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CHINESE FOOD AND BEVERAGE GROUP LIMITED

華人飲食集團有限公司

(Incorporated in the Cayman Islands and re-domiciled and continued in Bermuda with limited liability)

(Stock Code: 8272)

MEMORANDUM OF UNDERSTANDING IN RELATION TO A POSSIBLE ACQUISITION

This announcement is made by Chinese Food and Beverage Group Limited (the “**Company**”) on a voluntary basis.

On 9 August 2019, a wholly-owned subsidiary of the Company (the “**Purchaser**”) entered into a memorandum of understanding (“**MOU**”) with an independent third party (the “**Potential Vendor**”) in relation to the possible acquisition (the “**Possible Acquisition**”) of target companies (“**Target Companies**”).

The Target Companies are principally engaged in the operation of Cha Chaan Teng in Hong Kong. Cha Chaan Teng is an iconic representation of Hong Kong’s fast-dining culture. The Board aims to complement the existing mid-range quality dining with branded Cha Chaan Teng’s quality dining style that is offered by the Target Companies, so as to diversify the risk of focused operation in the Korean catering business. As at the date of this announcement, the Target Companies have three restaurant operations located in industrial areas with growing catering demand in Hong Kong, i.e. Lai Chi Kok and San Po Kong with the location advantage of having recurring consumption by the densely populated working classes and in residential area in Hong Kong, i.e. Tsz Wan Shan with recurring consumption by local families and by students from surrounding schools. The Target Companies have successfully established its brand as Cha Chaan Teng that provides high quality meals at bargained price.

Immediately upon signing of the MOU, the Purchaser and/or its advisers and agents shall have the right to conduct such review of the assets, liabilities, operations and affairs of the Target Companies as it may consider appropriate and the Potential Vendor shall provide, and shall procure the Target Companies to provide, such assistance as the Company and/or its advisers and agents may reasonably require.

During the period immediately upon signing of the MOU up to and including 30 September 2019 (or such other date as agreed between the Company and the Potential Vendor), the Potential Vendor shall not directly or indirectly negotiate or agree with any other party with respect to the disposal of the Target Companies.

If the Possible Acquisition materialises, it might constitute a notifiable transaction for the Company under Chapter 19 of the Rules Governing the Listing of Securities on GEM (the “**GEM Listing Rules**”). Further announcement(s) will be made by the Company regarding the Possible Acquisition as and when appropriate in compliance with the GEM Listing Rules.

Given that the Possible Acquisition may or may not materialise, shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
CHINESE FOOD AND BEVERAGE GROUP LIMITED
Chow Cheuk Hang
Executive Director

Hong Kong, 9 August 2019

*As at the date of this announcement, Mr. Chow Cheuk Hang and Ms. Wong Hei Man are executive directors of the Company (the “**Directors**”); Mr. Yeung Wai Hung, Peter, Mr. Lau Man Tak and Mr. Ma Stephen Tsz On are independent non-executive Directors.*

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the “Latest Listed Company Information” page of the GEM website at www.hkgem.com for at least seven days from the date of its publication and the Company’s website at www.cfbgroup.com.hk.