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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)

VOLUNTARY ANNOUNCEMENT

**ACQUISITION OF 100% OF THE ISSUED SHARE CAPITAL IN
BAZHONG WEIAO ENVIRONMENTAL POWER COMPANY LIMITED***

The Board is pleased to announce that, on 21 March 2019, Kewei, an indirect wholly-owned subsidiary of the Company, entered into the Agreement in relation to the acquisition of 100% of the issued share capital in the Target Company from the Vendors at a consideration of RMB222,380,000 (approximately HK\$261,096,000, subject to downward adjustment pursuant to the terms of the Agreement).

The Target Company owns the BOT concession right to operate a waste-to-energy plant in Bazhong city, Sichuan province. The total daily municipal solid waste processing capacity of the waste-to-energy plant is 1,200 tonnes, of which phase 1 is 600 tonnes (currently in operation) and phase 2 is 600 tonnes (to be constructed).

As all the applicable percentage ratios calculated in accordance with Chapter 14 of the Listing Rules in respect of the Acquisition are less than 5%, the entering into of the Agreement does not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules. This announcement is made by the Company on a voluntary basis for the information of Shareholders of the Company and potential investors.

INTRODUCTION

The Board is pleased to announce that, on 21 March 2019, Kewei, an indirect wholly-owned subsidiary of the Company, entered into the Agreement in relation to the acquisition of 100% of the issued share capital in the Target Company from the Vendors at a consideration of RMB222,380,000 (approximately HK\$261,096,000, subject to downward adjustment pursuant to the terms of the Agreement).

THE EQUITY INTEREST ACQUISITION AGREEMENT

The principal terms of the Agreement are as follows:

Date

21 March 2019

Parties

- (1) Kewei
- (2) Shandong Weiao
- (3) Shanghai Juchuang
- (4) Tibet Shida
- (5) Target Company

The Acquisition

Kewei agreed to acquire and the Vendors agreed to transfer 100% of the issued share capital of the Target Company, at a consideration of RMB222,380,000 (approximately HK\$261,096,000, subject to downward adjustment pursuant to the terms of the Agreement).

Key Consideration Payment Schedule

Pursuant to the Agreement, the consideration shall be paid in instalments and shall be settled by cash upon certain Consideration Conditions having been fulfilled as follows:

	Consideration Conditions	Amount
First instalment	Within 10 business days after: (i) the signing and taking effect of the Agreement; (ii) obtaining the written consent of the government authority for the transfer of 100% of the issued share capital; and (iii) obtaining the approval documents in relation to the Acquisition from the Bazhou Government.	RMB20,000,000
Second instalment	Within 10 business days after: (i) obtaining the written consent of the creditors of the Target Company for the transfer of 100% of the issued share capital; and (ii) obtaining the consent of the chargor for the transfer of the 100% of the issued share capital.	RMB60,000,000
Third instalment	Within 15 business days after: (i) completion of the registration of the transfer of 100% of the issued share capital with the industry and commerce authority;	RMB100,000,000
Fourth instalment	Within 10 business days after: (i) the Completion.	RMB27,380,000
Final instalment	Within 10 business days after the first anniversary of the Completion	RMB15,000,000

The consideration will be funded by internal resources of the Group.

Completion

Completion is to take place upon fulfilment of the closing arrangements as per the Agreement.

After the Completion, the Target Company will become an indirect wholly-owned subsidiary of the Company and its financial results will be consolidated with the financial results of the Group.

INFORMATION OF THE TARGET COMPANY

The Target Company is a company incorporated in the PRC with limited liabilities and, as at the date of this announcement, is owned as to 34% by Shandong Weiao, 33% by Shanghai Juchuang and 33% by Tibet Shida, respectively.

The Target Company owns the BOT concession right to operate a waste-to-energy plant in Bazhong city, Sichuan province. The total daily municipal solid waste processing capacity of the waste-to-energy plant is 1,200 tonnes, of which phase 1 is 600 tonnes (currently in operation) and phase 2 is 600 tonnes (to be constructed).

