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EJE (HONG KONG) HOLDINGS LIMITED

壹家壹品 (香港) 控股有限公司 *

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8101)

MEMORANDUM OF UNDERSTANDING IN RELATION TO A POSSIBLE ACQUISITION

This is a voluntary announcement made by EJE (Hong Kong) Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that on 1 August 2022 (after trading hours), the Company, the Target Company (as defined below) and the current shareholder of the Target Company (the “**Seller**”) entered into a memorandum of understanding (the “**MOU**”) indicating, among others, their intention to enter into a definitive legally binding agreement (the “**Definitive Agreement**”) in respect of a possible acquisition (the “**Proposed Acquisition**”) of more than 51% of interest of a company incorporated in the British Virgin Islands (the “**Target Company**”, together with its subsidiaries, the “**Target Group**”), which is principally engaged in vegetable farm business and tea leaves trading.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the Seller and its respective ultimate beneficial owners are third parties independent of the Company and its connected person(s) (as defined under the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”).

THE MOU

Pursuant to the MOU, the Company has indicated interests to purchase more than 51% of the Target Group. The consideration will be determined based on the legal and financial due diligence results to be performed by the Company on the Target Group and its assets and will be determined between the Company and the Seller. The exclusivity period shall end on 31 January 2023 being six months from the signing of the MOU (the “**Exclusivity Period**”).

** For identification purpose only*

The consideration for the potential acquisition shall be paid to Seller in the form of consideration shares of the Company (the “**Consideration Shares**”).

Pursuant to the MOU, the Definitive Agreement shall provide that completion of the Proposed Acquisition is conditional upon the fulfilment of, including but not limited to, the following conditions:

1. the Company being satisfied with the results of the legal and financial due diligence review on the Target Group and its assets;
2. the Company having complied with the requirements under applicable GEM Listing Rules (including obtaining the approvals from the shareholders of the Company and The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (if required)) and other applicable laws, regulations and guidelines in relation to the completion of the Proposed Acquisition and other relevant arrangements under the Definitive Agreement;
3. the parties to the MOU having obtained all necessary approvals from the relevant regulatory authorities in the People’s Republic of China (the “**PRC**”) (if required);
4. the Company having received a valuation report on the Target Company issued by an independent valuer in such form and substance satisfactory to the Company;
5. the Company having obtained the approvals from the Stock Exchange and/or the Securities and Futures Commission in relation to the dealings of the Consideration Shares on the Stock Exchange (if required);
6. the issuance of the legal opinion or due diligence report (contents of which can be based on the reasonable requirements by the Company) by the legal advisers approved by the Company; and
7. there are no material breaches in relation to any declarations, guarantees and undertakings provided in the Definitive Agreement by the Company and the Seller.

Save and except for provisions (“**Binding Provisions**”) relating to confidentiality, the Exclusivity Period and the governing law, the MOU is not legally binding on the relevant parties.

REASONS AND BENEFIT OF THE PROPOSED ACQUISITION

The Target Group is principally engaged in vegetable farm business and tea leaves trading. Based on the preliminary information obtained from the Seller, the agricultural segment has been developed since 1992. The Target Group has been focusing on growing two categories of vegetables, namely 無公害蔬菜 (pollution-free vegetables) and 原生菜 (zero residue vegetables). With the success of the agricultural segment, the Target Group has then stepped into the tea leaves market by supplying quality tea from the PRC to Hong Kong.

In light of the abovementioned, following thorough thinking by the Board, the Board is of the view that the business of the Target Group is principally engaged in daily necessities with long operating history and such business is viable and sustainable. Therefore, the Board believes that the Proposed Acquisition is beneficial to the Group and its shareholders as a whole.

POSSIBLE NOTIFIABLE TRANSACTION

It is expected that the transaction contemplated under the MOU, if materialised, may constitute a notifiable transaction under Chapter 19 of the GEM Listing Rules and the Company shall comply with the relevant disclosure and/or shareholders' approval requirement(s) accordingly where appropriate.

The Board wishes to emphasise that save and except for the Binding Provisions, the MOU is not legally binding and the Proposed Acquisition may or may not proceed. Shareholders of the Company and/or potential investors are reminded that the Proposed Acquisition is subject to, among other things, the entering into of the Definitive Agreement, the terms of which are yet to be finalised. The Proposed Acquisition is also subject to and conditional upon such conditions as may be agreed by the parties to the Definitive Agreement. The MOU may or may not lead to the entering into of the Definitive Agreement and the Proposed Acquisition may or may not proceed. There is no assurance as to whether and when the Proposed Acquisition will take place. Shareholders of the Company and/or potential investors are advised to exercise caution when dealing in the securities of the Company.

By Order of the Board
EJE (Hong Kong) Holdings Limited
Mr. Chau Tsz Kong Alan
Executive Director

Hong Kong, 1 August 2022

As at the date of this announcement, the executive directors of the Company are Mr. Qin Yuquan, Mr. Hung Cho Sing and Mr. Chau Tsz Kong Alan; and the independent non-executive Directors are Mr. Tang Kin Chor, Mr. Chan Chun Wing and Mr. Yiu Shung Kit.

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 website of the Stock Exchange at www.hkexnews.hk on the “Latest Listed Company Information” page for at least seven days from the date of its posting and the Company’s website at <http://www.ejeliving.com>.