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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)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO THE ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2021

References are made to the annual report of Hifood Group Holdings Co., Limited (the “**Company**“, together with its subsidiaries, the “**Group**”) for the year ended 31 March 2021 published on 21 July 2021 (the “**2021 Annual Report**”), the announcements of the Company dated 17 July 2019, 16 August 2019 and 19 August 2019 (the “**Announcements**”), and the circular dated 19 September 2019 (the “**Circular**”). Terms used herein shall have the same meanings as defined in the 2021 Annual Report, the Announcements and the Circular unless the context requires otherwise.

The board of directors of the Company (the “**Board**”) would like to provide further information to the 2021 Annual Report to update on the paragraph headed “Significant Investments Held” in the section headed “Management Discussion and Analysis” of the 2021 Annual Report pursuant to paragraph 32(4A) of Appendix 16 and Chapter 14 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

As at 31 March 2021, the Group held financial assets at fair value through profit or loss in the amounts of approximately HK\$112,596,000 as non-current assets, representing approximately 49.27% of its total assets.

The financial assets at fair value through profit or loss consist of Hong Kong listed equity securities in the amounts of approximately HK\$95,485,000, representing approximately 41.78% of its total assets, and a life insurance policy in the amounts of approximately HK\$17,111,000, representing approximately 7.49% of its total assets. Particulars of Hong Kong listed equity securities are set out below:

Name	Place of incorporation	HK stock code	Date of acquisitions	Number of acquired shares as at 31 March 2021	Proportion of acquired shares in the total issued share capital of investee as at 31 March 2021	Cost (exclusive of transaction costs) HK\$'000	Principal activities	Fair value		For the year ended 31 March 2021	
								As at 31 March 2021 HK\$'000	Percentage to the Group's total assets %	Unrealised gain/(loss) on change in fair value HK\$'000	Dividend income HK\$'000
China Automobile New Retail (Holdings) Limited (the former name is "Lisi Group (Holdings) Limited") ("China Auto NR")	Bermuda	0526	11 and 16 July 2019	86,672,000	Approximately 1.08%	68,789	Provision of car trading platform related services, trading of imported cars, manufacturing and trading of household products, operation of supermarkets, wholesale of wine and electrical appliances and investments holding	7,714	3.37	(36,489)	-
China U-Ton Future Space Industrial Group Holdings Limited (the former name is "China U-Ton Holdings Limited") ("U-Ton Future")	Cayman Islands	6168	11 July and 14 August 2019	200,540,000	Approximately 7.01%	69,658	Provision of design, deployment and maintenance of optical fibers services, the provision of other communication networks services, the provision of environmentally intelligent technical products and services and the money lending services	35,896	15.71	(26,271)	-
Xiezhong International Holdings Limited ("Xiezhong International") (Note)	Cayman Islands	3663	11 July and 14 August 2019	19,296,000	Approximately 2.41%	36,390	(i) Design, production and sale of automotive heating, ventilation and cooling systems and a range of automotive HVAC components and rendering of services; and (ii) 4S dealership business	13,700	5.99	(9,455)	-
China Fordoo Holdings Limited ("Fordoo")	Cayman Islands	2399	11 July 2019	6,980,000	Approximately 0.36%	14,746	Design, sourcing, manufacturing and sales of its branded menswear products	27,990	12.25	14,169	-
Redsun Properties Group Limited ("Redsun")	Cayman Islands	1996	14 August 2019	3,500,000	Approximately 0.11%	8,470	Property development, commercial property investment and operations, and hotel operations	10,185	4.46	1,330	434
Total						<u>198,053</u>		<u>95,485</u>	<u>41.78</u>	<u>(56,716)</u>	<u>434</u>

Note: Based on the announcements of Xiezhong International and the scheme document jointly issued by Brilliance International Holding Limited, Golden Fair Chemical (Holding) Limited and Xiezhong International on 24 May 2021 (the "Scheme Document"), a proposal (the "Proposal") for the privatisation of Xiezhong International by way of a scheme of arrangement under Section 86 of the Companies Act (the "Scheme") was made on 26 February 2021. Pursuant to the announcement of Xiezhong International dated 5 July 2021, the Proposal becomes unconditional and the Scheme becomes effective, the withdrawal of the listing of the Shares on the Stock Exchange becomes effective from 7 July 2021. Please refer to the announcements of Xiezhong International for further details. Cheques of approximately HK\$15,437,000 for cash payment under the Scheme was received on 15 July 2021 which was intended to be used as general working capital purposes of the Group.

On 18 June 2020, the Board of Directors approved the Hong Kong listed equity securities would be held for long term purpose. The Group will continue to be on the search for new opportunities both locally and abroad, which is expected to provide an additional boost to our future growth. Hong Kong listed equity securities are still attractive investment and can enhance the returns on investment for the Group in long term. The Board did not alter the Group's investment strategy due to short-term market volatilities.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the acquisition of shares in China Auto NR and Xiezhong International exceeds 5% but all the applicable percentage ratios are less than 25%, the acquisition of shares in China Auto NR and Xiezhong International constituted a discloseable transaction of the Company and was therefore subject to the notifiable transactions and announcement requirements under Chapter 14 of the Listing Rules. The Company has complied with the relevant notifiable transactions and announcement requirements under Rule 14.34 of the Listing Rules in respect of the acquisition of shares in China Auto NR and Xiezhong International, as and when such obligations arose. Please refer to the announcements of the Company dated 27 July 2019 and 16 August 2019 for further details.

As one of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the purchase U-Ton Future exceeds 25% but all of the applicable percentage ratios are less than 100%, the acquisition of shares in U-Ton Future constituted a major transaction for the Company and was therefore subject to the reporting, announcement, and approval by shareholders requirements under Chapter 14 of the Listing Rules. As far as the Company is aware, none of the major shareholders of the Company is materially interested in the acquisition of shares in U-Ton Future. Therefore, under Rule 14.44 of the Listing Rules, as no major shareholder of the Company is required to abstain from voting if the Company were to convene a general meeting for approving the acquisition of shares in U-Ton Future, written approval has been obtained from HNA Aviation Investment Holding Company Ltd. in lieu of holding a general meeting. The Company has complied with the relevant notifiable transactions and announcement requirements under Rule 14.34 of the Listing Rules in respect of the acquisition of shares in U-Ton Future, and publication of circular requirements under Rule 14.38A of the Listing Rules in respect of the acquisition of shares in U-Ton Future, as and when such obligations arose. Please refer to the Circular of the Company dated 19 September 2019 for further details.

As all the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the acquisition of shares in of Fordoo and Redsun are less than 5%, the acquisition of shares in of Fordoo and Redsun did not constitute a discloseable transaction of the Company and was therefore not subject to the notifiable transactions and announcement requirements under Chapter 14 of the Listing Rules.

Pursuant to paragraph 32(4A) of Appendix 16 to the Listing Rules, the Company should have provided information in respect of its financial assets at fair value through profit or loss with a value of 5% or more of the Group's total assets as at 31 March 2021. The Company acknowledges that certain information in respect of its financial assets at fair value through profit or loss had been omitted due to its unintentional oversight.

The Board confirmed that, save as disclosed in this announcement, the content of the 2021 Annual Report remains correct and unchanged.

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

Hong Kong, 15 September 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.