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## **PanAsialum Holdings Company Limited**

**榮陽實業集團有限公司**

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

**(Stock Code: 2078)**

### **SUPPLEMENTAL ANNOUNCEMENT**

#### **MAJOR TRANSACTION IN RELATION TO THE DISPOSAL OF THE ENTIRE EQUITY INTEREST IN THE DISPOSAL COMPANY**

Reference is made to the announcements of PanAsialum Holdings Company Limited (the “**Company**”) dated 9 January 2023 and 16 January 2023 (the “**Announcements**”) in relation to the Sale and Purchase Agreement and the Disposal. Unless the context otherwise requires, terms used herein shall have the same meanings as defined in the Announcements.

#### **WAIVER LETTER**

On 17 March 2023, the Vendors, the Purchaser and the Disposal Company have entered into a waiver letter (the “**Waiver Letter**”) in relation to, amongst others, the waiver of a condition precedent under the Sale and Purchase Agreement and certain arrangements in relation to the discharge and release of the collaterals in relation to the Loans.

As disclosed in the Announcements, Completion is conditional on, amongst others, the bank having agreed that new collaterals will be provided by the Purchaser for the Loans and the form of such collaterals; and the bank having confirmed in writing that all collaterals provided by the Vendors and their affiliates in relation to the Loans will be released and discharged upon the registration of the Purchaser as shareholder of the Disposal Company (except for charges over the Land Use Rights) (the “**Confirmation**”).

As the bank is unwilling to provide the Confirmation before Completion, the parties have entered into the Waiver Letter under which, amongst others, the condition precedent numbered 9 in relation to the Confirmation has been waived by the Vendors. As at the date of this announcement, all condition precedents under the Sale and Purchase Agreement have been fulfilled or waived.

Pursuant to the Waiver Letter, the Purchaser has undertaken to the Vendors that:

- (i) the Purchaser shall within 15 working days after the registration of the Purchaser as shareholder of the Disposal Company provide assistance to the Disposal Company for the full repayment of the principal amount and interests accrued under the Loans and cause all the collaterals provided by the Vendors and their affiliates to be discharged and released. The Purchaser shall be liable for the additional costs associated with the repayment of the Loans (including any bank charges arising from early repayment of the Loans (except for principal amount and interest accrued)); or
- (ii) the Purchaser shall within 15 working days after the registration of the Purchaser as shareholder of the Disposal Company provide new collaterals for the Loans replacing the existing collaterals, and procure that all the collaterals provided by the Vendors and their affiliates shall be released and discharged.

(the “Undertakings”)

Pursuant to the Undertakings, the collaterals provided by the Vendors and their affiliates will be released and discharged within 15 working days after the registration of the Purchaser as shareholder of the Disposal Company. Any breach of the Undertakings will be construed as and deemed to be a breach of the Sale and Purchase Agreement. In the event of such breach, (i) the Purchaser shall pay to the Vendors a daily penalty of 0.3% of the Consideration; and (ii) if the delay in performance of obligations exceeds 30 days, the Vendors may unilaterally terminate the Sale and Purchase Agreement and seek damages from the Purchaser. The Purchaser shall provide assistance to the Vendors and take all necessary and appropriate actions to restore the Disposal Company to the status before the entering into of the Sale and Purchase Agreement, including but not limited to withdrawing the registration made with the government authorities in respect of the transfer of the Disposal Equity.

In view of the abovementioned mechanism, the Company considers that the Waiver Letter is negotiated on an arm’s length basis and on normal commercial terms, and the transaction contemplated thereunder is fair and reasonable and in the interests of the Company and its Shareholders as a whole. The Company considers that the Waiver Letter does not involve a material change of the rights and obligations of the parties under the Sale and Purchase Agreement and therefore does not constitute a material variation of the terms of the Sale and Purchase Agreement.

By order of the Board of  
**PanAsialum Holdings Company Limited**  
**Pan Zhaolong**  
*Chairman and Executive Director*

Hong Kong, 17 March 2023

*As at the date of this announcement, the executive directors of the Company are Mr. Pan Zhaolong and Mr. Ho Pak Yiu; and the independent non-executive directors of the Company are Mr. Leung Ka Tin, Dr. Cheung Wah Keung, Mr. Chan Kai Nang and Mr. Man Yiu Kwong Nick.*