

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **March 19, 2020**

HF FOODS GROUP INC
(Exact Name of Registrant as Specified in Charter)

Delaware
State or Other Jurisdiction of
Incorporation of Organization)

001-38013
(Commission
File Number)

81-2717873
(IRS Employer
Identification Number)

6001 W. Market Street
Greensboro, NC
(Address of Principal Executive Offices)

27409
(Zip Code)

Registrant's telephone number, including area code: **(336) 268-2080**

(Former Name or Former Address, if Changed Since Last Report)

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class | Trading Symbol | Name of each exchange on which registered |
|----------------------------------|----------------|---|
| Common Stock, \$0.0001 par value | HFFG | Nasdaq Capital Market |

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On March 19, 2020, Russell T. Libby accepted the appointment of the Company's Board of Directors, effective July 1, 2020, to fill the vacancy on the Board of Directors created by the resignation of Ms. Zhehui Ni. Mr. Libby will serve until the next annual election of directors and until his successor is elected and qualified.

Russell T. Libby, 54, held numerous positions of increasing responsibility within the leadership of Sysco Corp. from 2007 through 2019, most recently Executive Vice President-Administration and Corporate Secretary. Prior to his career with Sysco, he served as president, COFRA North America, and vice president - legal, for Good Energies, Inc., investment advisors to private equity and venture capital funds owned by COFRA Holding A.G., a Swiss international conglomerate. Mr. Libby began his career in 1991 as a corporate associate with Arnall Golden Gregory, LLP, a full-service law firm in Atlanta. In 1995, he joined Liuski International, Inc., a computer distribution and manufacturing company, as general counsel, vice president-human resources and secretary. In 1988 he received his bachelor of arts degree in international relations from the University of Virginia in Charlottesville and, in 1991, he earned a J.D. degree from Emory University School of Law in Atlanta. We believe Mr. Libby's qualifications to sit on our board of directors include his knowledge of food distribution management and operations, mergers and acquisitions, business environment, and financial markets.

As an independent director, Mr. Libby will be appointed to serve on the Audit Committee, the Compensation Committee, the Nominations Committee, and the Special Transactions Review Committee.

Mr. Libby has executed a letter agreement reflecting the terms of his appointment, including the standard compensation for the Company's independent directors and other normal terms relating to confidentiality and avoidance of conflicts of interest, a copy of which is attached as [Exhibit 5.1](#) to this Current Report on Form 8-K.

Item 8.01. Other Events.

On March 23, 2020, HF Group issued a press release announcing the appointment of Mr. Libby to the Company's Board of Directors, a copy of which is attached as [Exhibit 99.1](#) to this Current Report on Form 8-K.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

| Exhibit No. | Description |
|--------------------|---|
| 5.1 | Form of Letter Agreement between HF Foods Group Inc. and Russell T. Libby |
| 99.1 | Press Release dated March 23, 2020 |

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

HF FOODS GROUP INC.

Date: March 23, 2020

/s/ Zhou Min Ni

Zhou Min Ni
Chairman and Co-Chief Executive Officer

HF FOODS GROUP INC.

6001 West Market St.
Greensboro, NC 27409

March 18, 2020

Mr. Russell T. Libby

[Address Redacted]

Re: Independent Director Offer Letter

Dear Russell:

HF Foods Group Inc., a Delaware corporation (the “Company” or “we”), is pleased to offer you, subject to the following conditions, a position as a member of its Board of Directors (the “Board”). We believe your background and experience will be a significant asset to the Company and we look forward to your participation on the Board. Should you choose to accept this offer of a position as a member of the Board, your nomination will be submitted for approval by the Board. Upon approval of your appointment by the Board, this letter agreement (the “Agreement”) shall constitute an agreement between you and the Company and contains all the terms and conditions relating to the services you agree to provide to the Company.

