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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)

DISCLOSEABLE TRANSACTION **AI ASSETS PROCUREMENT AGREEMENT**

AI ASSETS PROCUREMENT AGREEMENT

Reference is made to (i) the Company's announcement dated 27 September 2023 in relation to, among others, the strategic cooperation between the Company and Chengdu Qingshu, a high-tech enterprise established in the PRC focusing on research and application in the fields of big data and intelligent computing, providing support to AI companies with enhanced speed and performance; and (ii) the Company's announcement dated 24 December 2025 in relation to, among others, the business update of the Group.

The Board is pleased to announce that on 5 January 2026 (after trading hours), Fanzhicheng and Chengdu Qingshu entered into the AI Assets Procurement Agreement in relation to, among others, procurement of the AI Assets at the consideration of RMB30,554,900 (equivalent to approximately HK\$33.6 million).

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios of the transaction contemplated under the AI Assets Procurement Agreement is more than 5% but less than 25%, the transaction contemplated under the AI Assets Procurement Agreement constitutes a discloseable transaction for the Company and are subject to reporting and announcement requirements under Chapter 14 of the Listing Rules.

THE BUSINESS COOPERATION AGREEMENT

Reference is made to (i) the Company's announcement dated 27 September 2023 in relation to, among others, the strategic cooperation between the Company and Chengdu Qingshu, a high-tech enterprise established in the PRC focusing on research and application in the fields of big data and intelligent computing, providing support to AI companies with enhanced speed and performance; and (ii) the Company's announcement dated 24 December 2025 in relation to, among others, the business update of the Group.

The Board is pleased to announce that on 5 January 2026 (after trading hours), Fanzhicheng and Chengdu Qingshu entered into the AI Assets Procurement Agreement in relation to, among others, procurement of the AI Assets.

The principal terms of the AI Assets Procurement Agreement are as follows:

Date: 5 January 2026

Parties: (1) Fanzhicheng; and

(2) Chengdu Qingshu as supplier

Subject matter

Pursuant to the AI Assets Procurement Agreement, Fanzhicheng shall procure the AI Assets from Chengdu Qingshu at the consideration of RMB30,554,900 (equivalent to approximately HK\$33.6 million), which shall be settled by bank transfer within 10 days upon signing of the AI Assets Procurement Agreement. Such consideration covers all expenses involved in relation to the AI Assets, including related technical and engineering services, design, materials and accessories, testing, packaging and warranty services.

The AI Assets shall be delivered by Chengdu Qingshu at the designated location by Fanzhicheng within 30 days upon signing of the AI Assets Procurement Agreement. Within 60 days upon signing of the AI Assets Procurement Agreement, the AI Assets shall be installed by Chengdu Qingshu.

The terms of the AI Assets Procurement Agreement have been determined after arm's length negotiations between Chengdu Qingshu and the Group and are on normal commercial terms with reference to the current market value of similar assets in the market. The consideration will be funded by internal resources of the Group.

INFORMATION ON THE PARTIES

The Group is principally engaged in the sale of environmental protection products and equipment, and the provision of environmental protection construction engineering solutions and services. Fanzhicheng, being a wholly-owned subsidiary of the Company, is a wholly-foreign owned enterprise established in the PRC for the implementation of strategic cooperation between the Company and Chengdu Qingshu.

Chengdu Qingshu is a company established in the PRC and a high-tech enterprise focusing on research and application in the fields of big data and intelligent computing, it possesses a computing cloud platform which provides comprehensive infrastructure and application programming interface (API) services for AI companies in support of their development and deployment of AI applications. As at the date of this announcement, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Chengdu Qingshu is held by (i) Chengdu Dingyuan Taifu Asset Management Center (Limited Partnership)* (成都鼎元泰富資產管理中心(有限合夥)) ("Chengdu Dingyuan") as to approximately 84.2%; (ii) Chengdu Qingshu Zhihe Technology Partnership (Limited Partnership)* (成都清數智合科技合夥企業 (有限合夥)) as to approximately 13.5%; and (iii) two other companies established in the PRC as to approximately 2.3% in aggregate, where Chengdu Dingyuan is ultimately owned by Ma Yong (馬勇) as to 60% and Ma Xiaoxia (馬曉霞) as to 40%.

