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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)

**SUPPLEMENTAL ANNOUNCEMENT
DISCLOSEABLE TRANSACTION IN RELATION TO
THE ACQUISITION OF 51% OF THE ISSUED SHARE CAPITAL OF
THE TARGET COMPANY INVOLVING ISSUE OF
CONSIDERATION SHARES UNDER GENERAL MANDATE**

Reference is made to the announcement issued by Pan Asia Environmental Protection Group Limited (the “**Company**”) dated 10 July 2019 (the “**Announcement**”). Unless otherwise defined herein, capitalised terms used herein have the same meanings as defined in the Announcement.

The Company would like to supplement further information relating to the Acquisition as follows:

TRANCHE E CONSIDERATION SHARES

The Directors would like to supplement and clarify that the term “Tranche E Consideration Shares” which was stated in the Announcement refers to the 6,600,000 Consideration Shares to be allotted and issued by the Company to the Vendor at the fixed issued price of HK\$1.22 per Share to settle the amount of HK\$8,052,000 within 30 Business Days immediately after the Company receives the audited consolidated financial statements of the Target Group for the FY 2021 if the net profit after tax of the Target Group for the FY 2021 meets the 2021 Guaranteed Profit.

TERMINATION OF THE ACQUISITION

The Directors would like to supplement and clarify that if any of the net profit after tax for any of the FY 2019, FY 2020 or FY 2021 after Completion does not meet 2019 Guaranteed Profit, 2020 Guaranteed Profit or 2021 Guaranteed Profit, respectively, the Company shall be entitled, at its sole discretion, to terminate the S&P Agreement immediately (except for the term of confidentiality and any other terms otherwise agreed in the S&P Agreement) and the terminated S&P Agreement shall be of no further effect and all rights, obligations and liabilities of the parties under the S&P Agreement will cease and determine (save for the rights of the Company and Vendor to claim against the other in respect of any breaches or any rights or remedies which shall have accrued prior to termination).

Upon termination, the Company shall dispose of and the Vendor shall purchase the Sale Shares at a price equivalent to the amount of Consideration that has been paid by the Company to the Vendor as a compensation for the non-fulfilment of the profit guarantee.

LISTING RULES IMPLICATIONS

In the event the Acquisition is terminated and the Company is to dispose of the Sale Shares to the Vendor, such disposal shall be subject to the relevant requirements as stated in Chapter 14 and Chapter 14A of the Listing Rules (if any).

Save as disclosed above, all other information and content set out in the Announcement remain unchanged and shall continue to be valid for all purposes. This supplemental announcement is supplemental to and should be read in conjunction with the Announcement.

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

Hong Kong, 22 July 2019

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

Executive Director:

Mr. JIANG Xin

Non-executive Director:

Mr. FAN Yajun

Independent non-executive Directors:

Mr. LAI Wing Lee

Mr. LEUNG Shu Sun, Sunny

Professor WANG Guozhen