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香港金融集團

HONG KONG FINANCE INVESTMENT HOLDING GROUP LIMITED
香港金融投資控股集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 7)

**ANNOUNCEMENT
BUSINESS UPDATE**

UPDATE ON SAND MINING AND EXPORT BUSINESS

Reference is made to the announcement of the Hong Kong Finance Investment Holding Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 17 April 2020, among others, Hong Kong Finance Business Development Group Limited (“**HKFB**”), a wholly-owned subsidiary of the Company, was granted an exclusive right to conduct sand mining and export business in the Kikori Delta in the Gulf of Papua (the “**Kikori Delta**”).

The board of directors of the Company (the “**Board**”) is pleased to announce that on 21 October 2020, HKFB, entered into a cooperation agreement (the “**Agreement**”) with 協鑫創展控股有限公司 (GCL Innovation Holdings Limited*) (the “**Partner**”) forming a foundation of the future cooperation between HKFB and the Partner.

The Partner is an independent third party which participates in port and storage yard business in Yangtze River Delta and Beijing-Tianjin-Hebei area in the People’s Republic of China (the “**PRC**”).

* For identification purposes only

Pursuant to the Agreement, HKFB and the Partner will cooperate in following manners:

- (1) HKFB will supply sand and gravel to the Partner; and
- (2) the Partner will be responsible for the purchase of sand (at least 100 million tons per year) and gravel (at least 150 million tons per year) at a price of not less than RMB200 per ton from HKFB which will then be sold by the Partner to its customers at a price of not less than RMB280 per ton. HKFB will share the operating profits of the Partner from such sale at a profit sharing ratio of 50%. The customers of the Partner include but not limited to certain Central Government-owned Enterprises in the PRC. The said sand and gravel will be supplied for utilization in Yangtze River Delta and Beijing-Tianjin-Hebei area in the PRC.

The Board is of the view that the sales network and business connections of the Partner will facilitate the extension of the distribution network of HKFB for its sand and gravel supply business, benefit the publicity of its sand and gravel supply business, broaden income source of the Group and eventually maximizing Shareholders' values.

OTHER BUSINESS UPDATE IN PAPUA NEW GUINEA

As disclosed in the announcement of the Company dated 17 April 2020, among others, HKFB was granted an exclusive operating right for conducting sand mining and export business in the waters and rivers of the Kikori Delta with a total area of 23,300 square kilometers.

In addition to the aforesaid sand mining and export business development in Papua New Guinea in the Kikori Delta, the Group also pursues further business development in Papua New Guinea. Hong Kong Finance Commercial Development Group (PNG) Limited, an indirect-wholly-owned subsidiary of the Company, as approved by Minister for Environment, Conservation and Climate Change of Government of Papua New Guinea, has been engaged by Ok Tedi Mining Limited (the “**Mining Company**”), a state-owned enterprise in Papua New Guinea, for the removal of sand and debris accumulated in Fly River in Papua New Guinea for a project of the Mining Company.

By order of the Board

Hong Kong Finance Investment Holding Group Limited

Dr. Hui Chi Ming, G.B.S., J.P.

Chairman

Hong Kong, 2 November 2020

As at the date of this announcement, the Honorary Chairman and Senior Consultant of the Company is Dr. Yukio Hatoyama; the senior consultants of the Company comprise Dr. Wang Tao, Mr. Fu Chenyu and Mr. Lalaharisaina Joelivalerien; the Board comprises seven executive Directors, namely, Dr. Hui Chi Ming, G.B.S., J.P., Mr. Neil Bush, Mr. Cao Yu, Mr. Xu Jun Jia, Mr. Lam Kwok Hing, M.H., J.P., Mr. Nam Kwok Lun and Mr. Hui Ngok Lun; and three independent non-executive Directors, namely, Mr. Ngan Kam Biu, Stanford, Mr. Tam Chak Chi and Mr. Ma Kin Ling.