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CHINA GREENFRESH GROUP CO., LTD.

中國綠寶集團有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6183)

**INSIDE INFORMATION
MEMORANDUM OF UNDERSTANDING IN RELATION TO
POSSIBLE ACQUISITION**

This announcement is made by the Company pursuant to Rule 13.09(2) of the Listing Rules and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the SFO.

The Board is pleased to announce that, on 5 August 2020 (after trading hours of the Stock Exchange), the Company and the Vendor entered into the MOU regarding the Possible Acquisition.

This announcement is made by CHINA GREENFRESH GROUP CO., LTD. (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (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 “**SFO**”).

The board of directors (“**Directors**”) of the Company (the “**Board**”) is pleased to announce that, on 5 August 2020 (after trading hours of the Stock Exchange), the Company and Zhuhai Zhuangshi Cultural Industry Development Co., Ltd.* (珠海莊氏文化產業發展有限公司) (the “**Vendor**”) entered into a memorandum of understanding (the “**MOU**”) regarding the possible acquisition of certain equity interests in Guangdong Baina Ecological Technology Co., Ltd.* (廣東佰納生態科技有限公司) (the “**Target Company**”) by the Company (or its wholly-owned subsidiaries) from the Vendor (the “**Possible Acquisition**”).

The details of the MOU are set out below:

THE MOU

Parties: (1) Zhuhai Zhuangshi Cultural Industry Development Co., Ltd., as the vendor; and (2) the Company, as the purchaser.

To the best of the Board’s knowledge, information and belief having made all reasonable enquiries, the Vendor and its ultimate beneficial owner are third parties independent of and not connected with the Company and its connected persons (within the meaning ascribed under the Listing Rules).

Equity interests to be acquired

According to the MOU, the Vendor intends to sell, and the Company (or its wholly-owned subsidiaries) intends to acquire, certain equity interests in the Target Company.

As at the date of this announcement, the Vendor owns 100% equity interests in the Target Company.

Shareholding to be acquired, consideration and other terms

The exact shareholding to be acquired under the Possible Acquisition, the consideration of the Possible Acquisition and the payment terms thereof shall be determined through further negotiation between the parties to the MOU.

Exclusivity

Pursuant to the MOU, during the period commencing from the date of the MOU and ending on the earlier of (i) one hundred and twenty (120) days after signing of the MOU; or (ii) the written confirmation by both parties that negotiation on the Possible Acquisition shall discontinue; or (iii) the breach of the confidentiality obligations as contained in the MOU by either party (or its subsidiaries and affiliates, or their representatives) (the “**Exclusivity Period**”), the Vendor shall not enter into any agreement, arrangement or understanding with the Purchaser (or its wholly-owned subsidiaries) and any other party in relation to the sale and purchase of the target equity interest and the parties shall negotiate in good faith the Possible Acquisition to the exclusion of all other parties.

Due diligence

After signing of the MOU and during the Exclusivity Period, the Company (and its advisers and/or agents) shall be entitled to conduct due diligence on the conditions, legal ownership and legal and other matters of the Target Company. The Vendor shall assist the Company (and its advisers and/or agents) in this respect.

Formal agreement

The parties to the MOU shall negotiate in good faith to ensure a formal agreement is entered into as soon as possible and in any event within one hundred and twenty (120) days from the date of signing of the MOU (or such later date as the parties to the MOU may agree in writing).

Legal effect

The MOU does not constitute legally binding obligations on the parties governing the substantive terms in relation to the Possible Acquisition (including the consideration and the capital commitment), except for the initial framework of further negotiation of the Possible Acquisition.

REASONS FOR THE ENTERING INTO OF THE MOU

Under the impact of the current epidemic, export trading might face more uncertainties. It is even more necessary for the Company to open up domestic sales channels for its product series.

The Board believes that by entering into the Possible Acquisition, this new business stream will be able to bring substantial returns and is in the interests of the Company and shareholders as a whole.

INFORMATION ON THE VENDOR, THE TARGET COMPANY AND THE MAJOR DEVELOPMENT PROJECTS

It is an IoT platform that focuses on online and offline catering activities (content social e-commerce + community unmanned sales + restaurants helping farmers). Aiming at the ecological application scenarios of the last 100 meters to the communities and building its own market of “technology + IoT platform + channel”, it can promote the development of the new retail industry in the communities with a development model of “self-investment + market sharing + overall output”.

The Target Company is a high-tech Internet enterprise integrating software and hardware development and platform operation, and it was registered in Hengqin New District, Guangdong Province in August 2016 with a paid up capital of more than RMB25 million.

Its main business segments cover LeGe-Fresh O2O new retail* (樂鵠—食鮮O2O新零售), Cloud IoT technical services, smart vending machines business, restaurants business and new media business. Since its establishment, the company has obtained a number of patents, more than 20 trademarks, 6 patents, 25 software copyrights and one EDI e-commerce license, and it has also won many social honors such as National High-tech Enterprise Certification, Zhuhai Top 100 Innovative Enterprises and China AAA Credit Enterprise.

GENERAL

In the event that the Possible Acquisition materialises, it may constitute a notifiable transaction of the Company under the Listing Rules.

Further announcement(s) in relation to the Possible Acquisition will be made by the Company as and when appropriate in compliance with the requirements of the Listing Rules.

There is no assurance that any transactions referred to in this announcement will materialize or eventually be consummated.

Shareholders of the Company and potential investors should note that the Possible Acquisition is subject to, among other things, the entering into of a formal agreement, major terms and conditions of which are yet to be agreed.

The Possible Acquisition may or may not proceed and the final structure and terms of the Possible Acquisition, which are still subject to the result of the assets restructuring and upon further negotiations between the parties, have yet to be finalised and may deviate from that set out in the MOU.

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
CHINA GREENFRESH GROUP CO., LTD.
Zheng Songhui
Chairman

Hong Kong, 7 August 2020

As at the date of this announcement, the Board comprises Mr. Zheng Songhui and Mr. Shu Zhongwen as executive Directors; Mr. Zheng Kangbin and Mr. Liu Falin as non-executive Directors; and Ms. Shang Wenna, Mr. Lou Robert Hsiu-sung and Mr. Zheng Liangjian as independent non-executive Directors.

* *For identification purposes only*