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**CANVEST ENVIRONMENTAL PROTECTION
GROUP COMPANY LIMITED**

粵豐環保電力有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1381)

**COMPLETION OF ISSUE OF
NEW SHARES UNDER GENERAL MANDATE
AND
ADJUSTMENT TO CONVERSION PRICE OF
CONVERTIBLE LOAN FROM IFC**

The Board is pleased to announce that all the conditions of the Subscription under the Subscription Agreement have been fulfilled and completion of the Subscription took place on 28 March 2017.

Pursuant to the Subscription Agreement, an aggregate of 300,000,000 Subscription Shares have been allotted and issued to the Subscriber at the Subscription Price of HK\$3.5 per Subscription Share.

The Board announces that the Conversion Price of the Convertible Loan was adjusted from HK\$3.89 per Share to HK\$3.84 per Share with effect from 28 March 2017.

Reference is made to the announcement of Canvest Environmental Protection Group Company Limited (the “**Company**”) dated 17 February 2017 in respect of the issue of new shares under general mandate (the “**Announcement**”). Unless defined otherwise, capitalized terms used herein shall have the same meanings as those defined in the Announcement.

COMPLETION OF ISSUE OF NEW SHARES

The Board is pleased to announce that all the conditions of the Subscription under the Subscription Agreement have been fulfilled and completion of the Subscription took place on 28 March 2017. Pursuant to the Subscription Agreement, an aggregate of 300,000,000 Subscription Shares have been allotted and issued to the Subscriber at the Subscription Price of HK\$3.5 per Subscription Share.

As at the date of this announcement, Thrive Bloom Limited, an indirect, non-wholly owned subsidiary of SIHL, is a Shareholder holding 56,593,000 Shares, representing approximately 2.8% of the existing issued share capital of the Company immediately before completion of the Subscription. Save as disclosed above, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Subscriber and its ultimate beneficial owners are Independent Third Parties as at the date of this announcement.

The Subscriber has become a substantial shareholder (as defined under the Listing Rules) of the Company immediately after completion of the Subscription. The net proceeds from the Subscription, after deducting the related expenses of the Subscription, are approximately HK\$1,018.1 million, which the Company intends to use for injection into the paid-in capital of the subsidiaries of the Company and additional working capital of the Group.

SHAREHOLDING STRUCTURE

The table below sets out the shareholding structure of the Company immediately before completion of the Subscription, immediately after completion of the Subscription and immediately after completion of the Subscription and assuming full conversion of the Convertible Loan at the New Conversion Price:

	Immediately before completion of the Subscription		Immediately after completion of the Subscription		Immediately after completion of the Subscription and assuming full conversion of the Convertible Loan at the New Conversion Price	
	<i>No. of Shares</i>	<i>Approximate %</i>	<i>No. of Shares</i>	<i>Approximate %</i>	<i>No. of Shares</i>	<i>Approximate %</i>
Shareholders						
Best Approach Developments Limited	1,301,652,837 (Note 1)	64.0	1,301,652,837	55.8	1,301,652,837	53.0
AEP Green Power, Limited	128,305,678	6.3	128,305,678	5.5	128,305,678	5.2
IFC	—	—	—	—	121,096,875 (Note 2)	4.9
The Subscriber and its associates	56,593,000 (Note 3)	2.8	356,593,000	15.3	356,593,000	14.5
Other Shareholders	<u>547,683,779</u>	<u>26.9</u>	<u>547,683,779</u>	<u>23.4</u>	<u>547,683,779</u>	<u>22.4</u>
Total	<u>2,034,235,294</u>	<u>100</u>	<u>2,334,235,294</u>	<u>100</u>	<u>2,455,332,169</u>	<u>100</u>

Notes:

- The entire issued share capital of Best Approach Developments Limited is directly and indirectly held by Harvest Vista Company Limited, whose entire issued share capital is held by HSBC International Trustee Limited as trustee of the Harvest VISTA Trust, a trust with Mr. Lai Kin Man and Ms. Lee Wing Yee, Loretta as founders and established in accordance with the laws of the British Virgin Islands. The discretionary beneficiaries of the Harvest VISTA Trust include Mr. Lai Kin Man, Ms. Lee Wing Yee, Loretta and the personal trust of Ms. Lee Wing Yee, Loretta (the beneficiaries of which are Ms. Lee Wing Yee, Loretta and her immediate family members).
- As at the date of this announcement, the Convertible Loan in the principal amount of HK\$465,012,000 was disbursed.

3. Immediately before completion of the Subscription, Thrive Bloom Limited, an indirect, non-wholly owned subsidiary of SIHL, is a Shareholder holding 56,593,000 Shares, representing approximately 2.8% of the existing issued share capital of the Company.

ADJUSTMENT TO CONVERSION PRICE OF CONVERTIBLE LOAN FROM IFC

Reference is made to the announcements of the Company dated 20 January 2016, 17 May 2016, 24 May 2016, 23 August 2016 and 28 September 2016 regarding the convertible loan in the principal amount of HK\$465,012,000 from IFC (the “**Convertible Loan**”).

Following completion of the Subscription which took place on 28 March 2017, the conversion price of the Convertible Loan was adjusted from HK\$3.89 per Share (the “**Current Conversion Price**”) to HK\$3.84 per Share (the “**New Conversion Price**”) with effect from 28 March 2017. All other terms of the convertible loan agreement dated 20 January 2016 entered into between the Company and the IFC in respect of the Convertible Loan remain unchanged.

As at the date of this announcement, the total number of Shares in issue is 2,334,235,294, the outstanding amount of the Convertible Loan is HK\$465,012,000 and no conversion right has been exercised. The maximum number of Shares to be issued by the Company upon full conversion of the Convertible Loan under the New Conversion Price will be as follows:

Current Conversion Price	Number of Shares to be issued based on the Current Conversion Price	New Conversion Price	Number of Shares to be issued based on the New Conversion Price
HK\$3.89	119,540,360	HK\$3.84	121,096,875

By Order of the Board
Canvest Environmental Protection Group Company Limited
Lee Wing Yee Loretta
Chairlady

Hong Kong, 28 March 2017

As at the date of this announcement, the Board comprises Lee Wing Yee Loretta, Lai Kin Man, Yuan Guozhen and Lai Chun Tung, as executive Directors; Lui Ting Cheong Alexander and Lai Yui, as non-executive Directors; Sha Zhenquan, Chan Kam Kwan Jason and Chung Wing Yin, as independent non-executive Directors.