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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)**

### **ANNOUNCEMENT MADE PURSUANT TO RULES 13.51(2)(s) AND 13.51B(2) OF THE LISTING RULES**

This announcement is made by the board (the “**Board**”) of directors (the “**Directors**”) of Hifood Group Holdings Co., Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) to announce the change of information of Director pursuant to Rules 13.51(2)(s) and 13.51B(2) of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited.

According to a press release of the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) dated 5 May 2022, Mr. Chan Wai Dune (“**Mr. Chan**”), a non-executive Director of the Company and CCIF CPA Limited (“**CCIF**”), in which Mr. Chan was then the engagement director, among others respondents, were reprimanded by a Disciplinary Committee (the “**Disciplinary Committee**”) of the HKICPA for their failure or neglect to observe, maintain or otherwise apply professional standards issued by the HKICPA in relation to the preparation of the consolidated financial statements of a listed company in Hong Kong and its subsidiaries for the year ended 31 December 2005 (the “**Reprimand**”). The deficiencies found in the audits included failures to carry out audit planning and risk assessment on revenue, to properly evaluate evidence of revenue obtained from certain parties who had apparently acted only as agents for ultimate customers, and to assess the impact of the main customer’s recurring non-response to audit confirmation requests sent to it. In addition, the audit team failed to carry out sufficient procedures on the completeness of population of revenue from which samples were drawn for testing, and to adequately document certain audit procedures performed. Mr. Chan and CCIF were ordered by the Disciplinary Committee to pay penalties of HK\$200,000 and HK\$300,000 respectively and to jointly pay with the other respondents for the costs of HK\$493,881 of the HKICPA and the Financial Reporting Council (the “**Order**”). Further information on the Reprimand and the Order is published on the website of HKICPA ([www.hkicpa.org.hk](http://www.hkicpa.org.hk)).

Given (i) that the Reprimand was related to procedural deficiencies in the internal procedures of handling the audit engagement of CCIF where Mr. Chan had to share some of the responsibilities as being the engagement director of CCIF and was responsible for signing the relevant auditors’ report, (ii) the absence of allegation or finding of fraud or dishonesty against Mr. Chan, CCIF and other respondents, (iii) that the incident related to the Reprimand occurred more than 15 years ago, (iv) that the incident related to the Reprimand is unrelated to the Group and has or will have no adverse effect on the business and operations of the Group, and (v) that only monetary penalties were ordered and Mr.

Chan's practicing certificate as a certified public accountant was not suspended by the HKICPA as a result of the Reprimand, the Board has also considered the past contribution and performance of Mr. Chan and is of the view that Mr. Chan is considered fit and proper and remains suitable to continue to act as a non-executive Director of the Company.

So far as the Board is aware and save as disclosed in this announcement, there is no other matter relating to Mr. Chan that is required to be disclosed pursuant to the requirements of Rules 13.51(2)(s) and 13.51B(2) of the Listing Rules and that the Board is not aware of any other matters that need to be brought to the attention of the shareholders of the Company.

By order of the Board  
**Hifood Group Holdings Co., Limited**  
**Tom Xie**  
*Chief Executive Officer and Executive Director*

Hong Kong, 6 May 2022

*As at the date of this announcement, the executive Directors are Dr. So Shu Fai and Mr. Tom Xie; the non-executive Director is Mr. Chan Wai Dune; and the independent non-executive Directors are Mr. Chung Wai Man, Mr. Yau Pak Yue and Mr. Ning Rui.*