



iFresh Announces Entry into Definitive Agreement for Acquisition of Xiaotai and Simultaneous Spin-off of its Wholly Owned Subsidiary

June 10, 2019

NEW YORK, June 10, 2019 (GLOBE NEWSWIRE) -- iFresh, Inc. ("iFresh" or "the Company") (NASDAQ: IFMK), a leading Asian American grocery supermarket chain and online grocer, announced entry into Share Exchange Agreement for acquisition ("Acquisition") of Xiaotai International Investment Inc. ("Xiaotai"), a "peer-to-peer" lending company based in Hangzhou, China providing an internet lending information intermediary platform that gives borrowers access to a variety of loan products in China, and entry into Share Purchase Agreement for the spin-off of NYM Holding Inc. ("NYM"), a wholly owned subsidiary of the Company into a standalone private company, Go Fresh 365 Inc. ("Go Fresh"), solely owned by Mr. Long Deng, IFMK's Chief Executive Officer.

Pursuant to the Share Exchange Agreement dated June 7, 2019, the Company shall acquire all of the issued and outstanding shares of Xiaotai from its shareholders in exchange for issuance of 254,813,383 shares of common stock (the "Exchange Shares") to Xiaotai shareholders. On the same date, the Company also entered into the Share Purchase Agreement to sell NYM, a subsidiary which holds all of the Company's existing business and assets and liabilities, to Go Fresh, in exchange for cash consideration of \$9.1 million (the "Spin-off"). Upon completion of the Acquisition and the simultaneous Spin-Off, IFMK will own 100% of Xiaotai. Xiaotai shareholders and existing IFMK shareholders will own approximately 94% and 6% of the Company, respectively. In addition, Go Fresh will replace the Company as guarantor to the \$22 million loan NYM owed to KeyBank National Association ("KeyBank").

Please refer to Company's preliminary proxy statement filed on June 7, 2019 on SEC website for more details related to the restructure.

Completion of the transactions is subject to a number of conditions, including but not limited to, IFMK's shareholders' approval of both transactions, satisfaction of NASDAQ listing requirements of the post-restructure Company, consent of KeyBank, regulatory approvals, the appointment of a person designated by Xiaotai to the board of directors and the satisfaction of other customary closing conditions. There can be no assurance that the transactions will be completed as proposed or at all.

Long Deng, Chief Executive Officer and Chairman of iFresh commented, "The Company's special committee consisting of solely independent directors as well as the board of directors of IFMK have unanimously determined that the Acquisition and Spin-off, are advisable, fair to and in the best interests of the shareholders of the Company, and has therefore approved the Share Exchange Agreement and the Share Purchase Agreement and recommend our shareholders to vote for such transactions at the special shareholders meeting. The acquisition of Xiaotai and simultaneous spin-off marks an important step forward in both parties' transformation. We believe Xiaotai will deliver long-term value to the Company's shareholders."

The Company has filed with the SEC a Report on Form 8-K providing a more detailed summary of the transaction together with copies of the Share Exchange Agreement and the Share Purchase Agreement.

About Xiaotai International Investment Inc. ("Xiaotai")

Xiaotai, through its wholly owned subsidiaries, is a financial technology and information services company that operates an internet lending information intermediary platform providing investors access to a variety of loan products initiated by borrowers in China's peer-to-peer lending industry. The loan products currently facilitated on Xiaotai's platform generally range from one-month to twenty-four months. They are unsecured loans lent based on a borrower's creditworthiness and assessed repayment ability. Through its internet lending information intermediary platform, Xiaotai connects individual investors with individual and small business borrowers. Xiaotai currently conducts its business operations exclusively in China.

Supported by its proprietary finance technology, Xiaotai developed the Zhizi risk control system, which is a comprehensive risk control system and entitles Xiaotai to receive a Level III Certificate for Protection of State Information Security awarded by the PRC Ministry of Public Security, the highest level of recognition granted to non-bank institutions in the finance industry for stringent information security management and risk controls. Leveraging its advanced finance technology and innovative, reliable risk control procedures in serving borrowers and investors through its website and mobile applications, it provides efficient and effective solutions to address largely underserved personal financing and investment demands of the rapidly-growing middle class population in China.

