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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 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 26 February 2021 (after trading hours of the Stock Exchange), the Company and Xiamen Fengfuying Industrial Co., Ltd.* (廈門豐福盈實業有限公司) (the “**Vendor**”) entered into a memorandum of understanding (the “**MOU**”) regarding the possible acquisition of certain equity interests in Xiamen Youai Jinbang Information Technology Co., Ltd.* (廈門有愛近幫信息科技有限公司) (the “**Target Company**”) by the Company (or its designated affiliate company) from the Vendor (the “**Possible Acquisition**”).

The details of the MOU are set out below:

THE MOU

Parties:

- (1) Xiamen Fengfuying Industrial Co., Ltd.* (廈門豐福盈實業有限公司), 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 designated affiliate company) intends to acquire, certain equity interests in the Target Company.

As at the date of this announcement, the Vendor owns 95% 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 any other party except the Company (or its designated affiliate company), and the parties to the MOU shall negotiate in good faith in relation to the Possible Acquisition to the exclusion of 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 operation, business, financial conduct, and legal and other related matters of the Target Company and its subsidiaries.

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 is non-legally binding save for the provisions relating to, among other things, Exclusivity Period, due diligence, confidentiality and governing law of the MOU.

INFORMATION ON THE TARGET COMPANY

The Target Company is owned as to 95% by the Vendor as at the date of this announcement.

Based on the information provided by the Vendor, the Target Company owns the brand Jinbang (Health)* (近幫(健康)) (“**Jinbang Health**”), a high-tech internet enterprise in the big health industry (大健康產業) which involves in operating an integrated big health industry internet sales platform, building big health product sales teams, and incubating big health industry enterprises. The big health industry includes four key business areas: health product sales, incubation of health product companies, investment in health product companies, and logistics system construction. As at the end of the year 2020, Jinbang Health has scaled to major cities with the People’s Republic of China (including, amongst others, Beijing, Guangdong, Fujian, Yunnan, and Shanghai), consisting of more than 400 software system agents, more than 2,000 product distributors, more than 6,000 sales and service personnel, and more than 260,000 registered users on the big health internet sales platform. For the year ended on 31 December 2020, the total revenue for Jinbang Health amounted to approximately RMB95 million, which included licensing of software system tools and exclusive agency rights in the amount of approximately RMB83 million and health product sales in the amount of approximately RMB12 million.

REASONS FOR ENTERING INTO THE MOU

In order to maximize return to the Company and the shareholders of the Company, the Directors consider that it is in the interests of the Company and its shareholders as a whole to enter into Memorandum of Understanding to explore the possibility of diversification of the investment portfolios of the Group. The Directors are of the view that the terms of the Memorandum of Understanding are fair and reasonable.

GENERAL

As at the date of this announcement, the terms and conditions of the Possible Acquisition are still being negotiated and no legally binding agreement has been entered into. The Possible Acquisition, if materialised, may constitute a notifiable transaction for the Company under the Listing Rules. Further announcement(s) will be made by the Company as and when appropriate in compliance with the Listing Rules.

As the Potential Acquisition may or may not materialise, the shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.

By Order of the Board
CHINA GREENFRESH GROUP CO., LTD.
Shu Zhongwen
Chairman

Hong Kong, 26 February 2021

As at the date of this announcement, the Board comprises Mr. Shu Zhongwen and Ms. He Pei as executive Directors; Mr. Liu Falin as non-executive Director; and Ms. Shang Wenna, Mr. Zheng Liangjian and Ms. Feng Li Xuan as independent non-executive Directors.

** For identification purposes only*