

In FY2025, Beijing Qucloud also provided AI and digitalisation solutions to certain well-known companies listed on the Stock Exchange and the Shanghai Stock Exchange.

3. *Strong and Recognised R&D Capabilities*

Beijing Qucloud was awarded the Certificate of High and New Technology Enterprise (高新技術企業證書) by Beijing Municipal Science & Technology Commission, Beijing Municipal Finance Bureau and Beijing Municipal Tax Service, State Taxation Administration, and Provincial-level Specialized, Sophisticated, Unique and New Enterprise (專精特新中小企業(省級)) by Bureau of Economy and Information Technology of Beijing.

Beijing Qucloud's R&D activities are primarily focused on advancing its large-model technologies and further enhancing its full-stack Enterprise AI-Native Operating System. Current R&D projects relate to improvements in intelligent marketing (including content generation and advertising delivery algorithms), data management and analytics capabilities, and AI-driven e-commerce operational tools. As at the date of this announcement, Beijing Qucloud has 39 registered software copyrights and 10 additional applications pending.

In addition, Beijing Qucloud holds 6 registered patents and has 5 patent applications pending. The registered patents include, among others:

- (a) a polyhedron rotary advertisement display rack (一種多面體回轉型廣告展示架);
- (b) a data acquisition device for advertisement delivery servers (一種廣告投放服務器數據採集裝置);
- (c) an e-commerce commodity display device (一種電商商品展示裝置);
- (d) a real-time bidding sorting method, system, storage medium and electronic device designed to improve digital mall advertising conversion rates (提升數字商城廣告轉化效果的實時競價排序方法、系統、存儲介質和電子設備); and

- (e) an advertisement delivery strategy creation method, device, storage medium and electronic device (廣告投放策略創建方法、裝置、存儲介質和電子設備).

These patents illustrate the technical orientation and applied nature of the Beijing Qucloud's R&D activities.

In FY2025, Beijing Qucloud incurred total R&D expenses of RMB56.5 million, which primarily comprised:

- Salaries for R&D staff: RMB16.3 million, for a team of approximately 46 members;
- R&D outsourcing expenses: RMB25.7 million; and
- Computing power purchases: RMB14.5 million.

Looking ahead, Beijing Qucloud will continue to invest in R&D in order to integrate the latest AI developments into its models and system architecture. With major upgrades to its core models completed in FY2025, Beijing Qucloud expects improved R&D efficiency going forward, both in absolute spending and in R&D-to-revenue ratio. The R&D team was streamlined to approximately 23 members in 2026, which is expected to reduce R&D salary expenses. The level of R&D expenditure could be adjusted based on commercial needs, and Beijing Qucloud will manage such expenditure prudently in line with revenue growth. Beijing Qucloud also anticipates increases in operational efficiency that will lower the proportion of R&D outsourcing and computing power expenses relative to revenue.

The primary near-term milestone of Beijing Qucloud's R&D plan is to achieve profitability, driven by enhanced R&D efficiency, reduced incremental development costs and continued revenue growth supported by the upgraded technology stack.

The future development plans of Beijing Qucloud includes (i) deepen regional markets and empower industrial transformation: focus on the regional industries in Jinjiang of Fujian and Linhai of Zhejiang, acting as an industrial chain leader to accelerate digital transformation and build digital industrial clusters; (ii) strengthen R&D & expand application scenarios: continue to advance large-model technologies. With its Hive AI Content E-commerce Matching System has been exclusively adopted by multiple Douyin industrial belts, Beijing Qucloud will further expand high-value scenarios that reduce marketing costs and improve return on investment; and (iii) talent & team development: recruit and cultivate local talents in AI content marketing and influencer development in Jinjiang and Linhai to support its scalable growth. As enterprise demand shifts from AI tools to result-oriented digital employees, Beijing Qucloud's end-to-end AI-native OS solution is well-positioned to capture significant market share by helping enterprises achieve tangible cost reduction, efficiency improvement, and business innovation.

