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**新源萬恒 控股有限公司**  
**New Provenance Everlasting Holdings Limited**

*(Incorporated in Bermuda with limited liability)*  
**(Stock Code: 2326)**

**VOLUNTARY ANNOUNCEMENT**  
**INVESTMENT AGREEMENT**

**THE INVESTMENT AGREEMENT**

On 3 February 2023, after trading hours, the Investor, being an indirect wholly-owned subsidiary of the Company, entered into the Investment Agreement with the Investee, pursuant to which, the Investor has agreed to invest RMB13,000,000 (approximately HK\$15,119,000) for the construction of two sulfuric acid storage tanks by the Investee. The Investee has further agreed to purchase not less than 53,000 tonnes of sulfuric acid at a price not less than RMB388 (inclusive of tax) per tonne per year during the Cooperation Period.

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# INVESTMENT AGREEMENT

## Date

3 February 2023 (after trading hours)

## Parties involved

- (1) Ningxia Huaxia Integrated Waste Recycling Company Limited\* (寧夏華夏環保資源綜合利用有限公司), an indirect wholly-owned subsidiary of the Company as the Investor; and
- (2) Ningxia Wanning New Materials Co. Ltd\* (寧夏萬寧新材料科技有限公司) as the Investee.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Investee and its ultimate beneficial owner(s) is an Independent Third Party.

## Subject matter

Pursuant to the Investment Agreement, the Investor has agreed to invest RMB13,000,000 (approximately HK\$15,119,000) for the construction of two sulfuric acid storage tanks by the Investee. The Investee has further agreed to purchase not less than 53,000 tonnes of sulfuric acid at a price not less than RMB388 (inclusive of tax) per tonne per year during the Cooperation Period.

The investment amount, being RMB13,000,000 (approximately HK\$15,119,000), was based on the actual costs required for the construction of two sulfuric acid storage tanks and shall be funded by the internal resources of the Group.

## **Payment of the Investment Amount**

The investment amount shall be RMB13,000,000 (approximately HK\$15,119,000) which shall be payable by the Investor to the Investee in the following manner:

- (i) 40% of the investment amount, being RMB5,200,000 (approximately HK\$6,047,000), shall be paid within 7 Business Days upon signing of the Investment Agreement;
- (ii) 30% of the investment amount, being RMB3,900,000 (approximately HK\$4,536,000), shall be paid on the 30<sup>th</sup> Business Day after signing of the Investment Agreement;
- (iii) 20% of the investment amount, being RMB2,600,000 (approximately HK\$3,024,000) shall be paid with 7 days upon the commencement of operation of the two sulfuric acid storage tanks; and
- (iv) the remaining 10% of the investment amount, being RMB1,300,000 (approximately HK\$1,512,000) shall be paid 1 year after the acceptance inspection of the two sulfuric acid storage tanks by the Investor.

## **Cooperation Period**

The Investee has undertaken that the two sulfuric acid storage tanks shall be in operation before 30 June 2023 (“**Expected Operation Date**”). The Investee shall issue a notice in writing to notify the Investor at least 3 Business Days before the Expected Operation Date for the Investor’s confirmation. Both the Investor and Investee have agreed to cooperate for a period of 3 years upon the two sulfuric storage tanks commence operation (“**Cooperation Period**”) and both the Investor and Investee may further extend the Cooperation Period upon signing an extension agreement at least 1 month before the expiry of the Cooperation Period.

In the event that the two sulfuric acid storage tanks cannot be in operation before 30 June 2023, the Investee can postpone the operation date to a date not more than 6 months (“**Postponed Operation Date**”) provided that the Investee has sent a notice in writing notifying the Investor in respect of the Postponed Operation Date and that the Investor has confirmed in writing. If the two sulfuric acid storage tanks still cannot be in operation on or before the Postponed Operation Date, the Investee shall pay the Investor interests based on the investment amount (that is RMB13,000,000, being approximately HK\$15,119,000) at the prevailing interest rate for such period.

## **Ownership**

The Investor shall be the sole legal and beneficial owner of the two sulfuric acid storage tanks. During the Cooperation Period or the further extended Cooperation Period (if applicable), the Investor has agreed to grant the Investee a right to use the two sulfuric acid storage tanks free of charge subject to the Investee having purchased from the Investor not less than 53,000 tonnes of sulfuric acid at a price not less than RMB388 (inclusive of tax) per tonne per year during the Cooperation Period. Such price was determined based on the selling price of sulfuric acid charged by the Investor to other independent third parties. In the event that the Investee fails to purchase 53,000 tonnes of sulfuric acid from the Investor per year during the Cooperation Period, the Investee has agreed to pay to the Investor an amount equivalent to the amount falling short at a price not less than RMB388 (inclusive of tax) per tonne. The Investee shall be responsible for the maintenance, insurance and all other costs (including land tax, if any) in respect of using the two sulfuric acid storage tanks during the Cooperation Period or the further extended Cooperation Period (if applicable).