To the best of the directors' knowledge, information and belief having made all reasonable enquiries, Chengdu Qingshu and its ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined under the Listing Rules).

REASONS FOR AND BENEFITS OF ENTERING INTO THE AI ASSETS PROCUREMENT AGREEMENT

Since the entering into the strategic cooperation agreement with Chengdu Qingshu in September 2023, the Group has been expanding efforts in AI-related industries, capturing "AI+" market opportunities, to diversify its business and revenue. By closely collaborating with professional partners like Chengdu Qingshu, the Group intends to combine its knowledge, resources, and market insights to generate synergy and seize AI industry opportunities. The Group targets at deepening its core businesses by making use of AI-driven opportunities to speed up the intelligent upgrading of the environmental protection industry and expanding its diversified presence by actively investing in and exploring new opportunities along the "AI+" value chain to broaden revenue sources and improve sustainability. The Group procures the AI Assets for construction of AI centre and diversification into the AI business.

Looking ahead, the Group will keep using cutting-edge technologies and applications to strengthen its competitiveness and long-term development capabilities. While consolidating existing operations, the Group actively aligns with the nation's long-term planning, precisely gauge market trends, and spots investment opportunities. While focusing on its principal business, the Group has also been constantly exploring business opportunities to expand its existing business segments and to diversify its business portfolio, which is part of the Group's business strategy.

In view of the above, the Directors consider that the terms of the AI Assets Procurement Agreement are fair and reasonable and are in the interests of the Company and its shareholders as a whole.

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None of the Directors are deemed to be interested in the transaction contemplated under the AI Assets Procurement Agreement and hence are not required to abstain from voting on the Board resolutions in relation to the AI Assets Procurement Agreement.

DEFINITIONS

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

“AI”	artificial intelligence
“AI Assets”	certain hardwares and softwares including Graphics Processing Units (GPU) servers, high-performance storage servers, large-capacity storage servers, network switches, Gigabit Ethernet Switches, firewalls and modules
“AI Assets Procurement Agreement”	the procurement agreement dated 5 January 2026 entered into between Fanzhicheng and Chengdu Qingshu in relation to, among others, the procurement of the AI Assets
“Board”	the board of Directors
“Chengdu Qingshu”	Chengdu Qingshu Technology Co., Ltd* (成都清數科技有限公司), a company established in the PRC and an Independent Third Party
“Company”	Pan Asia Environmental Protection Group Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“Director(s)”	the director(s) of the Company

“Fanzhicheng”	Fanzhicheng Digital Technology (Chengdu) Company Limited 泛之成數字科技(成都)有限公司, a wholly-foreign owned enterprise established in the PRC and a wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administration Region of the PRC
“Independent Third Party(ies)”	third parties independent of the Company and its connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, which shall, for the purposes of this announcement, exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Share(s)”	ordinary share(s) in the share capital of the Company of HK\$0.1 each
“Shareholder(s)”	the holder(s) of the issued Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

* *For identification purposes only*

In this announcement, amounts in RMB have been translated into HK\$ at the rate of RMB1.00 = HK\$1.1.

By Order of the Board
Pan Asia Environmental Protection Group Limited
Guo Jiannan
Chairman

Hong Kong, 5 January 2026

As at the date of this announcement, the Directors of the Company are:

Executive Directors:

Mr. LIN Jun (*Chairman*)

Mr. GUO Jiannan (*Vice Chairman*)

Ms. PAN Chang (*Chief Executive Officer*)

Independent Non-executive Directors:

Mr. CHEN Xuezheng

Mr. HU Jianjun

Mr. LEUNG Shu Sun, Sunny