Profitability Path

The Board has also considered the net loss and net liabilities position of Beijing Qucloud. Beijing Qucloud operates an asset-light software model that does not require material capital expenditure beyond routine server and infrastructure upgrades. Its net liabilities position is primarily attributable to its accounting treatment and R&D-driven cost structure rather than solvency concerns. As at 31 December 2025, Beijing Qucloud's unaudited net liabilities were approximately RMB6.0 million, comprising of share capital of approximately RMB50.0 million, capital reserve of approximately RMB68.8 million and accumulated loss of approximately RMB124.8 million. The accumulated loss was mainly due to the high level of R&D expenses incurred. Beijing Qucloud recorded an unaudited EBITDA loss of RMB18.3 million for FY2025, which was primarily due to the R&D expenses of RMB56.5 million (with R&D expenses ratio of 51.6%), administrative expenses of RMB11.0 million and selling expenses of RMB6.9 million.

Beijing Qucloud is taking steps to improve cost efficiency following the completion of major development work in FY2025, which is expected to contribute to a gradual narrowing of losses, although the actual pace will depend on operating conditions. In light of these factors, the Board considers Beijing Qucloud's financial position to be manageable and not inconsistent with the commercial stage of similar AI technology enterprises.

The Board notes Beijing Qucloud’s internal expectation that its loss position may narrow meaningfully in 2026 and that the business may move closer to a break-even position in the medium term. The Board emphasises that this expectation is subject to various operational and market factors, and should not be regarded as a financial forecast. The basis for the Board’s view is as follows:

1. *Market environment*

The market for AI marketing in China continues to expand. According to “The 2025 AI Marketing New Paradigm Application Guide,” the market size is projected to reach RMB66.9 billion in 2025, representing a compound annual growth rate of 26.2% from 2020. Beijing Qucloud’s technology and commercial strategy, particularly its focus on AI-driven marketing solutions and expansion into industrial clusters, positions it to participate in this growth trend.

2. *Initial performance in 2026*

In the first two months of 2026, Beijing Qucloud has signed contracts with an aggregate value of approximately RMB34 million. This provides an early indication of business momentum for the year. Based on the current level of contracted orders, the Board considers it reasonable to expect a year-on-year increase in revenue in 2026 as compared to the RMB109.7 million recorded in FY2025.

3. *Improving R&D efficiency*

Beijing Qucloud incurred R&D expenses of RMB56.5 million in FY2025, reflecting significant investment to complete major product development work. With these milestones now largely achieved, Beijing Qucloud has implemented measures to improve R&D cost efficiency. The R&D team has been streamlined from approximately 46 members in FY2025 to approximately 23 members in 2026, which is expected to reduce salary expenses. Beijing Qucloud also anticipates that R&D outsourcing and computing power expenses will decline as a proportion of revenue as operational efficiency improves. Beijing Qucloud operates an asset-light software model that does not require material capital expenditure beyond routine server and infrastructure upgrades.

Taking into account the anticipated revenue growth and the initiatives to improve cost efficiency, the Board considers it reasonable that Beijing Qucloud's net loss position may continue to reduce. However, the actual timeframe for achieving profitability will depend on business performance, market conditions, and the pace of revenue generation and cost optimisation.

Expected Synergies of the Acquisition

The Board is of the view that the Acquisition is in the interests of the Company and the Shareholders, having considered the following factors:

1. Strategic transformation of the Group

The Group is a traditional snack enterprise facing growth limitations arising from reliance on a single product line, a slowing core business and consecutive years of net losses. To address these structural challenges, the Group has commenced a transition toward data-driven operations. Initiatives such as the development of a 5G+Smart Factory in cooperation with Black Lake Tech, Huawei Cloud and China Unicom have enabled full-process digital production tracking, one-code traceability, enhanced quality management and more efficient production decision-making. These initiatives have contributed to cost efficiencies and improved product competitiveness.

Acquiring a mature AI technology company provides an opportunity to accelerate this digital transformation. Compared to building an in-house AI team, the acquisition allows the Group to obtain established technologies, an experienced R&D and commercial team, and proven industry solutions at a lower time and cost commitment and with more predictable execution risks.

