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Anchorstone Holdings Limited

基石控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1592)

**VOLUNTARY ANNOUNCEMENT
UPDATED ON THE MEMORANDUM OF UNDERSTANDING
IN RELATION TO A POTENTIAL ACQUISITION**

This announcement is made by Anchorstone Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis.

Reference are made to the announcement of the Company dated 3 April 2020 (the “**Announcement**”) in relation to the Company entered into a non-legally binding MOU with the Vendor in relation to the proposed acquisition of two companies (“**Target Companies**”) by the Company from the Vendor (“**Potential Transaction**”). Unless otherwise defined herein, capitalised terms used herein shall have the same meanings as those defined in the Announcements and the Delay Announcements.

The board (“**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors of the Company the below:

1. The due diligence review of the Target Companies has been completed and the Company is expected the Formal Sale and Purchase Agreement would be signed in due course upon the Board’s approval.
2. The consideration for the Potential Transaction is estimated by reference to the preliminary valuation of the Target Companies by an independent professional valuer and was preliminary determined to be approximately HK\$76,500,000 which is intended to be settled by the issuance of a Convertible Bond by the Company to the Vendor under the general mandate of issuing new shares. As the Target Companies may be able to obtain an exclusive agency right in China from a marble mine located at Croatia and a marble mine located at Turkey, the Company expected the valuation might be further increase.
3. The Target Companies are negotiating the detail terms of a strategical agreement (the “**Strategical Agreement**”) with a real estate and property development group in the PRC (the “**PRC Enterprise Group**”). Under the draft Strategical Agreement, The Target Companies will be the exclusive building materials supplier of the PRC Enterprise Group in its certain property development projects in China (“**Project(s)**”).

Based on the information currently available to the Company, the draft Strategical Agreement would be in 3-year basic and the total contract sum would be approximately RMB100 millions per Project. The draft Strategical Agreement is still subject to further negotiation and finalization with the PRC Enterprise Group.

As the Potential Transaction may or may not materialise, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
Anchorstone Holdings Limited
Lui Yue Yun Gary
Chairman

Hong Kong, 14 September 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.