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CHINA FORDOO HOLDINGS LIMITED

中國虎都控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2399)

**MEMORANDUM OF UNDERSTANDING
IN RELATION TO THE POSSIBLE ACQUISITION**

This announcement is made by the Company pursuant to Rule 13.09(2)(a) of the Listing Rules and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

THE MOU

The Board announces that on 22 June 2018 (after trading hours), the Company and the Vendor entered into the MOU in relation to the Possible Acquisition.

Pursuant to the MOU, the Vendor has conditionally agreed to sell and the Company has conditionally agreed to purchase (or through its wholly owned subsidiaries) 60% equity interests in the Target Company.

The Possible Acquisition is subject to, among others, further negotiation concerning the entering into of a Formal Agreement. As at the date of this announcement, the terms and conditions of the Formal Agreement are yet to be finalized or agreed between the Company and the Vendor. As such, the Possible Acquisition may or may not proceed.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company. The Company will make further announcement in respect of the Possible Acquisition as and when appropriate in accordance with the Listing Rules.

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THE MOU

On 22 June 2018 (after trading hours), the Company and the Vendor entered into the MOU pursuant to which the Vendor has conditionally agreed to sell and the Company has conditionally agreed to purchase (or through its wholly owned subsidiaries) 60% equity interest in the Target Company. Details of the MOU are set out below.

Date: 22 June 2018

Parties: (i) the Company; and
(ii) the Vendor

As at the date of this announcement, the Vendor beneficially owns 60% equity interest in the Target Company.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, the Vendor is an Independent Third Party.

Subject matter to be acquired

Subject to the parties entering into the Formal Agreement, the Vendor intended to sell and the Company intended to acquire 60% equity interest in the Target Company.

Consideration

The exact amount of the consideration, the manner and the method of payment of the consideration for the Possible Acquisition will be negotiated between the parties to the MOU based on the results of the due diligence investigation to be conducted by the Company on the Target Company and shall be subject to the terms and conditions of the Formal Agreement which may or may not be entered into by the parties to the MOU in relation to the Possible Acquisition.

Exclusivity Period

The Vendor agreed that it will not and will procure that the Target Company and its directors, officers, employees, representatives and agents not to, directly or indirectly, for a period of 180 days from the date of the MOU or such other date as agreed between the Company and the Vendor, (i) solicit, initiate or encourage enquiries or offers from; or (ii) initiate or continue negotiations or discussions with or furnish any information to; or (iii) enter into any agreement or statement of intent or understanding with, any person or entity other than the Company with respect to the sale or other disposition of the equity interest in or the sale, subscription, or allotment of any part thereof or any other shares of the Target Company. Should the Target Company (and each of its existing shareholders) or the Vendor receive any respective inquiries or invitation, the Company would be informed immediately.

Due diligence

The Company shall conduct due diligence in respect of the Possible Acquisition and the Vendor shall undertake to assist and procure the Target Company to assist in ensuring smooth proceeding of the due diligence within the Exclusivity Period.

Binding effect

Save for the provisions relating to exclusivity, confidentiality, and governing law and jurisdiction, the provisions of the MOU are not legally binding.

INFORMATION ON THE TARGET COMPANY

As advised by the Vendor, the Target Company is a limited liability company established in the PRC in April 2016. The Target Company operates in Shangdong with its primary business operation in hatching, raising and butchering of landes goose. Landes goose is of French origins. It is renowned for storing significant amount of fat in its liver. This natural physiological capacity allows production of high-quality foie gras and goose liver paste products.

REASONS AND BENEFITS FOR ENTERING INTO THE MOU

As at the date of this announcement, the Group is principally engaged in the business of manufacturing and wholesaling of menswear in the People's Republic of China.

The Group continues to explore opportunities, to expand and diversify its business and activities starting from 2018, including but not limited to food related businesses, with a view to create new sources of income and to maximize the return to the Company and the Shareholders in the long run. The Group will continue to explore other possible investment opportunities with a view to enhance its value to Shareholders.

The Board consider that the terms of the MOU are fair and reasonable and that the Possible Acquisition is in the interest of the Company and shareholders of the Company as a whole.

The Possible Acquisition is subject to, among others, further negotiation concerning the entering into of the Formal Agreement. As at the date of this announcement, the terms and conditions of the Formal Agreement are yet to be finalized or agreed between the Company and the Vendor. As such, the Possible Acquisition may or may not proceed.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company. The Company will make further announcement in respect of the Possible Acquisition as and when appropriate in accordance with the Listing Rules.

Definitions

In this announcement, the following expressions shall, unless the context requires otherwise, have the following meanings:

“Board”	the board of Directors
“Business Day(s)”	a day (excluding Saturday, Sunday, public holiday or any day on which a tropical cyclone warning no. 8 or above or a “black” rainstorm warning is hoisted between 9:00 a.m. and 5:00 p.m. in Hong Kong) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“Company”	China Fordoo Holdings Limited (中國虎都控股有限公司), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board (Stock Code: 2399)
“Director(s)”	the director(s) of the Company
“Exclusive Period”	the exclusivity period of 180 days from the date of the MOU or such other date agreed by the Company and the Vendor
“Formal Agreement”	the formal sale and purchase agreement for the Possible Acquisition which may or may not be entered into by the Company and the Vendor
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party”	independent third party who is not connected person of the Company and is independent of and not connected with the Company and Directors, chief executives, controlling shareholders and substantial shareholders of the Company or any of its subsidiaries or their respective associates
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Main Board”	Main Board of the Stock Exchange
“MOU”	the Memorandum of Understanding dated 22 June 2018 entered into by the Company and the Vendor setting out the preliminary understanding for the Possible Acquisition

“Possible Acquisition”	the possible acquisition of 60% equity interest in the Target Company by the Company from the Vendor as contemplated under the MOU
“PRC”	the People’s Republic of China which, for the purposes of this announcement, excludes Hong Kong, Macau and Taiwan
“Target Company”	臨胸東大鵝業有限公司 (Lingu Dongda Goose Industry Company Limited*), a company established in the PRC with limited liability
“Vendor”	東大品證控股有限公司 (Mercury Holdings Company Limited*), a company established in the PRC with limited liability
“%”	per cent

By order of the Board of
China Fordoo Holdings Limited
Kwok Kin Sun
Chairman and Executive Director

Hong Kong, 22 June 2018

As at the date of this announcement, the executive Directors of the Company are Mr. Kwok Kin Sun, Mr. Kwok Hon Fung, Ms. Yuan Mei Rong and Ms. Mo Wei; and the independent non-executive Directors of the Company are Mr. Cheung Chiu Tung, Mr. Poon Yick Pang Philip and Ms. Huang Yumin.

* For identification purpose only