2. *Synergies to support business optimization*

Beijing Qucloud's AI models, tools and experience with consumer-facing industries are expected to assist the Group in applying data analytics for more precise marketing, consumption trend analysis and supply chain planning. These capabilities may help support improvements in sales efficiency, repurchase rates and product planning. Over the longer term, the Group and Beijing Qucloud aim to explore potential integration of consumer insights, product R&D and operational optimisation, contributing to the Group's competitiveness as the food industry becomes increasingly digitalised.

3. *Alignment with industry development trends*

Digitalisation and intelligentisation have become defining trends in the consumer goods and food sectors. Industry participants, including leading players such as Juewei Food, have already adopted or developed AI-based applications for business operations. In view of this landscape, the Board considers it important for the Group to strengthen its technological capabilities so that it can participate effectively in the sector's digital development and avoid structural competitive disadvantages. Acquiring an AI marketing company with an existing product suite and commercial experience supports this strategic need.

4. *Establishing a business segment with high gross margin characteristics*

Beijing Qucloud has achieved a record of commercialisation with meaningful revenue and high gross profit margins. Following Completion, its financial performance will be consolidated into the Group's results. The Board also believes that Beijing Qucloud may benefit from the Group's business connections in Jinjiang as well as the Company's listed status, which may assist it in gaining access to additional clients. These factors together may support the development of a second business line with the potential to contribute higher-margin revenue streams to the Group.

MEASURES IMPLEMENTED TO ENSURE CONTINUING OPERATION OF THE TARGET GROUP

The Board has considered the continuity of the Target Group's operations after Completion and has implemented, or will implement, a series of safeguards to ensure business stability and retention of key management personnel, including Mr. Ren and other core technical staff.

It is the intentions of the Board and Beijing Qucloud that the key management of Beijing Qucloud will be retained after Completion to continue to lead and monitor the business of Beijing Qucloud. In addition, the Board intends strengthen its expertise in the new business by inviting Mr. Ren, the president and chief technology officer of Beijing Qucloud who is also one of the ultimate beneficial owner of the Vendor, to be a Senior Management of the Group to periodically report the operations of Beijing Qucloud to the Board and participate in the corporate governance of the Group. Mr. Ren is a sophisticated entrepreneur and IT expert with extensive experience in internet, software, gaming, and smart hardware. He obtained a bachelor's degree majoring in computer science from Jilin University in 2002 and an EMBA degree from China Europe International Business School in 2016. His career includes senior technical and management roles at various tech-giants such as Yahoo China, Baidu, Qihoo 360, Baofeng Technology and Happy Elements.

1. Existing non-competition safeguards

Beijing Qucloud has entered into non-competition agreements with Mr. Ren and other key technical staff, under which they are restricted from engaging in any business that competes with Beijing Qucloud for a period of 24 months after the termination of their respective employment contracts. These arrangements help ensure that key technical know-how and client relationships remain within the Target Group.

2. Management agreement with Mr. Ren

The Target Company intends to enter into a management agreement with Mr. Ren prior to Completion. Key terms are expected to include:

- (i) Mr. Ren Feng remaining as part of the Target Group's core management team for at least three years following Completion; and
- (ii) eligibility for a discretionary bonus if the revenue of the Target Group (under PRC GAAP) reaches not less than RMB150 million, RMB200 million and RMB250 million for each of the financial years ending 31 December 2026, 2027 and 2028, respectively.

These measures aim to enhance management continuity and maintain operational oversight during the post-acquisition integration period.

3. Alignment of economic interests

The Board notes that:

- (i) Mr. Ren is an indirect shareholder of the Vendor through his approximately 35.82% interest in Linhai Bofeng Partnership, the largest shareholder of Beijing Shuyun; and
- (ii) upon Completion, the Vendor will hold the Consideration Shares and the Convertible Bonds.

Accordingly, the financial interests of the Vendor and Mr. Ren remain aligned with the long-term performance of Beijing Qucloud, which provides additional incentive for continued commitment to the development of the Target Group's business.

4. Operational safeguards for continuity of the Target Group's business

To ensure the uninterrupted operation of the Target Group's business, the Group will:

- (i) maintain and support the existing technical and management teams of the Target Group to ensure uninterrupted day-to-day operations;
- (ii) closely monitor the operational performance of the Target Group following Completion; and
- (iii) recruit additional experienced technical and management personnel where necessary to support ongoing development and operational needs.

