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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)

LETTER OF INTENT IN RELATION TO THE POTENTIAL DISPOSAL

This announcement is made by Labixiaoxin Snacks Group Limited (the "**Company**") pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong).

The board (the "**Board**") of the directors of the Company (the "**Directors**") is pleased to announce that on 18 May 2018 (after trading hours), the Company, Labixiaoxin (Fujian) Food Stuff Industry Co., Ltd. ("**Labixiaoxin Fujian**"), a limited liability company established under the laws of the People's Republic of China (the "**PRC**") and an indirectly wholly-owned subsidiary of the Company, entered into a letter of intent (the "**LOI**") with Fujian Jinjiang Ou Dian Supply Chain Management Company Limited（福建省晉江市歐點供應鏈管理有限公司） ("**Ou Dian**"), a limited liability company established under the laws of the PRC, pursuant to which OU Dian (or through its related or designated company), as purchaser, intends to acquire and Labixiaoxin Fujian, as vendor, intends to dispose (the "**Potential Disposal**") of the land located at Jinjian Food Industrial Park（晉江市食品產業園）with a total site area of approximately 100,000 square meters together with the buildings thereon with an aggregate site area of approximately 106,000 square meters (the "**Assets**").

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Ou Dian and its ultimate beneficial owner are third parties independent of and not connected with the Company and its connected persons.

Pursuant to the LOI, the parties agreed that they shall negotiate in good faith and endeavour to enter into a legally binding sale and purchase agreement in respect of the Potential Disposal. Pursuant to the LOI, Ou Dian has been granted a 60 days exclusive negotiation period (hereinafter referred to as "**Exclusivity Period**"), during which there will be further negotiation between the parties in respect of the Potential Disposal and Ou Dian will arrange to conduct a due diligence review on, among others, the financial, legal and valuation aspects of the Assets and that the Company and Labixiaoxin Fujian shall not enter into any discussion with any other persons in respect of the Potential Disposal.

The Board would like to emphasize that the LOI is non-legally binding in nature (save for the usual provisions relating to, among others, the Exclusivity Period, confidentiality, expenses and governing law), and that no legally binding agreement in respect of the Potential Disposal has been entered into by the Company with any party as at the date of this announcement.

If the Potential Disposal materialises, it may constitute a notifiable transaction for the Company under the Listing Rules. Further announcement(s) in relation to the Potential Disposal will be made by the Company as and when appropriate in compliance with the Listing Rules.

WARNING

As the Potential Disposal may or may not materialise, shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
Mr. Zheng Yu Huan
Chairman

Hong Kong, 18 May 2018

As at the date of this announcement, the Board comprises eight members, of which Mr. Zheng Yu Long, Mr. Zheng Yu Shuang and Mr. Zheng Yu Huan are the executive Directors, Mr. Li Hung Kong and Mr. Ren Yunan are the non-executive Directors and Mr. Li Zhi Hai, Ms. Sun Kam Ching and Mr. Chung Yau Tong are the independent non-executive Directors.