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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 JIANGXI NING YU LITHIUM BATTERY MANUFACTURING COMPANY LIMITED

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

FRAMEWORK COOPERATION AGREEMENT

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that on 28 July 2020, the Company entered into a framework cooperation agreement (the “**Framework Cooperation Agreement**”) with Jiangxi Ning Yu Lithium Battery Manufacturing Company Limited* (江西寧宇鋰電製造有限公司) (“**Jiangxi Ning Yu**”), pursuant to which the Group intends to supply Jiangxi Ning Yu with boron, lithium, potassium and other resources on the most favorable terms, and Jiangxi Ning Yu intends to provide the Group with patents and production technologies for long-life energy storage lithium battery (the “**Lithium Battery**”) on the most favorable terms.

Jiangxi Ning Yu is a company established in the People’s Republic of China with limited liability and is principally engaged in research and development of the Lithium Battery. It beneficially owns seven exclusive patents registered with the China National Intellectual Property Administration (the “**Patents**”), which are valid until 2029. According to Jiangxi Ning Yu’s research and development report, the Lithium Battery does not only meet safety standards and can be readily connected with other energy storage equipment, but also has a lifespan (charging and discharging once a day) of up to 20 years, which is three times longer than the lifespan of the most widely-used lead-acid battery (the “**Existing Battery**”). Moreover, the price of the Lithium Battery will not be more than one-third higher than that of the Existing Battery.

The Board is of the view that such cooperation with Jiangxi Ning Yu will further diversify the Group's business scope and source of income as a whole.

The Board wishes to emphasise that the Framework Cooperation Agreement only sets out the preliminary cooperation intentions of the Company and Jiangxi Ning Yu, 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 the professional fees, exclusivity, 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, Jiangxi Ning Yu and its ultimate beneficial owners are third parties independent of and not connected with the Company and its connected persons as defined in the relevant Listing Rules. Nonetheless, Mr. Zhu Jun ("**Mr. Zhu**") is a non-executive Director of the Company and also the technical director of Jiangxi Ning Yu. Mr. Zhu does not hold any direct or indirect equity interest in Jiangx Ning Yu.

The Board wishes to emphasise that a definitive agreement may or may not be entered into by the parties and as such the cooperation with Jiangxi Ning Yu 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, 28 July 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. Cen Guangming 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*