These measures are designed to preserve business continuity and minimise execution risks associated with the integration of a technology-driven business.

Having considered the above (including contractual protections, incentive structures, alignment of interests with the Vendor, and the continuing involvement of the existing management team), the Board is of the view that there are adequate safeguards in place to retain Mr. Ren and other key personnel and to support the continuing operation of the Target Group after Completion.

THE VALUATION

As disclosed in the Announcement, in the course of the valuation, the Valuer identified a total of 12 comparable companies mainly engaged in the intelligent marketing, advertising or merchant businesses, which are subject to similar business, industry, economic risks and rewards as Beijing Qucloud.

Selection criteria of guideline public companies are listed as follows:

- a. Companies that are actively traded and publicly listed in Hong Kong and the PRC with market capitalization less than US\$729.92 million⁽¹⁾ because the valuer considers that small sized companies shall be adopted to reflect the small scale in operation of Beijing Qucloud;
- b. Shares of the guideline public companies are listed for more than 2 years because the valuer considers the market capitalization of those newly listed companies are relatively volatile. As such, at least 2 years of listing period was adopted as per the valuer's general practice;
- c. Companies that are engaged in either software or advertising and marketing sector with over 75% of the revenue is derived from at least one of the following⁽²⁾:
 - intelligent advertising, marketing or merchant service;
 - digital advertising, marketing or merchant service;
 - cloud advertising, marketing or merchant service;
 - internet advertising, marketing or merchant service;
 - online advertising, marketing or merchant service.

The valuer considers the above services are similar to the principal business of Beijing Qucloud and therefore they are subject to similar business, industry and economic risks and rewards as Beijing Qucloud.

- d. Over 75% of the revenue are generated in the PRC because the principal location of business of Beijing Qucloud is in the PRC;
- e. Companies that are recognizing normalized operating loss because Beijing Qucloud is recognizing operating loss;

Notes:

- ⁽¹⁾ This is the market capitalization cap of the group of smallest companies by market capitalization as per studies published by Kroll Cost of Capital Navigator.
- ⁽²⁾ In the course of the valuation, the valuer has excluded companies principally engaged in gaming, traditional enterprise software, traditional advertising and social media platform related businesses.

Based on the exhaustive search of the Refinitiv database using the criteria above, the 12 guideline public companies (exhaustive) are set out below:

Refinitiv Ticker	Company Name	Market capitalization as at 31 Dec 2025 (US\$'000)	Market capitalization as at 31 Dec 2025 (RMB '000)	Revenue (RMB '000)	Net income/(loss) ⁽³⁾ (RMB '000)	Net asset value (RMB '000)
1917. HK	Doumob	35,466	248,014	56,789 ⁽⁴⁾	(14,781) ⁽⁴⁾	38,721 ⁽⁴⁾
2392. HK	Xuan Wu Cloud Technology Holdings Ltd	82,997	580,409	914,715 ⁽⁴⁾	(12,516) ⁽⁴⁾	306,665 ⁽⁴⁾
2422. HK	Rego Interactive Co Ltd	221,714	1,550,467	264,208 ⁽⁴⁾	(61,061) ⁽⁴⁾	338,435 ⁽⁴⁾
6610. HK	Flowing Cloud Technology Ltd	21,392	149,597	928,647 ⁽⁴⁾	(230,683) ⁽⁴⁾	1,319,213 ⁽⁴⁾
6696. HK	Many Idea Cloud Holdings Ltd	50,084	350,239	1,971,892 ⁽⁴⁾	(253,317) ⁽⁴⁾	442,039 ⁽⁴⁾
8083. HK	Youzan Technology Ltd	581,021	4,063,140	1,469,551 ⁽⁴⁾	(86,655) ⁽⁴⁾	1,140,367 ⁽⁴⁾
300242.SZ	Jiayun Technology Inc	453,701	3,172,776	2,143,732 ⁽⁵⁾	(94,216) ⁽⁵⁾	264,246 ⁽⁵⁾
300612.SZ	Shunya International Martech Beijing Co Ltd	459,581	3,213,895	511,140 ⁽⁵⁾	(31,827) ⁽⁵⁾	490,244 ⁽⁵⁾
600539.SS	Lionhead Technology Development Co Ltd	334,672	2,340,396	490,616 ⁽⁵⁾	(26,457) ⁽⁵⁾	317,854 ⁽⁵⁾
603598.SS	Inly Media Co Ltd	654,913	4,579,874	8,317,779 ⁽⁵⁾	(17,251) ⁽⁵⁾	208,427 ⁽⁵⁾
603825.SS	Hylink Digital Solutions Co Ltd	328,073	2,294,245	1,195,291 ⁽⁵⁾	(588,885) ⁽⁵⁾	164,409 ⁽⁵⁾
688500.SS	HCR Co Ltd	664,702	4,648,331	488,272 ⁽⁵⁾	(35,345) ⁽⁵⁾	712,423 ⁽⁵⁾