1. **Term.** This Agreement is effective, and your service as director will commence, as of July 1, 2020. Your term as independent director shall continue subject to the provisions in Section 9 below or until your successor is duly elected and qualified. The position shall be up for re-nomination and re-election each year at the annual shareholder’s meeting and upon re-election, the terms and provisions of this Agreement shall remain in full force and effect.
 2. **Services.** You shall render services (a) as a member of the Board; and (b) a member of the committees of the Board to which you are elected (hereinafter, your “Duties”). During the term of this Agreement, You will use reasonable best efforts to attend all convened meetings of the Board and, if requested by the Board or the Chairman, meetings of the shareholders of the Company, and of the Committees of which you may become a member as regularly or specially called. You may attend and participate at each such meeting, via teleconference, video conference or in person. You shall consult with the other members of the Board and committee (if any) regularly and as necessary via telephone, electronic mail or other forms of correspondence. Your duties as a committee member will be as set forth in the committee charters and will include attendance of committee meetings. During the continuance of your appointment, you will be expected to:
 - (i) faithfully, efficiently, competently and diligently perform your duties and exercise such powers as are appropriate to your role as an independent, non-executive director;
 - (ii) promptly declare, so far as you are aware, the nature of any interest, whether direct or indirect, which you or a direct family member may have in any transaction or proposed transaction entered into by the Company or any subsidiary or affiliate of the Company;
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(iii) comply with all reasonable requests, instructions and regulations made or given by the Board (or by any duly authorized committee thereof) and give to the Chairman or the Board such explanations, information and assistance as the Chairman or the Board may reasonably require;

(v) act in the best interests of the Company;

(vi) use commercially reasonable efforts to promote and extend the interests and reputation of the Company, including assisting the Board in relation to public and corporate affairs and bringing to bear for the benefit of the Board your particular knowledge and experience; and

(vii) comply with all laws, rules and regulations promulgated: (i) regulating the marketing and sale of securities to the public, (ii) requiring all material, nonpublic information regarding the Company to remain confidential and not be selectively disclosed to any person who is not an officer or director of the Company or a person who has been authorized by the Company to receive such information, and (iii) requiring that directors timely, publicly disclose their ownership, acquisition and disposition of securities of the Company.

Since you are to be classified as an independent director at the time of your appointment, you shall promptly inform the Board of any circumstances that would likely affect such independent status.

3. **Services for Others.** You shall be free to represent or perform services for other persons during the term of this Agreement. You agree, however, that you do not presently perform and do not intend to perform, during the term of this Agreement, similar Duties, consulting, or other services for companies whose businesses are or would be, in any way, competitive with the Company (except for companies previously disclosed by you to the Company in writing). Should you propose to perform similar Duties, consulting, or other services for any such company, you agree to notify the Company in writing in advance (specifying the name of the organization for whom you propose to perform such services) and to provide information to the Company sufficient to allow it to determine if the performance of such services would conflict with areas of interest to the Company.

4. **Compensation.** As compensation for your services to the Company, you will receive upon execution of this Agreement cash compensation in the form of a Director's Fee in the amount of US\$5,000 per quarter. You also will be granted Equity Compensation in such form and amounts as shall be determined by the Board upon its implementation of a plan for equity compensation for all directors. You shall be reimbursed for reasonable expenses incurred by you in connection with the performance of your Duties (including travel expenses for in-person meetings).

5. **D&O Insurance Policy.** During the term under this Agreement, the Company shall include you as an insured under its officers and directors insurance policy in such form and amounts as the Company shall determine to maintain in its discretion.

6. **No Assignment.** Because of the personal nature of the services to be rendered by you, this Agreement may not be assigned by you without the prior written consent of the Company.

7. **Confidential Information; Non-Disclosure.** In consideration of your access to certain Confidential Information (as defined below) of the Company, in connection with your business relationship with the Company, you hereby represent and agree as follows:

a. Definition. For purposes of this Agreement the term “Confidential Information” means: (i) any information which the Company possesses that has been created, discovered or developed by or for the Company, and which has or could have commercial value or utility in the business in which the Company is engaged; (ii) any information which is related to the business of the Company and is generally not known by non-Company personnel; and (iii) Confidential Information includes, without limitation, financial data, trade secrets and any information concerning products, processes, formulas, designs, inventions (whether or not patentable or registrable under copyright or similar laws, and whether or not reduced to practice), discoveries, concepts, ideas, improvements, techniques, methods, research, development and test results, specifications, data, know-how, software, formats, marketing plans, and analyses, business plans and analyses, strategies, forecasts, customer and supplier identities, characteristics and agreements.

