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泛亞環保集團有限公司
Pan Asia Environmental Protection Group Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 556)

LAPSE OF VERY SUBSTANTIAL ACQUISITION IN RELATION TO THE ACQUISITION OF 99.99% ISSUED SHARE CAPITAL OF THE TARGET COMPANY

Reference is made to (i) the announcement of Pan Asia Environmental Protection Group Limited (the “**Company**”) dated 30 January 2019 (the “**Announcement**”) in relation to, among other things, the Acquisition Agreement entered into between the Company and the Vendor, pursuant to which the Company has conditionally agreed to acquire, and the Vendor has conditionally agreed to sell the Sale Shares at a total consideration of approximately HK\$1,253,220,000; and (ii) the announcements of the Company dated 29 April 2019, 28 June 2019, 30 September 2019, 29 November 2019, 28 February 2020, 31 August 2020, 31 March 2021, 30 March 2022 and 30 September 2022 in relation to the delay in despatch of the circular. Unless otherwise specified, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

LAPSE OF THE ACQUISITION

As disclosed in the announcement of the Company dated 31 March 2021, the Company and the Vendor entered into the 4th supplemental agreement on 31 March 2021 (after trading hours) agreeing to extend the date for fulfillment of the conditions precedent set out in the Acquisition Agreement to 30 September 2022 (the “**Long Stop Date**”).

As disclosed in the announcement of the Company dated 30 September 2022, as more time was required for the Company to further negotiate on the terms of the Acquisition, including but not limited to the extension of the Long Stop Date, the despatch of the circular was postponed to a date on or before 30 April 2023.

After considering, among others, (i) the latest financial and operational performance of the PRC Property (i.e. the shopping centre located in Kunming, being a principal asset of the Target Group); (ii) the latest valuation of the PRC Property; and (iii) the relevant commercial benefits, and the Company’s and Shareholders’ interests as a whole, the Company and the Vendor could not agree on the terms of the Acquisition, including but not limited to the amount of Consideration. Accordingly, the parties did not agree on any further extension of the Long Stop Date and the Acquisition has lapsed. The circular in relation to the Acquisition will not be despatched.

The Directors consider that the lapse of the Acquisition will not have any material adverse impact on the existing business, operation and financial position of the Group. In response to the raising demand for environmental protection under the national policies in the PRC, the Group will continue to leverage its expertise and resources to explore new market opportunities and expand its business. The Group will also continue to strive to look at potential acquisitions and tap into other industries with high growth potential. The Group aims to become a highly valuable enterprise, maximising returns for shareholders and making positive contributions to the environment and society.

By order of the Board
Pan Asia Environmental Protection Group Limited
Jiang Xin
Chairman

Hong Kong, 28 April 2023

As at the date of this announcement, the members of the Board are:

Executive Directors:

Mr. JIANG Xin
Mr. GUO Jiannan

Independent non-executive Directors:

Mr. CHEN Xuezheng
Mr. LEUNG Shu Sun, Sunny
Mr. HU Jianjun