Table 1: Comparable guideline public companies

Source: Refinitiv

Note:

⁽³⁾ *This is the income available to common shareholders excluding extraordinary items according to Refinitiv*

⁽⁴⁾ *As at 30 June 2025 or for the trailing twelve months ended 30 June 2025*

⁽⁵⁾ *As at 30 September 2025 or for the trailing twelve months ended 30 September 2025*

For details of the nature and location of the principal businesses of the above guideline public companies, please refer to the following:

Refinitiv Ticker	Company Name	Principal business activities and principal location of business
1917.HK	Doumob	According to the annual report for the year ended 31 December 2024, approximately 77% of the revenue was derived from online marketing services, and 100% of its revenue was derived in the PRC during the year ended 31 December 2024.
2392.HK	Xuan Wu Cloud Technology Holdings Ltd	According to the annual report for the year ended 31 December 2024, 100% of the revenue was derived from the intelligent cloud marketing, sales to after-sales management services, and 100% of its revenue was derived in the PRC during the year ended 31 December 2024.
2422.HK	Rego Interactive Co Ltd	According to the annual report for the year ended 31 December 2024, 100% of the revenue was derived from the digital marketing services, and 100% of its revenue was derived in the PRC during the year ended 31 December 2024.

Refinitiv Ticker	Company Name	Principal business activities and principal location of business
6610.HK	Flowing Cloud Technology Ltd	According to the annual report for the year ended 31 December 2024, approximately 76% of the revenue was derived from the AR & VR and integrated marketing services, and approximately 85% of its revenue was derived in the PRC during the year ended 31 December 2024.
6696.HK	Many Idea Cloud Holdings Ltd	According to the annual report for the year ended 31 December 2024, approximately 81% of the revenue was derived from the digital marketing services, and 100% of its revenue was derived in the PRC during the year ended 31 December 2024.
8083.HK	Youzan Technology Ltd	According to the annual report for the year ended 31 December 2024, approximately 100% of the revenue was derived from the intelligent merchant services, and approximately 100% of its revenue was derived in the PRC during the year ended 31 December 2024.
300242.SZ	Jiayun Technology Inc	According to the annual report for the year ended 31 December 2024, approximately 91% of the revenue was derived from the internet marketing services, and 100% of its revenue was derived in the PRC during the year ended 31 December 2024.

Refinitiv Ticker	Company Name	Principal business activities and principal location of business
300612.SZ	Shunya International Martech Beijing Co Ltd	According to the annual report for the year ended 31 December 2024, approximately 100% of the revenue was derived from the internet marketing services, and 100% of its revenue was derived in the PRC during the year ended 31 December 2024.
600539.SS	Lionhead Technology Development Co Ltd	According to the annual report for the year ended 31 December 2024, approximately 89% of the revenue was derived from the e-commerce distribution and agency operation services, and approximately 97% of its revenue was derived in the PRC during the year ended 31 December 2024.
603598.SS	Inly Media Co Ltd	According to the annual report for the year ended 31 December 2024, approximately 98% of the revenue was derived from the digital marketing services, and approximately 99% of its revenue was derived in the PRC during the year ended 31 December 2024.
603825.SS	Hylink Digital Solutions Co Ltd	According to the annual report for the year ended 31 December 2024, approximately 100% of the revenue was derived from the internet advertising and marketing services, and approximately 89% of its revenue was derived in the PRC during the year ended 31 December 2024.

