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U BANQUET GROUP HOLDING LIMITED

譽宴集團控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 1483)

THE SECOND SUPPLEMENTAL AGREEMENT FOR DISCLOSEABLE TRANSACTION IN RELATION TO DEEMED DISPOSAL OF THE EQUITY INTEREST IN A SUBSIDIARY

Reference is made to the announcements of U Banquet Group Holding Limited (the “**Company**”) dated 7 September 2020, 17 September 2020 and 30 December 2020 in relation to an investment by the Investor to Aerospace Sanchuang Environmental Technology Chengdu Co., Ltd.* (航天三創環保科技(成都)有限公司), an indirect 51.0% non-wholly owned subsidiary of the Company, which constitutes a deemed disposal of the Group (the “**Announcements**”). Unless otherwise stated, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

TERMS REGARDING THE CHANGES IN INVESTORS AND THE SETTLEMENT PERIOD

The Board announces that on 20 May 2021 (after trading hours), the Investor, the Current Shareholder, the Target Company and a new investor entered into a second supplemental agreement (the “**Second Supplemental Agreement**”), pursuant to which, the parties to the Second Supplemental Agreement agreed to amend the terms of the Capital Increase Agreement regarding the changes in investors and the Settlement Period.

Pursuant to the Capital Increase Agreement and as set out in the Announcements, after the fulfilment of all conditions precedent, the Investor shall settle the Investment Amount to the designated bank account of the Target Company before 20 May 2021 (the “**Settlement Period**”).

Pursuant to the Second Supplemental Agreement, it is agreed that the 20% equity interest of the Target Company subscribed by the Investor will be transferred to the new investor. Since the corresponding contribution of the equity interest has not yet been paid up, no transaction consideration will be set for the transfer, and the Investor’s obligation to pay the investment funds to the Target Company shall be undertaken by the new investor. The Current Shareholder has agreed to waive the right of first refusal for the above equity transfer.

Upon the completion of the transfer, the Investor’s rights and obligations under the Capital Increase Agreement will all be enjoyed/undertaken by the new investor.

Since the equity transfer involves industrial and commercial registration of change, the new investor has not yet completed the fund filing procedures according to the requirements of the Asset Management Association of China, and, in the meanwhile, the parties are still implementing the settlement conditions of the Investment as agreed in the Capital Increase Agreement, it is agreed that the Settlement Period as agreed in the Capital Increase Agreement shall be extended to 10 July 2021.

It is further agreed that the new investor and the Current Shareholder shall be entitled to shareholder’s rights in the Target Company based on the proportion of capital actually settled. The new investor shall not be entitled to/bear the corresponding economic benefits, rights and obligations as shareholder of the Target Company for such unsettled Investment Amount.

In the event that before 10 July 2021 (inclusive), all conditions precedent to the Capital Increase Agreement have not been duly satisfied (unless otherwise waived by the Investor), the Capital Increase Agreement shall be automatically terminated, and the new investor shall transfer back any equity interests in the Target Company to the Current Shareholder at no consideration.

Save as disclosed above, there are no other changes to the Capital Increase and all other terms and conditions of the Capital Increase Agreement remain unchanged and continue to be in full force and effect.

INFORMATION ON THE NEW INVESTOR

The new investor, Inner Mongolia Aerospace Technology Digital City Service Fund Management Center (Limited Partner)* (內蒙古航科數字城服基金管理中心(有限合夥)), is a limited partnership incorporated in the PRC in April 2021 and is principally engaged in equity investment and relevant consultancy services in the PRC. To the best knowledge of the Directors, as of the date of this announcement, the new investor is held as to 99.995% by Hangke Junfu Environmental Technology Company Limited as a limited partner and as to 0.005% by Inner Mongolia Hangke Junfu Asset Management Center (Limited Partner)* (內蒙古航科君富資產管理中心(有限合夥)) as a general partner.

The new investor is held as to 24.3% by Zhang Junliang (張軍亮), as to 17.9% by Yang Ru (楊茹), as to 12.9% by Ma Fei (馬翡), as to 11.4% by Shi Fengsong (石峰松), as to 9.8% by Guo Dong (郭東), as to 7.3% by Song Jia (宋佳) and as to 5.4% by Liang Feng (梁峰), all of whom hold an effective interest of more than 5% in the new investor. Apart from the above, there is no other shareholder who holds an effective interest of more than 5% in the new investor.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the new investor and its ultimate beneficial owner(s) are third parties independent of and not connected with the Company and its connected persons.

Reasons for entering into the Second Supplemental Agreement

The terms of the Second Supplemental Agreement were arrived at after arm's length negotiations between the new investor, the Investor, the Current Shareholder and the Target Company. As more time is required for the new investor to complete the industrial and commercial registration of change and other filing procedures, it is agreed that the Settlement Period shall be amended to 10 July 2021. The Directors consider that the terms of the Second Supplemental Agreement are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

By order of the Board
U Banquet Group Holding Limited
Sang Kangqiao
Chairman and Executive Director

Hong Kong, 20 May 2021

As at the date of this announcement, the Executive Directors are Mr. Sang Kangqiao, Mr. Xu Wenze and Mr. Cui Peng; and the Independent Non-executive Directors are Mr. Xu Zhihao, Mr. Lam Ka Tak and Mr. Wong Sincere.

* *for identification purpose only*