b. Exclusions. Notwithstanding the foregoing, the term Confidential Information shall not include: (i) any information which becomes generally available or is readily available to the public other than as a result of a breach of the confidentiality portions of this Agreement, or any other agreement requiring confidentiality between the Company and you; (ii) information received from a third party in rightful possession of such information who is not restricted from disclosing such information; (iii) information known by you prior to receipt of such information from the Company, which prior knowledge can be documented and (iv) information you are required to disclose pursuant to any applicable law, regulation, judicial or administrative order or decree, or request by other regulatory organization having authority pursuant to the law; provided, however, that you shall first have given prior written notice to the Company and made a reasonable effort to obtain a protective order requiring that the Confidential Information not be disclosed.

c. Documents. You agree that, without the express written consent of the Company, you will not remove from the Company's premises, any notes, formulas, programs, data, records, machines or any other documents or items which in any manner contain or constitute Confidential Information, nor will you make reproductions or copies of same. You shall promptly return any such documents or items, along with any reproductions or copies to the Company upon the Company's demand, upon termination of this Agreement, or upon your termination or Resignation (as defined in Section 9 herein).

d. Confidentiality. You agree that you will hold in trust and confidence all Confidential Information and will not disclose to others, directly or indirectly, any Confidential Information or anything relating to such information without the prior written consent of the Company, except as may be necessary in the course of your business relationship with the Company. You further agree that you will not use any Confidential Information without the prior written consent of the Company, except as may be necessary in the course of your business relationship with the Company, and that the provisions of this paragraph (d) shall survive termination of this Agreement. Notwithstanding the foregoing, you may disclose Confidential Information to your legal counsel and accounting advisors who have a need to know such information for accounting or tax purposes and who agree to be bound by the provisions of this paragraph (d).

e. **Ownership.** You agree that the Company shall own all right, title and interest (including patent rights, copyrights, trade secret rights, mask work rights, trademark rights, and all other intellectual and industrial property rights of any sort throughout the world) relating to any and all inventions (whether or not patentable), works of authorship, mask works, designations, designs, know-how, ideas and information made or conceived or reduced to practice, in whole or in part, by you during the term of this Agreement and that arise out of your Duties (collectively, "Inventions") and you will promptly disclose and provide all Inventions to the Company. You agree to assist the Company, at its expense, to further evidence, record and perfect such assignments, and to perfect, obtain, maintain, enforce, and defend any rights assigned.

8. **Non-Solicitation.** During the term of your appointment, you shall not solicit for employment any employee of the Company with whom you have had contact due to your appointment.

9. **Termination and Resignation.** Your membership on the Board may be terminated for any or no reason by a vote of the shareholders holding at least a majority of the Company's issued and outstanding ordinary shares entitled to vote, and as otherwise provided pursuant to the Company's charter and by-laws. You may also terminate your membership on the Board or on a committee for any or no reason by delivering your written notice of resignation to the Company ("Resignation"), and such Resignation shall be effective upon the time specified therein or, if no time is specified, upon receipt of the notice of resignation by the Company. You will be automatically removed from the Board if you (i) are absent from meetings of the Board (such absence not being absence with leave or by arrangement with the Board) for six months in succession and the Board shall have resolved that your office shall be vacated; or, (ii) become prohibited by law from acting as a director. For so long as the Company shall be party to that certain Voting Agreement, by and among the Company, B&R Global Holding, Inc., and Xiao Mou Zhang as Stockholders Representative, dated as of November 4, 2019 (the "Voting Agreement"), you may be removed, with or without cause, by joint agreement of Zhou Min Ni and Xiao Mou Zhang. Upon the effective date of the termination or Resignation, your right to compensation hereunder will terminate subject to the Company's obligations to pay you any compensation that you have already earned and to reimburse you for approved expenses already incurred in connection with your performance of your Duties as of the effective date of such termination or Resignation.

