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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
DONGGUAN CITY LUJIA
ENVIRONMENTAL TECHNOLOGY COMPANY LIMITED**

The Board is pleased to announce that, on 23 March 2018, Kewei, a wholly-owned subsidiary of the Company, entered into the Share Sale and Purchase Agreement with the Vendor, pursuant to which Kewei agreed to acquire, and the Vendor agreed to sell, 100% of the issued share capital of the Target Company at a consideration of RMB93,000,000 (approximately HK\$115,320,000).

The Target Company currently holds 35% of the issued share capital in the Project Company. The Project Company is principally engaged in the construction of environmental improvement project and treatment of hazardous waste. Currently, the Project Company owns the only landfill project for fly ash in Dongguan City, which is under development.

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

INTRODUCTION

The Board is pleased to announce that, on 23 March 2018, Kewei, a wholly-owned subsidiary of the Company, entered into the Share Sale and Purchase Agreement with the Vendor, pursuant to which Kewei agreed to acquire, and the Vendor agreed to sell, 100% of the issued share capital of the Target Company at a consideration of RMB93,000,000 (approximately HK\$115,320,000).

THE SHARE SALE AND PURCHASE AGREEMENT

The principal terms of the Share Sale and Purchase Agreement are set out below:

Date

23 March 2018

Parties

Purchaser: Kewei

Vendor: Dongguan City Tenghiu Trading Company Limited

As at the date of this announcement and to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendor is a third party independent of the Company and its connected persons (as defined in the Listing Rules).

The Acquisition

Pursuant to the Share Sale and Purchase Agreement, the Vendor has conditionally agreed to sell, and Kewei has conditionally agreed to purchase the entire issued share capital of the Target Company, subject to and upon the terms and conditions of the Share Sale and Purchase Agreement.

Consideration

The Consideration is initially agreed at RMB93,000,000 (approximately HK\$115,320,000) and shall be adjusted pursuant to the terms of the Share Sale and Purchase Agreement.

As agreed between the parties, the Consideration shall be paid in instalments. At the time of each payment, provided that (1) there having been no material adverse change to the business, assets, financial and compliance of the Target Company and the Project Company; (2) there having been no cases where the Sale Shares may not be acquired by Kewei or where the Target Company's operation is terminated prior to the Completion Date; (3) there having been no actual or potential material litigations, arbitrations, fines or claims; on the part of the Target Company and the Project Company; and (4) there having been no breach of the representation and warranties under the Share Sale and

Purchase Agreement on the part of the Vendor, the Target Company and the Project Company, the Consideration shall be settled by cash upon certain key conditions having been fulfilled, as follows:

Time	Amount
Settled as of the date of the Share Sale and Purchase Agreement	RMB20,000,000
Within 10 days after conditions 1 to 4 in the paragraph headed “Key conditions precedent” below having been fulfilled	RMB26,500,000
Within 10 days after conditions 5 to 6 in the paragraph headed “Key conditions precedent” below having been fulfilled	Remaining balance

The Consideration will be settled in cash and will be funded by internal resources of the Group.

Key conditions precedent

The Completion and payment of the Consideration are conditional upon the satisfaction of, among others, the following conditions precedent:

- (1) The Letter of Intent having been signed and come into effect;
- (2) Due diligence of the Target Company and the Project Company having been completed;
- (3) The Share Sale and Purchase Agreement having been signed and all ancillary documents pertaining to the transfer of 100% of the issued share capital in the Target Company from the Vendor to Kewei having been signed;
- (4) All necessary board and/or shareholders resolutions of the Target Company to approve the sale and transfer of the Sale Shares having been passed and a copy of the said board minutes and/or written resolutions be passed to Kewei;
- (5) The Acquisition and the relevant matters having been duly registered with the administration of industry and commerce; and
- (6) Changes of directors and appointment of general manager and financial officers of the Project Company having been completed.

Completion

Completion is to take place on the day when condition 6 in the paragraph headed “Key conditions precedent” above has been satisfied.

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 results of the Group.

INFORMATION ON THE TARGET COMPANY AND THE PROJECT COMPANY

The Target Company currently holds 35% of the issued share capital interest in the Project Company. The Project Company is principally engaged in the construction of environmental improvement project and treatment of hazardous waste. Currently, the Project Company owns the only landfill project for fly ash in Dongguan City, which is under development.

INFORMATION ON THE GROUP AND THE VENDOR

The Group is engaged in the provision of municipal solid waste treatment related services and operation and management of waste-to-energy plants.

The Vendor is a company incorporated in the PRC. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Vendor is a third party independent of the Company and its connected persons.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Board is of the view that the Acquisition can secure our downstream channel for processing fly ash generated by our waste-to-energy plants in Dongguan city and is a valuable investment opportunity for the Group.

The Directors are of the view that the terms of the Share Sale and Purchase Agreement are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

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

DEFINITIONS

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

“Acquisition”	the acquisition of the entire issued share capital in the Target Company pursuant to the terms of the Share Sale and Purchase Agreement
“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
“Completion”	the completion of the Acquisition in accordance with the terms of the Share Sale and Purchase Agreement
“Consideration”	the consideration of RMB93,000,000 payable to the Vendor in respect of the Acquisition
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Kewei” or “Purchaser”	Canvest Kewei Environmental Investment (Guangdong) Company Limited* (formerly known as Dongguan Kewei Environmental Power Company Limited) (粵豐科維環保投資(廣東)有限公司) (formerly known as 東莞科維環保投資有限公司), a company established in the PRC with limited liability and is a wholly-owned subsidiary of the Company
“Letter of Intent”	the letter of intent dated 16 January 2018 entered into between the Vendor, the Purchaser, the Target Company and the Project Company in relation to the Acquisition
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited
“PRC”	People’s Republic of China
“Project Company”	Dongguan Xindongyue Environmental Company Limited* (東莞市新東粵環保實業有限公司), a company incorporated in the PRC with limited liability
“Sale Shares”	the entire issued shares in the Target Company, which is held as to 100% by the Vendor as at the date of the Share Sale and Purchase Agreement
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares

“Share Sale and Purchase Agreement”	the formal share sale and purchase agreement dated 23 March 2018 entered into between the Vendor, the Purchaser, the Target Company and the Project Company in relation to the Acquisition
“Target Company”	Dongguan City Lujia Environmental Technology Company Limited* (東莞市綠嘉環保資源投資有限公司), a company incorporated in the PRC with limited liability
“Vendor”	Dongguan Tenghiu Trading Company Limited* (東莞市騰曉貿易有限公司), a company incorporated in the PRC with limited liability
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC

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

The transactions between RMB and HK\$ in this announcement were made at the rate of RMB1.00 to HK\$1.24. 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, 23 March 2018

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.