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WAI HUNG GROUP HOLDINGS LIMITED

偉鴻集團控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 3321)

VOLUNTARY ANNOUNCEMENT FRAMEWORK COOPERATION AGREEMENT WITH QIANHAI BAIFU (SHENZHEN) INDUSTRIAL CO., LTD.

This is a voluntary announcement made by Wai Hung Group Holdings Limited (the “**Company**”) and its subsidiaries (collectively, the “**Group**”) in order to update its shareholders and potential investors on the latest development of the Group.

FRAMEWORK COOPERATION AGREEMENT

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that on 30 June 2020 the Company entered into a framework cooperation agreement (the “**Framework Cooperation Agreement**”) with Qianhai Baifu (Shenzhen) Industrial Co., Ltd.* (前海百福(深圳)實業有限公司) (“**Qianhai Baifu**”), pursuant to which the parties propose to cooperate in the exploration, development and comprehensive utilization of resources such as boron, lithium and potassium in the People’s Republic of China (the “**PRC**”).

Qianhai Baifu is a company established in the PRC with limited liability and is principally engaged in mining, processing and sales of mineral products (“**Mineral Products Business**”). Qianhai Baifu intends to acquire 55% interest in the mining rights of Tibet Baqiancuo Salt Lake* (西藏捌千錯鹽湖) (“**Baqiancuo Salt Lake**”) from Tibet Ali Liyuan Mining Development Co., Ltd.* (西藏阿里鋰源礦業開發有限公司) (“**Tibet Ali**”).

Based on the information obtained from Qianhai Baifu, Tibet Ali is a company established in the PRC and engaged in Mineral Products Business. The Baqiancuo Salt Lake is located in Geji County, Tibet Autonomous Region, the PRC, covering an area of approximately 24.5 square kilometers, with approximately 108,100 tonnes of proven lithium chloride resource reserves.

The Board is of the view that through cooperation with Qianhai Baifu, such will facilitate the Group to further diversify its business scope and source of income, and maximize the value for the Group and its shareholders as a whole.

The Board wishes to emphasize that the Framework Cooperation Agreement only sets out the preliminary cooperation intentions of the Company and Qianhai Baifu, which does not constitute substantive rights and obligation of any parties thereto and is subject to further formal agreement(s) and/or arrangement(s) to be entered into by the parties, which may or may not materialise. Save for the provisions relating to professional fees, confidentiality, exclusivity, due diligence, termination, governing law and jurisdiction, the Framework Cooperation Agreement is not legally binding. Where necessary, further announcement(s) will be made by the Company as and when appropriate in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the ultimate beneficial owner of Qianhai Baifu is a third party independent of the Company and its connected persons as defined in the relevant Listing Rules.

The Board wishes to emphasize that a definitive agreement may or may not be entered into by the parties and as such the cooperation with Qianhai Baifu may or may not proceed. Shareholders of the Company and investors are reminded to exercise caution when dealing in the shares of the Company.

By order of the Board
Wai Hung Group Holdings Limited
Mr. Li Kam Hung
Chairman

Hong Kong, 30 June 2020

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Li Kam Hung, Mr. Yu Ming Ho and Mr. Yau Yan Ming Raymond; one non-executive Director, namely Mr. Li Chun Ho and three independent non-executive Directors, namely Ms. Rita Botelho dos Santos, Mr. Wu Chou Kit and Mr. Lam Chi Wing.

* *For identification purpose only*