10. **Governing Law; Arbitration.** All questions with respect to the construction and/or enforcement of this Agreement, and the rights and obligations of the parties hereunder, shall be determined in accordance with the law of the State of North Carolina applicable to agreements made and to be performed entirely in the State of North Carolina. All disputes with respect to this Agreement, including the existence, validity, interpretation, performance, breach or termination thereof or any dispute regarding non-contractual obligations arising out of or relating to it shall be referred to and finally resolved by arbitration administered by the American Arbitration Association ("AAA") under the AAA Administered Arbitration Rules in force when the Notice of Arbitration is submitted. The law of this arbitration clause shall be North Carolina law. The seat of arbitration shall be in Greensboro, North Carolina. The number of arbitrators shall be one. The arbitration proceedings shall be conducted in English.

11. **Entire Agreement; Amendment; Waiver; Counterparts.** This Agreement expresses the entire understanding with respect to the subject matter hereof and supersedes and terminates any prior oral or written agreements with respect to the subject matter hereof. Any term of this Agreement may be amended and observance of any term of this Agreement may be waived only with the written consent of the parties hereto. Waiver of any term or condition of this Agreement by any party shall not be construed as a waiver of any subsequent breach or failure of the same term or condition or waiver of any other term or condition of this Agreement. The failure of any party at any time to require performance by any other party of any provision of this Agreement shall not affect the right of any such party to require future performance of such provision or any other provision of this Agreement. This Agreement may be executed in separate counterparts each of which will be an original and all of which taken together will constitute one and the same agreement, and may be executed using facsimiles of signatures, and a facsimile of a signature shall be deemed to be the same, and equally enforceable, as an original of such signature.

12. Indemnification. The Company shall, to the maximum extent provided under applicable law, indemnify and hold you harmless from and against any expenses, including reasonable attorney's fees, judgments, fines, settlements and other legally permissible amounts ("Losses"), incurred in connection with any proceeding arising out of, or related to, your performance of your Duties, other than any such Losses incurred as a result of your gross negligence or willful misconduct. The Company shall advance to you any expenses, including reasonable attorneys' fees and costs of settlement, incurred in defending any such proceeding to the maximum extent permitted by applicable law. Such costs and expenses incurred by you in defense of any such proceeding shall be paid by the Company in advance of the final disposition of such proceeding promptly upon receipt by the Company of (a) written request for payment; (b) appropriate documentation evidencing the incurrence, amount and nature of the costs and expenses for which payment is being sought; and (c) an undertaking adequate under applicable law made by or on your behalf to repay the amounts so advanced if it shall ultimately be determined pursuant to any non-appealable judgment or settlement that you are not entitled to be indemnified by the Company.

13. Not an Employment Agreement. This Agreement is not an employment agreement, and shall not be construed or interpreted to create any right for you to continue employment with the Company.

14. Acknowledgement. You accept this Agreement subject to all the terms and provisions of this Agreement. You agree to accept as binding, conclusive, and final all decisions or interpretations of the Board of Directors of the Company of any questions arising under this Agreement.

The Agreement has been executed and delivered by the undersigned and is made effective as of the date set first set forth above.

Sincerely,

HF FOODS GROUP INC.

By: /s/ Xiao Mou Zhang
Peter Zhang, Director and Chief Executive Officer

AGREED AND ACCEPTED:

/s/ Russell T. Libby
Russell T. Libby



HF Foods Appoints Industry Veteran, Russell Libby, to its Board of Directors

GREENSBORO, NC – March 23, 2020 – HF Foods Group Inc. (NASDAQ: HFFG), a leading food distributor to Asian restaurants across the Southeast, Pacific and Mountain West regions of the United States (the “Company”), has appointed Russell Libby, a food distribution industry veteran and service-oriented c-suite executive, to the Company’s board of directors effective July 1, 2020.

Libby will replace Zhehui Ni, who resigned effective June 30, 2020, due to personal and professional obligations. As a result of the change, the Company’s board of directors will remain composed of five directors, including three independent directors and two inside directors.

Russell Libby has nearly 30 years of experience in mergers and acquisitions, strategy, business development, international business, corporate governance, and corporate social responsibility. From 2007 to 2019, he held numerous leadership positions at Sysco Corp. and most recently served as the company’s executive vice president and corporate secretary.