About iFresh, Inc.

iFresh Inc. (NASDAQ: [IFMK](#)), headquartered in Long Island City, New York, is a leading Asian American grocery supermarket chain and online grocer on the east coast of U.S. With nine retail supermarkets along the US eastern seaboard (with additional stores in Glen Cove, Miami and Connecticut opening soon), and two in-house wholesale businesses strategically located in cities with a highly concentrated Asian population, iFresh aims to satisfy the increasing demands of Asian Americans (whose purchasing power has been growing rapidly) for fresh and culturally unique produce, seafood and other groceries that are not found in mainstream supermarkets. With an in-house proprietary delivery network, online sales channel and strong relations with farms that produce Chinese specialty vegetables and fruits, iFresh is able to offer fresh, high-quality specialty produce at competitive prices to a growing base of customers. For more information, please visit: <http://www.ifreshmarket.com/>.

Forward-Looking Statements

Certain statements made herein are "forward-looking statements" within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements may be identified by the use of words such as "anticipate", "believe", "expect", "estimate", "plan", "outlook", and "project" and other similar expressions that predict or indicate future events or trends or that are not statements of historical matters. Such forward-looking statements include timing of the proposed transactions; the business plans, objectives, expectations and intentions of the parties once the transactions are complete, and the Company's estimated and future results of operations, business strategies, competitive position, industry environment and potential growth opportunities. These forward-looking statements reflect the current analysis of existing information and are subject to various risks and uncertainties. As a result, caution must be exercised in relying on forward-looking statements. Due to known and unknown risks,

our actual results may differ materially from our expectations or projections. All forward-looking statements attributable to the Company or persons acting on its behalf are expressly qualified in their entirety by these factors. All information provided in this press release is as of the date hereof. Other than as required under the securities laws, the Company does not assume a duty to update these forward-looking statements.

The following factors, among others, could cause actual results to differ materially from those described in these forward-looking statements: the outcome of any legal proceedings that have been, or will be, instituted against IFMK or other parties to the Share Exchange Agreement and the Share Purchase Agreement following the announcement of the Share Exchange Agreement and Share Purchase Agreement and transactions contemplated therein; the ability of the Company to meet NASDAQ listing standards following the transactions and in connection with the consummation thereof; the inability to complete the transactions contemplated by the Share Exchange Agreement and Share Purchase Agreement due to the failure to obtain approval of the stockholders of IFMK or Keybank or other closing conditions to; risks that the proposed transactions disrupts current plans and operations and the potential difficulties in employee retention as a result of the announcement of the Share Exchange Agreement and consummation of the transactions described therein; costs related to the proposed Acquisition and Spin-Off; changes in applicable laws or regulations; the ability of the post-restructure company to meet its financial and strategic goals, due to, among other things, competition, the ability of the post-restructure company to grow and manage growth profitability, maintain relationships with customers and retain its key employees; the possibility that the post-restructure Company may be adversely affected by other economic, business, and/or competitive factors; and other risks and uncertainties described herein, as well as those risks and uncertainties discussed from time to time in other reports and other public filings with the SEC by the Company.

Additional information concerning these and other factors that may impact our expectations and projections can be found in our periodic filings with the SEC. IFMK's SEC filings are available publicly on the SEC's website at www.sec.gov. IFMK disclaims any obligation to update the forward-looking statements, whether as a result of new information, future events or otherwise.

Non-Solicitation

This press release is not a proxy statement or solicitation of a proxy, consent or authorization with respect to any securities or in respect of the proposed transactions and shall not constitute an offer to sell or a solicitation of an offer to buy the securities of IFMK or Xiaotai, nor shall there be any sale of any such securities in any state or jurisdiction in which such offer, solicitation, or sale would be unlawful prior to registration or qualification under the securities laws of such state or jurisdiction. No offer of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended.

Additional Information about the Transactions and Where to Find It

In connection with the proposed transactions, IFMK has filed preliminary proxy statement with the SEC and will mail a definitive proxy statement and other relevant documents to its stockholders. Investors and security holders of IFMK are advised to read, when available, the preliminary proxy statement, and amendments thereto, and the definitive proxy statement in connection with IFMK's solicitation of proxies for its stockholders' meeting to be held to approve the transactions because the proxy statement will contain important information about the transactions and the parties to the transaction. The definitive proxy statement will be mailed to stockholders of IFMK as of a record date to be established for voting on the transactions. Stockholders will also be able to obtain copies of the proxy statement, without charge, once available, at the SEC's website at www.sec.gov or by directing a request to: 2-39 54th Avenue, Long Island City, New York 11101 e-mail: legal@ifreshmarket.com

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