Refinitiv Ticker	Company Name	Principal business activities and principal location of business
688500.SS	HCR Co Ltd	According to the annual report for the year ended 31 December 2024, 100% of the revenue was derived from the intelligent marketing services, and approximately 99% of its revenue was derived in the PRC during the year ended 31 December 2024.

The valuer had implemented several criteria throughout the selection process of the guideline public companies to ensure the selected guideline public companies are fair and appropriate to be taken into consideration for the valuation of Beijing Qucloud:

- a.) Only those comparable companies which are recognizing operating loss were considered because Beijing Qucloud was also recognizing operating loss.
- b.) Only those comparable companies which are principally operated in the PRC were considered as they all share similar geographic risks as Beijing Qucloud.
- c.) Large scale comparable companies (those companies having market capitalization higher than micro capitalization i.e. US\$729.92 million) were excluded to reflect that Beijing Qucloud has small scale in operation.

The valuer considers that the selected guideline public companies, together with Beijing Qucloud, are subject to similar fluctuations in the economy and performance of the intelligent marketing or advertising industry, among other factors, including specific risk of the loss making status of Beijing Qucloud, the geographic risk where Beijing Qucloud operates and also the small scale in operation of Beijing Qucloud. As such, the valuer considers the selected guideline public companies are all fair and appropriate as they are all confronted with similar risks and rewards to Beijing Qucloud and no further adjustment shall be made to the multiples as derived from the guideline public companies.

In addition to the selection process, given that that the selected guideline public companies are all trading at minority stake positions without taking into account of any control premium but the Company intends to acquire 100% equity interest of Beijing Qucloud in this case, a control premium of 23.8% based on research published by FactSet/BVR Control Premium Study⁽⁶⁾ was applied to the valuation of Beijing Qucloud to reflect the degree of control associated with a 100% equity interest of Beijing Qucloud.

Note:

⁽⁶⁾ *FactSet/BVR Control Premium Study is a study examining transactions whereby 50.01% or more of a company was acquired. FactSet/BVR Control Premium Study is published by FactSet, a multinational financial data and software company founded in 1978, went public in 1996 and currently dual listed on the New York Stock Exchange and the NASDAQ. FactSet provides financial information and analytic software for investment professionals. According to FactSet website, data of FactSet was used by AP Associated Press, Barrons's, CNNMoney.com, The Wall Street Journal, MarketWatch from DowJones, etc.*

The valuer had further adopted a lack of marketability discount of approximately 20.4% as ownership interest in closely held companies are typically not readily marketable compared to similar interest in publicly listed companies. Therefore, a share of stock in a privately held company is usually worth less than an otherwise comparable share in a publicly held company. The discount of 20.4% was determined with reference to Stout Restricted Stock Study Companion Guide (2024 Edition)⁽⁷⁾.

Note:

⁽⁷⁾ *Stout Restricted Stock Study Companion Guide consists of over 750 restricted stock transactions with distinct transaction and company characteristics on which comparisons to a subject company can be made. The study represents the most widely used and accepted database available to valuers for lack of marketability discount determination.*

In computing the market value of Beijing Qucloud, the valuer has adjusted the assessed value for the cash and debts of Beijing Qucloud as at 31 December 2025. Based on the latest available financial information, the cash and debts were as follows:

	<i>(RMB'000)</i>
Cash	108
Debts	(27,210)

* *Figures above are subject to rounding*

Under the EV/S ratio, the mean excluding outliers of the EV/S ratio of the guideline public companies was approximately 1.84x. By applying the revenue of approximately RMB109,658,000 of Beijing Qucloud for the year ended 31 December 2025, it results in an indicated value of approximately RMB201,576,000. After the adjustments for control premium, lack of marketability discount, cash and debts, the market value of 100% equity interest of Beijing Qucloud as at the Valuation Date was approximately **RMB171,541,000 (RENMINBI ONE HUNDRED AND SEVENTY ONE MILLION FIVE HUNDRED AND FORTY ONE THOUSAND ONLY)**. The calculation is tabulated as follows:

