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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)

**DISCLOSEABLE TRANSACTION
PROVISION OF GUARANTEE**

On 6 July 2020, the Project Company (a joint venture with 50% equity held by Kewei (an indirect wholly-owned subsidiary of the Company) and 50% by Jianyang Lujiang (an Independent Third Party)) entered into the Loan Agreement with Zhongxin sub-branch of DRC Bank, pursuant to which Zhongxin sub-branch of DRC Bank will provide the Project Company with a loan in an aggregate amount of RMB700,000,000 (approximately HK\$770,000,000) with a term of not more than 180 months for the development and construction of the Jianyang Project.

The Board is pleased to announce that on 6 July 2020, Kewei, together with the ultimate beneficial owner of Jianyang Lujiang and his spouse, entered into the Guarantee Agreement with Zhongxin sub-branch of DRC Bank in relation to the provision of a guarantee for the Loan, with a term from the effective date of the Loan Agreement to the end date of an additional three years.

LISTING RULES IMPLICATION

As one or more of the applicable percentage ratios under Chapter 14 of the Listing Rules in respect of the Guarantee exceed 5% but are below 25%, the Guarantee constitutes a discloseable transaction of the Company under the Listing Rules and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

INTRODUCTION

On 6 July 2020, the Project Company (a joint venture with 50% equity held by Kewei (an indirect wholly-owned subsidiary of the Company) and 50% equity held by Jianyang Lujiang (an Independent Third Party)) entered into the Loan Agreement with Zhongxin sub-branch of DRC Bank, pursuant to which Zhongxin sub-branch of DRC Bank will provide the Project

Company with a loan in an aggregate amount of RMB700,000,000 (approximately HK\$770,000,000) with a term of not more than 180 months for the development and construction of the Jianyang Project.

The Board is pleased to announce that on 6 July 2020, Kewei, together with the ultimate beneficial owner of Jianyang Lujiang and his spouse, entered into the Guarantee Agreement with Zhongxin sub-branch of DRC Bank in relation to the provision of a guarantee for the Loan, with a term from the effective date of the Loan Agreement to the end date of an additional three years.

THE GUARANTEE AGREEMENT

On 6 July 2020, Kewei, together with the ultimate beneficial owner of Jianyang Lujiang and its spouse, entered into the Guarantee Agreement with Zhongxin sub-branch of DRC Bank, pursuant to which each of Kewei, the ultimate beneficial owner of Jianyang Lujiang and his spouse, agreed to provide the Project Company a guarantee in the aggregate amount of not exceeding RMB700,000,000 (approximately HK\$770,000,000) (equivalent to the total amount of the Loan), inclusive of principal, corresponding interest, default interest, compound interest, liquidated damages and deferred payment, as well as necessary and reasonable expenses and all other related expenses incurred in realizing the security right and creditor's rights.

The term of the Guarantee is from the effective date of the Loan Agreement to the end date of an additional three years.

Further, the shares representing 50% equity of the Project Company held by Jianyang Lujiang will also be pledged to Zhongxin sub-branch of DRC Bank until the date of the loan is fully repaid.

REASONS FOR AND BENEFITS OF THE PROVISION OF THE GUARANTEE

The Project Company had made an application to Zhongxin sub-branch of DRC Bank for the Loan, which will be used for the development and construction of the Jianyang Project. The Loan will bring stable and low-cost funds for the subsequent development and construction of the project and will also reduce the Project Company's liquidity pressure. Since each of Kewei, the ultimate beneficial owner of Jianyang Lujiang and his spouse will provide a guarantee in respect of the Loan, the guarantee obligations assumed by the Group is considered fair and reasonable.

Accordingly, the Directors are of the view that the Guarantee Agreement was entered into on normal commercial terms, and the terms and conditions are fair and reasonable, and in the interests of the Company and its Shareholders as a whole.

