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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 31 August 2018 (after trading hours), the Purchaser and the Vendors entered into the MOU in relation to the Possible Acquisition of 100% equity interest 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 Vendors. 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.

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

On 31 August 2018 (after trading hours), the Purchaser and the Vendors entered into the MOU in relation to the Possible Acquisition of 100% equity interest in the Target Company. Details of the MOU are set out below.

Date: 31 August 2018

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

As at the date of this announcement, the Vendors beneficially and collectively own 100% equity interest in the Target Company.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, the Vendors are Independent Third Parties.

Subject matter to be acquired

Subject to the parties entering into the Formal Agreement, the Vendors intended to sell and the Purchaser intended to acquire 100% 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.

Exclusivity Period

Pursuant to the terms of the MOU, the Vendors agreed that they 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 Purchaser and the Vendors, (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 Purchaser 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. In the event that the Target Company (and each of its existing shareholders) or the Vendors receive any respective inquiries or invitation, the Purchaser shall be informed immediately.

Due diligence

The Purchaser shall conduct due diligence in respect of the Possible Acquisition and the Vendors 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 Vendors, the Target Company is a limited liability company established in the PRC in April 2017. The Target Company operates in the PRC with its primary business operation in the selling of parallel imported car, providing custom declaration service and logistic service.

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.

With reference to the Company's annual report for the year ended 31 December 2017, the Group continues to explore 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 its shareholders in the long run. The Group will continue to explore other possible investment opportunities with a view to enhance its value to its shareholders.

The Board considers 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 Vendors. 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
“Exclusivity Period”	the exclusivity period of 180 days from the date of the MOU or such other date agreed by the Purchaser and the Vendors
“Formal Agreement”	the formal sale and purchase agreement for the Possible Acquisition which may or may not be entered into by the Purchaser and the Vendors
“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(ies)”	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 31 August 2018 entered into by the Purchaser and the Vendors setting out the preliminary understanding for the Possible Acquisition

“Possible Acquisition”	the possible acquisition of 100% equity interest in the Target Company by the Purchaser from the Vendors
“Purchaser”	Ample Route Limited (博途有限公司), a limited liability company which established in the BVI and a directly wholly-owned subsidiary of the Company, or its subsidiary
“PRC”	the People’s Republic of China which, for the purposes of this announcement, excludes Hong Kong, Macau and Taiwan
“Target Company”	Chedana (Tianjin) Import and Export Trade Co., Limited* (車大拿 (天津) 進出口貿易有限公司), a limited liability company which established in the PRC and is owned as to 80% and 20% by Vendor A and Vendor B respectively
“Vendor A”	Tianjin Hongming Trading Co., Limited* (天津鴻明商貿有限公司), a limited liability company which established in the PRC
“Vendor B”	a PRC resident and a merchant
“Vendors”	Vendor A and Vendor B
“%”	per cent

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

Hong Kong, 31 August 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 and should not be regarded as the official English translation of the Chinese names. In the event of any inconsistency, the Chinese name prevails*