	<i>(RMB)</i>
Applied EV/S ratio	1.84x
Multiplication factor (year ended 31 December 2025)	<u>109,658,000</u>
	201,576,000
Adjustments:	
Add: Control premium	<u>47,975,000</u>
	249,551,000
Less: Lack of marketability discount	<u>(50,908,000)</u>
	198,643,000
Add: Cash	108,000
Less: Debts	<u>(27,210,000)</u>
Market value of 100% equity interest	<u><u>171,541,000</u></u>

* *Figures above are subject to rounding*

The Board has carefully reviewed the valuation report on the 100% equity interest in Beijing Qucloud (the “**Business Enterprise**”) and, having considered the methodology, assumptions, inputs and the prevailing market context, concurs that the valuation conclusion is fair and reasonable and in the best interests of the Company and the Shareholders as a whole.

(a) Overall methodology and basis

The valuer has adopted the Market Approach, using the Guideline Public Company Method and EV/Sales multiple, and has explicitly considered and rejected the Income Approach and the Asset Approach for basis which are reasonable to the Board. The Income Approach is not applied due to the unavailability of independent long-term financial forecasts for Beijing Qucloud, which is at a relatively early stage of growth and currently loss-making. This would render discounted cash flow projections highly judgmental and potentially misleading.

The Asset Approach is not adopted because Beijing Qucloud is an asset-light, SaaS-based company whose value resides in its ability to generate future earnings and cash flows from its software platform, data capabilities and AI-driven solutions, rather than in the replacement cost of its tangible assets. This is consistent with established valuation practice for technology and SaaS businesses. In this context, the Board agrees that a Market Approach anchored in observed market valuations of broadly similar listed companies is an appropriate method.

Within the Market Approach, the use of EV/Sales is also appropriate because Beijing Qucloud’s current operating loss and net liability position and the fact that earnings-based multiples (P/E, EV/EBIT) and book-value multiples (P/B) would not be meaningful or representative for an asset-light, loss-making enterprise. Revenue is less affected by capital structure and non-cash accounting items and is a widely accepted reference metric for valuing high-growth technology companies.

(b) Guideline public companies and lack of perfect comparables

The Board notes that, given Beijing Qucloud’s specific positioning as an AI-enabled, data-driven intelligent marketing SaaS platform, there are no listed companies that are perfectly comparable in terms of business model, AI maturity, customer mix and scale. The valuer has, however, conducted an extensive search and identified 12 guideline public companies in Hong Kong and the PRC that meet a set of stringent and relevant criteria, including: (i) active trading and listing in Hong Kong or the PRC; (ii) market capitalisation below the Kroll “smallest size” cap to align with Beijing Qucloud’s relatively small scale; (iii) over 75% revenue from intelligent/digital/cloud/internet/online advertising, marketing and/or merchant services which is broadly comparable to Beijing Qucloud’s principal business; (iv) predominant revenue generation in the PRC; and (v) recognition of normalised operating losses.

These criteria focus the peer set on businesses that operate in substantially the same broad industry space, face similar macro-economic and regulatory conditions in the PRC, and exhibit comparable loss-making profiles. While the Board acknowledges that there are differences in AI-related development, business models, sectors of emphasis and customer bases among these companies, it is satisfied that, taken as a group, they provide a reasonable market reference for Beijing Qucloud’s risk and return characteristics in the absence of perfect matches.

The guideline public companies are all providing advertising, marketing or merchant-related services by adopting AI to enhance existing services which are all at constant development and scaling stage and none of them have fully completed any matured AI model. Given that Beijing Qucloud is also actively building, refining and embedding AI into its business models, the Boards concurs that the AI development of the guideline public companies align closely with Beijing Qucloud.

The guideline public companies are all generally offering software-based marketing solutions as the core business, which mainly include precise advertising and providing standardized or customized SaaS products such as programs for e-commerce, smart store management systems, intelligent customer service systems and formulation of market strategies, etc. These companies commonly emphasize their technological capabilities, such as using big data for user profiling, optimizing marketing effectiveness through AI, and providing immersive marketing experiences. Given that Beijing Qucloud also focuses on data-driven SaaS, advertising, marketing automation, and merchant services, the Board concurs that the business model, area of focus and product or services as provided by the guideline public companies aligns closely with Beijing Qucloud.

