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## **New Universe Environmental Group Limited**

**新宇環保集團有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 436)**

### **ANNOUNCEMENT**

#### **SUPPLEMENTAL AGREEMENT TO THE S&P AGREEMENT**

References are made to the announcements of New Universe Environmental Group Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) dated 31 March 2017, 21 April 2017 and 22 March 2019 (collectively, the “**Announcements**”) in relation to the sale and purchase agreement (the “**S&P Agreement**”) entered into between the wholly-owned subsidiary of the Company, New Universe International Holdings Limited as the purchase (the “**Purchaser**”) and Sinotech Investments Limited as the vendor (the “**Vendor**”) which constituted a discloseable transaction of the Company under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Capitalised terms used herein shall have the same meanings as those defined in the Announcements, unless the context requires otherwise.

#### **BACKGROUND**

Pursuant to the S&P Agreement, the aggregate consideration for the Acquisition shall be HK\$217,800,003, of which HK\$64,000,000 shall be settled by the issue of Consideration Shares at the issue price of HK\$0.80 per Consideration Share under the General Mandate upon Completion and the remaining of HK\$153,800,003 shall be settled in cash by (i) the part payment (the “**Part Payment**”) made by the Purchaser to the Vendor in the amount of HK\$5,000,000 on 30 November 2016 pursuant to the Memorandum of Understanding and (ii) the payment of HK\$148,800,003 by six instalments, as further disclosed in the Company’s announcement dated 31 March 2017. The Company has issued the Consideration Shares to the Vendor on 21 April 2017, paid the Part Payment to the Vendor and paid the first, second, third and fourth instalments in an aggregate sum of HK\$99,200,003. Pursuant to the S&P Agreement, the remaining consideration for the

Acquisition in the sum of HK\$49,600,000 (the “**Remaining Consideration**”) shall be payable by two instalments as follows:

<b>Instalments</b>	<b>Payment Date</b>	<b>Instalment payment amount (excluding interests)</b>
The fifth instalment	30 June 2019	HK\$24,800,000
The sixth instalment	31 December 2019	HK\$24,800,000

and the Purchaser shall bear interest on the outstanding amount of the cash consideration at the interest rate of HSBC Prime Rate minus 1% per annum to be quoted from time to time in Hong Kong, payable in arrears on every payment date of the instalments.

### **THE AMENDMENTS TO THE S&P AGREEMENT**

The Board is pleased to announce that on 25 June 2019 (after trading hours), the Purchaser and the Vendor entered into a supplemental agreement to the S&P Agreement (the “**Supplemental Agreement**”) to amend certain terms of the S&P Agreement.

The principal effects of the amendments are:

1. The Remaining Consideration (i.e. HK\$49,600,000) shall be payable by the Purchaser to the Vendor as follows:

<b>Instalments</b>	<b>Payment Date</b>	<b>Instalment payment amount (excluding interests)</b>
The fifth instalment	30 June 2019	HK\$14,800,000
The sixth instalment	31 December 2019	HK\$10,000,000
The seventh instalment	30 June 2020	HK\$12,400,000
The eighth instalment	31 December 2020	HK\$12,400,000

2. The interest rate charged on the outstanding amount of the cash consideration shall be at the interest rate of HSBC Prime Rate minus 0.5% per annum to be quoted from time to time in Hong Kong, payable in arrears on every payment date of the instalments.

Save as specifically amended and supplemented by the Supplemental Agreement, all other terms and conditions of the S&P Agreement remain in full force and effect.

As disclosed in the Company’s announcement dated 22 March 2019, according to the audited financial statements of NCIP prepared in accordance with the Hong Kong Financial Reporting Standards for the two years ended 31 December 2018, the Actual Profit was RMB26,206,783. As such, pursuant to the S&P Agreement (as supplemented and amended by the Supplemental Agreement), the Purchaser is entitled to deduct an amount equivalent to RMB5,438,165 (equivalent to HK\$6,210,385 from the fifth instalment payable to the Vendor on 30 June 2019, and after being translated into Hong Kong Dollars. As such, the net amount payable by the Purchaser to the Vendor on 30 June 2019 shall be HK\$8,589,615.

The Remaining Consideration payable by the Purchaser shall be financed by the internal resources and banking facility of the Company.

By order of the Board  
**New Universe Environmental Group Limited**  
**XI Yu**  
*Chairman*

Hong Kong, 25 June 2019

*As at the date of this announcement, the Board comprises six executive Directors: Mr. XI Yu (Chairman and Chief Executive Officer), Mr. SONG Yu Qing, Ms. CHEUNG Siu Ling, Ms. ZHANG Shuo, Ms. LIU Yu Jie and Mr. HON Wa Fai; and three independent non-executive Directors: Prof. CHAN Yan Cheong, Mr. YUEN Kim Hung, Michael and Mr. HO Yau Hong, Alfred.*