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Anchorstone Holdings Limited

基石控股有限公司

(Incorporated in Cayman Islands with limited liability)

(Stock Code: 1592)

**NOT TO PROCEED WITH THE MAJOR TRANSACTION IN RELATION TO
ACQUISITION OF THE ENTIRE INTEREST IN THE TARGET COMPANY
INVOLVING ISSUE OF CONVERSION SHARES UPON CONVERSION OF
CONVERTIBLE BONDS UNDER SPECIFIC MANDATE**

Reference are made to the announcement of Anchorstone Holdings Limited (the “**Company**”) dated 21 November 2019 and 27 December 2019 (the “**Announcements**”) in relation to the Acquisition and the announcements of the Company dated 12 December 2019, 23 December 2019, 3 February 2020 and 28 February 2020 (the “**Delay Announcements**”) in relation to the delay in despatch of the circular. Unless otherwise defined herein, capitalised terms used herein shall have the same meanings as those defined in the Announcements and the Delay Announcements.

DEED OF TERMINATION

The Board wishes to announce that the Purchaser and the Vendor entered into a deed of termination (the “**Deed of Termination**”) after trading hours of the Stock Exchange on 26 March 2020 whereby the parties have mutually agreed to terminate the Sale and Purchase Agreement (as amended and supplemented by the Supplemental Agreement) with immediate effect. As a result of the termination, the Acquisition will not proceed.

Pursuant to the Deed of Termination, the Vendor shall refund the Deposit to the Purchaser within six months from the date of the Deed of Termination (or such other date to be agreed between the parties but not later than 12 months from the date of the Deed of Termination). Upon refund of the Deposit, none of the parties shall have any claims against any of the other parties arising out of or in connection with the Sale and Purchase Agreement.

REASON FOR THE TERMINATION

Since late January 2020, travel restrictions and other public health measures (the “**Public Health Measures**”) including the extension of Chinese New Year holiday and quarantine requirements of travelers were imposed in various areas in China in an attempt to contain the novel Coronavirus epidemic (the “**Epidemic**”). As a result, some staff of the Group were restricted from travelling or returning to work after holiday, therefore the staff of the Group could not conduct due diligence on the Target Group, especially the Target Group’s

business in China and Macau. After taking into account the uncertainty of the Epidemic and the additional time and costs which will be required for conducting due diligence, preparing the circular and completing the Acquisition, the parties to the Sale and Purchase Agreement have mutually agreed not to proceed with the Acquisition and entered into the Deed of Termination.

As a result of the termination, the Acquisition will not proceed and therefore, no circular will be despatched to the Shareholders and the EGM will not be convened.

The Board considers that the entering into the Deed of Termination is in the interest of the Company and the Shareholders as a whole, and will not have any material adverse effect on the operations or financial position of the Group.

The Company will continue to explore possibilities of cooperation with the Vendor and the Target Group. The Company will make further announcement as and when appropriate.

CAUTION

Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the securities of the Company.

By Order of the Board
Anchorstone Holdings Limited
Fung Wai Hang
Company Secretary and Executive Director

Hong Kong, 26 March 2020

As at the date of this announcement, the executive directors are Mr. Lui Yue Yun Gary, Ms. Lui Po Kwan Joyce, Mr. Lui Edwin Wing Yiu and Mr. Fung Wai Hang, and the independent non-executive directors are Mr. Ko Tsz Kin, Mr. Choi Hok Ya and Mr. Ng Yau Wah Daniel.