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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 ACQUISITION OF 100% EQUITY INTEREST IN SHOUGUANG SENTE INTELLIGENT TECHNOLOGY 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.

THE ACQUISITION

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that on 24 September 2020, Mr. Li Yingde (the “**Vendor**”) and Wai Hung Hong Construction Engineering Limited (“**WHHCE**”), an indirect wholly-owned subsidiary of the Company, entered into a sale and purchase agreement (the “**Sale and Purchase Agreement**”), pursuant to which the Vendor agreed to sell and WHHCE agreed to acquire 100% equity interest in Shouguang Sente Intelligent Technology Co., Ltd.* (壽光森特智能科技有限公司) (the “**Target Company**”) (the “**Acquisition**”) for an aggregate consideration of RMB1 million (equivalent to approximately HK\$1.1 million) to be settled by way of cash in full upon completion (the “**Total Consideration**”).

The Total Consideration, which will be financed by the Group’s internal resources, was determined after arm’s length negotiations between the Vendor and WHHCE with reference to the Target Company’s financial position, prospect of its smart garage business (the “**Smart Garage Business**”), as well as the Target Company’s potential growth in operation. The Directors are of the view that the Total Consideration is fair and reasonable.

Upon completion of the Acquisition, the Target Company will become an indirect wholly-owned subsidiary of the Company.

Completion of the Acquisition is subject to the satisfaction and/or waiver of the conditions precedent under the Sale and Purchase Agreement and therefore, may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

INFORMATION ON THE TARGET COMPANY

The Target Company is a limited liability company established in the People's Republic of China (the "PRC"). The Target Company is primarily engaged in the Smart Garage Business in the PRC. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the Vendor is a third party independent of the Company and its connected persons as defined in the relevant Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

REASONS FOR AND BENEFITS OF ENTERING INTO THE TRANSACTION

The Board considers that the Acquisition to be beneficial to the Group because of the great development potential of the Target Company's business. The Board expects the Target Company will serve as a platform for the Group to develop the Smart Garage Business. The smart garage technology newly developed by the Target Company, which enables quick assembly of multi-storey temporary parking spaces and each parking space to be powered by a new type of rapid lithium battery charging device, will create synergy with the Group's proposed lithium resources project and proposed investment in lithium battery technology. Further, while the Acquisition is in line with expansion of the Group's business strategy, it will also enhance the Group's ability to expand into the markets related to the Smart Garage Business and other lithium battery businesses. The Directors consider that the terms of the Sale and Purchase Agreement to be fair and reasonable, on normal commercial terms and in the interests of the Company and the shareholders as a whole.

LISTING RULES IMPLICATIONS

As all the applicable percentage ratios under Rule 14.07 of the Listing Rules in relation to the Acquisition of the Target Company are below 5%, the Acquisition of the Target Company does not constitute a notifiable transaction under Chapter 14 of the Listing Rules. This announcement is made by the Company on a voluntary basis.

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

Hong Kong, 24 September 2020

As at the date of this announcement, the Board comprises Mr. Li Kam Hung, Mr. Yu Ming Ho, Mr. Yau Yan Ming Raymond and Mr. Ge Lintao as executive Directors, Mr. Li Chun Ho and Mr. Zhu Jun as non-executive Directors, and Ms. Rita Botelho dos Santos, Mr. Wu Chou Kit and Mr. Lam Chi Wing as independent non-executive Directors.

* For identification purpose only