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HIFOOD GROUP HOLDINGS CO., LIMITED

海福德集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 442)

(1) ANNOUNCEMENT PURSUANT TO RULE 3.7 OF THE TAKEOVERS CODE, RULE 13.09 OF THE LISTING RULES AND INSIDE INFORMATION PROVISIONS UNDER PART XIVA OF THE SECURITIES AND FUTURES ORDINANCE; (2) RESUMPTION OF TRADING

This announcement is made by Hifood Group Holdings Co., Limited (the “**Company**”) pursuant to Rule 3.7 of The Hong Kong Code on Takeovers and Mergers (the “**Takeovers Code**”), Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcements of the Company dated 23 June 2021 and 23 July 2021 (the “**Announcements**”). Capitalised terms used herein shall have the same meanings as those defined in the Announcements, unless specified otherwise.

MEMORANDUM OF UNDERSTANDING

The Board was informed by the Receivers that, the Receivers have entered into a memorandum of understanding (the “**MOU**”) with an independent third party (the “**Potential Purchaser**”) on 24 August 2021 in relation to the possible sale and purchase of the Charged Shares (the “**Possible Transaction**”), which, if materialised, may lead to a change in control of the Company and a mandatory general offer under Rule 26.1 of the Takeovers Code for all the issued Shares (other than those already owned or agreed to be acquired by the Potential Purchaser and the parties acting in concert with it).

Pursuant to the MOU, the Receivers and the Potential Purchaser (the “**Parties**”) shall negotiate and enter into a formal sale and purchase agreement (the “**Formal Agreement**”) in relation to the Possible Transaction within 21 days after the date of the MOU (or such other date as the Parties may agree) (the “**Exclusivity Period**”).

Pursuant to the MOU, the Potential Purchaser shall pay to the Receivers an earnest money (the “**Earnest Money**”) in the sum of HK\$20,000,000 within 7 business days from the date of the MOU. In the event that the Formal Agreement is entered into by the Parties within the Exclusivity Period, the Earnest Money shall be applied to the amount payable by the Potential Purchaser as specified in the Formal Agreement.

Save and except for the provisions of the MOU relating to the Earnest Money, exclusivity, confidentiality, costs and expenses, notices and governing laws which are legally binding, other provisions of the MOU (including but not limited to those relating to entering into the Formal Agreement and the proposed consideration) are not legally binding.

MONTHLY UPDATE

In accordance with Rule 3.7 of the Takeovers Code, monthly announcement(s) should be made until announcement of firm intention to make an offer under Rule 3.5 of the Takeovers Code or of a decision not to proceed with an offer under the Takeovers Code is made. The Company will make further announcement(s) in relation to the Possible Transaction as and when appropriate in accordance with the requirements of the Listing Rules and the Takeovers Code.

DEALING DISCLOSURE

For the purpose of the Takeovers Code, the offer period has commenced on 13 March 2020. As at the date of this announcement, the Company has a total issued share capital of 172,600,000 Shares. Other than the aforesaid, the Company has no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) as at the date of this announcement. Associates (having the meaning given to it under the Takeovers Code, including persons holding 5% or more of any class of relevant securities of the Company) of the Company are reminded to disclose their dealings in the relevant securities of the Company under Rule 22 of the Takeovers Code.

RESPONSIBILITIES OF STOCKBROKERS, BANKS AND OTHER INTERMEDIARIES

In accordance with Rule 3.8 of the Takeovers Code, reproduced below is the full text of Note 11 to Rule 22 of the Takeovers Code:

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates of an offeror or the offeree company and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than \$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

RESUMPTION OF TRADING IN THE SHARES

Trading in the Shares of the Company on the Stock Exchange has been halted with effect since 25 August 2021 on 9:00 a.m. pending the release of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 1:00 p.m. on 25 August 2021.

WARNINGS:

There is no assurance that the Receivership will result in a change of controlling shareholder and will it lead to general offers under Rule 26.1 of the Takeovers Code for the securities of the Company. There is also no assurance that the Possible Transaction will materialise or eventually be consummated and the relevant discussions may or may not lead to a general offer under Rule 26.1 of the Takeovers Code. The Possible Transaction may or may not proceed. Shareholders and potential investors should exercise extreme caution when dealing in the securities of the Company. If they are in any doubt about their position, they should consult their professional adviser(s).

By order of the Board
Hifood Group Holdings Co., Limited
Su Zhiyi
Chairman and Executive Director

Hong Kong, 25 August 2021

As at the date of this announcement, the executive Directors are Mr. Su Zhiyi, Mr. Xiong Cong and Mr. Cai Si; the non-executive Directors are Ms. Mary Ang Mei Lee and Mr. Tom Xie; and the independent non-executive Directors are Mr. Ting Tit Cheung, Mr. Chan Chi Kuen, Mr. Lo Chun Pong, Mr. Yau Pak Yue, Mr. Chung Wai Man and Mr. Ning Rui.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquires, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statements in this announcement misleading.