Prior to his career with Sysco, Libby served as president of COFRA North America and vice president - legal, for Good Energies, Inc., an investment advisor to private equity and venture capital funds. During his career, he has also worked as general counsel, vice president-human resources and secretary at Liuski International, Inc., a computer distribution and manufacturing company, and as a corporate associate with Arnall Golden Gregory, LLP, a full-service law firm in Atlanta.

Libby holds a Bachelor of Arts in international relations from the University of Virginia in Charlottesville and a J.D. degree from Emory University School of Law in Atlanta.

“Mr. Libby’s experience in food distribution management and operations, as well as financial markets, make him a uniquely qualified individual to join our board of directors,” said Zhou Min Ni, chairman and co-CEO of HF Foods. “We believe that his appointment will strengthen our corporate governance, and his expertise will be of great value as we work to grow the business and generate value for the betterment of our customers, employees, and shareholders.”

Peter Zhang, co-CEO and CFO of HF Foods added: “By appointing a well-respected industry veteran to our board of directors with vast experience from the dominant player in our industry, we’ve added another valuable resource who can help us scale more effectively. On behalf of the entire team at HF Foods, I’d like to personally welcome Mr. Libby aboard.”

Mr. Libby commented: “With the completion of the merger between B&R Global and HF Foods in November last year, this is a uniquely opportune time in the Company’s history. I look forward to leveraging my prior experience to help HF Foods reach the next phase in its evolution.”



About HF Foods Group Inc.

HF Foods Group Inc., headquartered in Greensboro, North Carolina, is a leading marketer and distributor of fresh produce, frozen and dry food, and non-food products to primarily Asian/Chinese restaurants and other foodservice customers throughout the Southeast, Pacific and Mountain West regions of the United States. With 14 distribution centers along the U.S. eastern and western seaboard, HF Foods aims to supply the increasing demand for Asian American restaurant cuisine. With an in-house proprietary ordering and inventory control network, more than 10,000 established customers in 21 states, and strong relations with growers and suppliers of food products in the US and China, HF Foods Group is able to offer fresh, high-quality specialty restaurant foods and supplies at economical prices to its large and growing base of customers. For more information, please visit hffoodsgroup.com.

Forward-Looking Statements

All statements in this news release other than statements of historical facts are forward-looking statements which contain our current expectations about our future results. We have attempted to identify any forward-looking statements by using words such as “anticipates,” “believes,” “could,” “expects,” “intends,” “may,” “should” and other similar expressions. Although we believe that the expectations reflected in all of our forward-looking statements are reasonable, we can give no assurance that such expectations will prove to be correct. Such statements are not guarantees of future performance or events and are subject to known and unknown risks and uncertainties that could cause the Company’s actual results, events or financial positions to differ materially from those included within or implied by such forward-looking statements. Such factors include, but are not limited to, unfavorable macroeconomic conditions in the United States, competition in the food service distribution industry, particularly the entry of new competitors into the Chinese/Asian restaurant market niche, increases in fuel costs or commodity prices, disruption of relationships with vendors and increases in product prices, U.S. government tariffs on products imported into the United States, particularly from China, changes in consumer eating and dining out habits, disruption of relationships with or loss of customers, our ability to execute our acquisition strategy, availability of financing to execute our acquisition strategy, control of the Company by our Chief Executive Officer and principal stockholder, failure to retain our senior management and other key personnel, our ability to attract, train and retain employees, changes in and enforcement of immigration laws, failure to comply with various federal, state and local rules and regulations regarding food safety, sanitation, transportation, minimum wage, overtime and other health and safety laws, product recalls, voluntary recalls or withdrawals if any of the products we distribute are alleged to have caused illness, been mislabeled, misbranded or adulterated or to otherwise have violated applicable government regulations, failure to protect our intellectual property rights, any cyber security incident, other technology disruption, or delay in implementing our information technology systems, statements of assumption underlying any of the foregoing, and other factors disclosed under the caption “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2018 and other filings with the SEC. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date made. Except as required by law, we undertake no obligation to disclose any revision to these forward-looking statements.

Investor Relations Contact:

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