Upon the expiry of the Cooperation Period or the further extended Cooperation Period (as the case may be), the Investor shall have the right to request the Investee to purchase the two sulfuric acid storage tanks and transfer the legal and beneficial ownership to the Investee at a price not less than RMB9,000,000 (approximately HK\$10,467,000) by notifying the Investee in writing at least 10 Business Days before the expiry of the Cooperation Period or the further extended Cooperation Period (as the case may be). Such price was based on the expected value of the two sulfuric acid storage tanks upon the expiry of the Cooperation Period, taking into account the expected depreciation due to normal wear and tear. If necessary, the Investor and the Investee agree to jointly appoint an independent valuer to render a report in respect of the value of the two sulfuric acid storage tanks with both the Investor and the Investee sharing such costs equally. In the event that such independent valuer renders a valuation in respect of the two sulfuric acid storage tanks in an amount more than RMB9,000,000 (approximately HK\$10,467,000), both the Investor and the Investee shall use such valuation as the purchase price whereas if the valuation is in an amount less than RMB9,000,000 (approximately HK\$10,467,000), both the Investor and Investor shall use RMB9,000,000 (approximately HK\$10,467,000) as the purchase price.

## **INFORMATION OF THE INVESTOR**

The Investor is a company established in the PRC and is an indirect wholly-owned subsidiary of the Company and is principally engaged in the production of and sale of industrial products.

## **INFORMATION OF THE INVESTEE**

The Investee is a company established in the PRC and is principally engaged in the research and development new material technology, the production and sale of industrial chemical products. The Investee is wholly-owned by NingBo Free Trade Zone Rui Yi International Trade Co., Ltd.\* (寧波保稅區睿奕國際貿易有限公司) which is in turn owned as to 55% by Ren Hongyu\* (任虹宇) and 45% by Guo Yunlong\* (郭雲龍). To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Investee and its ultimate beneficial owner(s) is an Independent Third Party.

## **REASONS FOR AND BENEFITS OF THE INVESTMENT AGREEMENT**

The Group has been principally engaged in the sourcing and sale of metal minerals and related industrial materials, and production and sale of industrial products.

The entering into of the Investment Agreement will enable the Group to further expand its sale of sulfuric acid as part of its ordinary course of business and generate revenue for the Group. Moreover, the cooperation between the Investor and the Investee will enable the Group to further enhance its market share and position for the sale of industrial materials.

The Directors (including the independent non-executive Directors) consider that the terms of the Investment Agreement are fair and reasonable and on normal commercial terms and that the entering into of the Investment Agreement is in the interests of the Company and its Shareholders as a whole.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“Board”	board of Directors;
“Business Day(s)”	any day(s) (not being a Saturday, Sunday or public holiday) on which banks are open in the PRC to the general public for business;
“Company”	New Provenance Everlasting Holdings Limited (新源萬恒控股有限公司), a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 2326);
“Cooperation Period”	a period of 3 years from the date of commencement of operation of the two sulfuric acid storage tanks;
“Director(s)”	the director(s) of the Company;
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China;
“Independent Third Party(ies)”	any entity or person who is not a connected person of the Company within the meaning ascribed thereto under the Listing Rules;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“PRC”	The People’s Republic of China;
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong;
“Investor”	Ningxia Huaxia Integrated Waste Recycling Company Limited* (寧夏華夏環保資源綜合利用有限公司), an indirect wholly-owned subsidiary of the Company;

“Investment Agreement”	the investment agreement dated 3 February 2023 entered into between the Investor and the Investee;
“RMB”	Renminbi, the lawful currency of PRC;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Investee”	Ningxia Wanning New Materials Co. Ltd* (寧夏萬寧新材料科技有限公司), an Independent Third Party; and
“%”	per cent.

By order of the Board

**Ho Yu-shun**

*Chairman and Chief Executive Officer*

Hong Kong, 3 February 2023

*As at the date of this announcement, the Board comprises Mr. Ho Yu-shun (Chairman and Chief Executive Officer) and Ms. Sun Le as Executive Directors, Ms. Sun Di as Non-Executive Director, and Mr. Cheung Ngai Lam, Mr. Kwong Wing Ho and Mr. Tang Kin Nam as Independent Non-executive Directors.*

*The English transliteration of the Chinese name(s) in this announcement, where indicated with “\*”, is included for information purpose only, and should not be regarded as the official English name(s) of such Chinese names.*