GENERAL INFORMATION ABOUT THE GROUP AND ALL PARTIES

The Group

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

The Project Company

The Project Company is a company incorporated under the laws of the PRC with limited liability and is principally engaged in the development and operation of the Jianyang Project. The Project Company is owned as to 50% by Kewei and 50% by Jianyang Lujiang. The Project Company is a joint venture of the Company.

Jianyang Lujiang

Jianyang Lujiang is a company incorporated under the laws of the PRC with limited liability and is principally engaged in the provision of sewage and waste treatment services. Jianyang Lujiang is wholly-owned by Mr. Zhang Dequan* (張德權先生), who is the ultimate beneficial owner of Jianyang Lujiang. To the best of the knowledge, information and belief of the Directors and having made all reasonable enquiries, each of Jianyang Lujiang and Mr. Zhang Dequan are Independent Third Parties.

DRC Bank

DRC Bank is a commercial bank incorporated under the laws of the PRC. As at the date of this announcement, Mr. Lai Chun Tung (“**Mr. Lai**”), who is an executive Director of the Company, is also a non-executive director of DRC Bank. Mr. Lai is interested in approximately 0.04779% of the issued domestic shares in DRC Bank. Since Mr. Lai is only interested in approximately 0.04779% of the issued domestic shares in DRC Bank, DRC Bank is not an associate of Mr. Lai (as defined under Rule 14A.13 of the Listing Rules) and hence transactions entered into with DRC Bank will not constitute connected transactions of the Company under Chapter 14A of the Listing Rules. To the best of the knowledge, information and belief of the Directors and having made all reasonable enquiries, DRC Bank has a vast group of shareholders but none of which are substantial shareholders within the meaning of the Listing Rules.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios under Chapter 14 of the Listing Rules in respect of the Guarantee exceed 5% but are below 25%, the Guarantee constitutes a discloseable transaction of the Company under the Listing Rules and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

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

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| “Board” | the board of Directors |
| “Company” | Canvest Environmental Protection Group Company Limited, a company incorporated in the Cayman Islands and whose shares are listed on the Stock Exchange of Hong Kong Limited |
| “connected person(s)” | has the meaning ascribed to it under the Listing Rules |

“Director(s)”	the director(s) of the Company
“DRC Bank”	Dongguan Rural Commercial Bank Co., Ltd.
“Group”	the Company and its subsidiaries
“Guarantee”	the guarantee provided by Kewei to the Zhongxin sub-branch of DRC Bank in respect of the Loan, which was granted by Zhongxin sub-branch of DRC Bank to the Project Company
“Guarantee Agreement”	the guarantee agreement entered into by Kewei, the ultimate beneficial owner of Jianyang Lujiang and his spouse and Zhongxin sub-branch of DRC Bank on 6 July 2020 in relation to the guarantee
“Independent Third Party(ies)”	third party who is independent of the Company, the connected persons of the Company and their respective associates
“Jianyang Lujiang”	Jianyang Lujiang Biochemical Co., Ltd.* (簡陽市綠江生化有限公司), a company established under the laws of the PRC with limited liability and is wholly owned by Mr. Zhang Dequan* (張德權先生), an Independent Third Party
“Jianyang Project”	the waste-to-energy project that the Project Company obtained and is located at Jianyang, Sichuan, 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
“Loan”	the loan made available by Zhongxin sub-branch of DRC Bank to the Project Company in the aggregate amount of RMB700,000,000 to be used for the development and construction of the Jianyang Project
“Loan Agreement”	the loan agreement entered into between the Project Company and Zhongxin sub-branch of DRC Bank on 6 July 2020 in relation to the Loan
“PRC”	People’s Republic of China
“Project Company”	Jianyang Canvest Environmental Power Company Limited* (簡陽粵豐環保發電有限公司), a company established under the laws of the PRC with limited liability and is owned as to 50% by Kewei and 50% by Jianyang Lujiang, and a joint venture of the Company

“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

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

Hong Kong, 6 July 2020

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 and Mr. Lui Ting Cheong Alexander, 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.

The transactions between RMB and HK\$ in this announcement were made at the rate of RMB1.00 to HK\$1.10. 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.

* *for identification purposes only*