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)

PROFIT WARNING

This announcement is made by Hifood Group Holdings Co., Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to 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 (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the "**Board**") wishes to inform the shareholders of the Company (the "**Shareholders**") and potential investors that, based on a preliminary assessment by the management of the Group on the unaudited consolidated management accounts, the loss attributable to the owners of the Company for the year ended 31 March 2018 (the "**Loss**") is expected to be increased by approximately HK$28.1 million as compared to the year ended 31 March 2017. The primary reason for the deterioration of results performance was mainly due to a decline in the Group's revenue by approximately HK$113.9 million or 20.8%, and gross profit by approximately HK$28.2 million or 26.4% for the year ended 31 March 2018 as compared to the year ended 31 March 2017. The decrease in the Group's revenue was primarily due to significant decrease in sales in America and Europe (other than Russia), on weaker-than-expected market condition under a turnaround in consumer interest in fine jewellery and sluggish European economy, respectively; accordingly, gross profit declined. Based on the information currently available, there was an increase in the one-off expenses incurred from the business operation and resources allocation process in lay off expense of approximately HK$19.5 million as compared to that for the year ended 31 March 2017. The Group's loss for the year ended 31 March 2018 increased as a result of such expenses.

The information contained in this announcement is solely based on a preliminary assessment by the management of the Company with reference to the information currently available to the Group and based on the unaudited consolidated management accounts of the Group for the year ended 31 March 2018, which is yet to be finalised and has not yet been reviewed or audited by the Company's auditors or the audit committee of the Company.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
Hifood Group Holdings Co., Limited
Nang Qi
Chairman

Hong Kong, 8 June 2018

As at the date of this announcement, the executive Directors are Mr. Nang Qi, Mr. Chen Peiliang, and Mr. Xue Qiang; and the independent non-executive Directors are Mr. Ting Tit Cheung, Mr. Chan Chi Kuen and Mr. Lo Chun Pong.