The guideline public companies are all principally operated in the PRC. The Board concurs that the principal place of operation of the guideline public companies aligns closely with Beijing Qucloud.

The guideline public companies all target enterprise clients, merchants, and advertisers, offering platforms for customer engagement, marketing automation, and digital transformation, which are mainly concentrated in the consumer goods, financial, internet, government enterprises, e-commerce platform, technology, media, telecom (TMT) and automotive industries. The Board concurs that the customer focus of the guideline public companies also aligns closely with Beijing Qucloud.

The Board further notes that the valuer has reduced the differences within the comparable group by taking out companies whose EV/Sales are more than one standard deviation away from the average, and then using the adjusted average of 1.84x. This could prevent valuation from two extremes (very high and very low ends), from distorting the result which gives from reasonable figure for a mixed group of similar companies.

(c) Consideration of AI maturity, business model and customer/product differences

The Board is aware that Beijing Qucloud may differ from individual peers in terms of AI maturity and that some guideline public companies may be more weighted towards media/traffic operations or agency services. However, it also recognises that certain peers may be more mature, larger or enjoy stronger ecosystems, while others may be more traditional or less differentiated, trading at lower multiples.

By using a diversified basket of 12 companies rather than relying on a handful number of comparables, and by trimming outliers, the valuer has balanced these various differences by adopting 1.84x EV/Sales reflects an aggregate market view of small-cap PRC digital/marketing/advertising technology companies with loss-making profiles. The Board considers this aggregation, combined with the conservative statistical treatment to be fair and reasonable.

(d) Market-capitalisation dispersion and size considerations

The Board has noted the range in market capitalisation of the guideline public companies, from approximately RMB149.6 million to RMB4.6 billion. While this reflects certain dispersion, the Board accepts the valuer's approach because (i) the overall cap at the Kroll "smallest size" level ensures that all peers are genuinely small-mid-cap and therefore more comparable to Beijing Qucloud than large-cap technology companies; (ii) the use of a mean excluding outliers moderates this spread and delivers a central tendency measure that is not distorted by the largest or smallest companies in the sample.

On balance, and on the basis of best-available market data, the Board considers that the effect of market capitalisation dispersion has been reasonably addressed. The Boards acknowledges that the valuer had adopted reasonable measurement base and adjustment to narrow down the variations of the multiples and therefore concurs that the selected guideline public companies are all fair and reasonable.

(e) Adjustments for control, marketability, cash and debt

The Board notes that the valuer has taken specific steps to adjust the market-based EV/Sales indication (which reflects minority, marketable interests in listed companies) to a controlling, non-marketable interest in a private company. The valuer has: (i) applied a 23.8% control premium with reference to FactSet/BVR Control Premium Study; (ii) applied a 20.4% discount for lack of marketability with reference to Stout Restricted Stock Study Companion Guide(2024 Edition); and (iii) adjusted for Beijing Qucloud's actual cash and debt as at 31 December 2025.

The Board notes that the independent valuer adopted a reasonable adjustment for control premium and lack of marketability by reference to empirical study that are commonly adopted for valuation of similar transaction which are fair and reasonable.

(f) Conclusion

Taking into account:

- the nature of Beijing Qucloud as an asset-light, AI-enabled SaaS company operating in the intelligent marketing and advertising space in the PRC;
- the comparison with a broader and carefully filtered, peer group of 12 guideline public companies;
- the conceptual appropriateness of the Market Approach and EV/Sales multiple for a loss-making technology enterprise;
- the reasonableness of the selection criteria, statistical treatment of outliers and adjustments for control, marketability, cash and debt; and

- the valuer's compliance with recognised international valuation standards and reliance on established empirical studies for key adjustments,

the Board is of the view that the methodology, assumptions and inputs adopted by the valuer and that the resulting valuation of approximately RMB171.5 million for the 100% equity interest in Beijing Qucloud is fair and reasonable.

Accordingly, the Board considers that relying on this valuation as one of the principal bases for assessing the proposed acquisition of Beijing Qucloud is in the interests of the Company and its shareholders.

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

Hong Kong, 18 March 2026

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

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

* *For illustration purpose only.*