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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 DEVELOPMENT OF BUSINESS UNDER NEGOTIATION

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

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 that the Company plans to enter into a business cooperation agreement (“**Cooperation Agreement**”) with MEYA MADENCİLİK VE MERMER PAZARLAMA SANAYİ VE TİCARET A.Ş. (the “**JV Partner**”), an independent third party who is not connected with the Company or its connected person. Pursuant to the draft Cooperation Agreement, a joint venture will be formed by the parties to develop and explore an excellent quality marble mine in Turkey (“**Turkey Mine**”) for the Group’s stone supply and installment projects in Hong Kong and Macau in future, and to explore the stone supply market worldwide.

Pursuant to the draft Cooperation Agreement, it is proposed that the joint venture is owned as to 50% and 50% by the Group and the JV Partner. The Group will provide business support, marketing support in the Hong Kong and Macau market and the project management experience to the joint venture. The JV Partner will provide the mining exploration and production support to the joint venture.

The ultimate benefit owners of the JV Partner has many years’ experience in the exploration and operation of marble mines in Europe. Based on the preliminary assessment of JV Partner, the valuation of the Turkey Mine is approximately US\$14 million. Based on the Company’s expectation, the total volume of production of the Turkey Mine under full scale operation would be between 50,000 tons to 120,000 tons. It will bring approximately US\$6 million to US\$14.4 million of turnover to the joint venture.

The Board believes that through the cooperation with the JV Partner, the Group could enhance its existing business, reduce its cost of sales and capture new business opportunities. The cooperation also provides an opportunity to the Group to expand its source of marble and business globally without substantial capital commitment. It will bring additional revenue and profit to the Group and beneficial to the Company, and its shareholders as a whole.

All relevant applicable percentage ratios for the Company as calculated under chapter 14 of the Rule Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) in relation to the draft Cooperation Agreement are less than 5%, and therefore the Cooperation Agreement is not subject to any disclosure requirements pursuant to chapter 14 of the Listing Rules.

The draft Cooperation Agreement is still subject to further negotiation and finalization with the JV Partner.

As the above Cooperation Agreement 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.