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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 13 March 2019 (after trading hours), the Purchaser 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 Purchaser has conditionally agreed to purchase all or certain 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 Purchaser 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 13 March 2019 (after trading hours), the Purchaser and the Vendor entered into the MOU pursuant to which the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase (or through its wholly owned subsidiaries) all or certain equity interest in the Target Company. Details of the MOU are set out below.

Date: 13 March 2019

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

As at the date of this announcement, the Vendor beneficially owns 100% 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 Purchaser intended to acquire all or certain 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 Purchaser 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.

Due diligence

The Purchaser 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.

Binding effect

Save for the provisions relating to 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 BVI in March 2018. The Target Company operates through its wholly owned subsidiary with its primary business operation engaged in property development and management in Liao Ning.

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 PRC.

The Possible Acquisition if materialised will enable the Group to diversify and tap into assets management services business. The Group has been exploring opportunities, to expand and diversify its business and activities starting from 2018, 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 purchaser 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
“BVI”	the British Virgin Islands
“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
“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
“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 13 March 2019 entered into by the Company and the Vendor setting out the preliminary understanding for the Possible Acquisition
“Possible Acquisition”	the possible acquisition of all or certain equity interest in the Target Company by the Company from the Vendor as contemplated under the MOU
“Purchaser”	Ample Route Limited (博途有限公司), a limited liability company which was established in the BVI and a directly wholly-owned subsidiary of the Company
“PRC”	the People’s Republic of China which, for the purposes of this announcement, excludes Hong Kong, Macau and Taiwan
“Target Company”	Karhoe Company Limited (嘉禾有限公司), a company established in the BVI with limited liability
“Vendor”	Differ Cultural and Creative Investment Company Limited (鼎豐文創投資有限公司), a company established in the BVI with limited liability

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

Hong Kong, 13 March 2019

As at the date of this announcement, the executive Directors of the Company are Mr. Kwok Kin Sun, Mr. Kwok Hon Fung 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.