REASONS FOR AND BENEFIT OF THE ACQUISITION

The Board is of the view that the Acquisition will enable the Company to broaden the income source and strengthen its asset base. Most importantly, the Acquisition enables the Group to gain foothold in Sichuan province.

In view of the above, the Directors (including the independent non-executive Directors) are of the view that the Agreement has been entered on normal commercial terms and are fair and reasonable and the transactions contemplated under the Agreement are in the best interests of the Company and the Shareholders of the Company as a whole.

INFORMATION OF THE GROUP AND THE VENDORS

The Group

The Group is engaged in the provision of environmental hygiene related services and operation and management of waste-to-energy plants.

Shandong Weiao

Shandong Weiao is a limited liability company incorporated under the laws of the PRC and is principally engaged in research and development, production and sale of recycling equipment and waste treatment.

Shanghai Juchuang

Shanghai Juchuang is a limited liability company incorporated under the laws of the PRC and is principally engaged in investment management, property development, property management and management consultation.

Tibet Shida

Tibet Shida is a limited liability company incorporated under the laws of the PRC and is principally engaged in the investment in construction, property, minerals and energy industry.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, each of the Vendors and their ultimate beneficial owners is a third party independent of the Company and its connected persons.

LISTING RULES IMPLICATIONS

As all the applicable percentage ratios calculated in accordance with Chapter 14 of the Listing Rules in respect of the Acquisition are less than 5%, the entering into of the Agreement does not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules. This announcement is made by the Company on a voluntary basis for the information of shareholders of the Company and potential investors.

DEFINITIONS

Unless otherwise specified, the following terms have the following meanings in this announcement:

“Acquisition”	the acquisition of 100% equity interest by Kewei from the Vendors pursuant to the terms of the Agreement
“Agreement”	the equity acquisition agreement entered into between Kewei, the Vendors and the Target Company in relation to the Acquisition dated 21 March 2019
“Bazhou Government”	The People's Government of Bazhou District, Bazhong Municipal, the PRC
“Board”	the board of Directors
“BOT”	Build-operate-transfer
“Company”	Canvest Environmental Group Company Limited, a company incorporated in the Cayman Islands, the shares of which are listed on the Main Board of The Stock Exchange of Hong Kong Limited
“Completion”	Completion of the Acquisition
“Consideration Conditions”	the conditions precedent to the payment of the consideration as stated in this announcement
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries

“HK\$”	Hong Kong dollar, the lawful currency of the Hong Kong Special Administrative Region of the PRC
“Kewei”	Canvest Kewei Environmental Investment (Guangdong) Company Limited* (粵豐科維環保投資(廣東)有限公司) (formerly known as Dongguan Kewei Environmental Power Company Limited* (東莞科維環保投資有限公司)), a company established under the laws of the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Parties”	the parties to the Agreement, namely Kewei, the Vendors and the Target Company
“PRC”	People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Shandong Weiao”	Shandong Weiao Environmental Technology Company Limited* (山東威澳環保科技有限公司), a company established under the laws of the PRC with limited liability
“Shanghai Juchuang”	Shanghai Juchuang Investment Group Company Limited* (上海聚創投資集團有限公司), a company established under the laws of the PRC with limited liability
“Shareholder(s)”	the shareholders of the Company
“Target Company”	Bazhong Weiao Environmental Power Company Limited* (巴中威澳環保發電有限公司), a company established under the laws of the PRC with limited liability
“Tibet Shida”	Tibet Shida Investment Company Limited* (西藏實達投資有限公司), a company established under the laws of the PRC with limited liability
“Vendors”	collectively, Shandong Weiao, Shanghai Juchuang and Tibet Shida
“%”	per cent

* *The English translation of Chinese names or words in this announcement, where indicated, are included for illustration purpose only, and should not be regarded as the official English name or official English translation of such Chinese names or words.*

In this announcement, the corresponding HK\$ amounts of certain RMB amounts have been converted and presented at the rate of RMB1.00 to HK\$1.1741 for illustration purpose only. No representation is made and none should be construed as being made that the amounts denominated in one currency could actually be converted into the amounts denominated in another currency at the rates indicated or at all on the date hereof or any other date.

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

Hong Kong, 21 March 2019

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