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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 THE ENTIRE ISSUED SHARE CAPITAL OF
OPEN MIND GLOBAL LIMITED**

The Board is pleased to announce that, on 30 November 2018, Canvest (China), an indirect wholly-owned subsidiary of the Company, entered into the Share Sale and Purchase Agreement with the Vendor, pursuant to which Canvest (China) agreed to acquire, and the Vendor agreed to sell, the entire issued share capital of the Target Company at a consideration of RMB140,000,000 (approximately HK\$157,990,000).

The Target Company currently holds 100% equity interest in Loyal Step, which, in turn holds 40% equity interest in the Project Company. The Project Company is principally engaged in the treatment of bottom ash produced from the incineration of waste in the PRC.

Since all applicable percentage ratios calculated in accordance with Chapter 14 of the Listing Rules in respect of the Acquisition are less than 5%, the Acquisition does not constitute a discloseable 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 30 November 2018, Canvest (China), an indirect wholly-owned subsidiary of the Company, entered into the Share Sale and Purchase Agreement with the Vendor, pursuant to which Canvest (China) agreed to acquire, and the Vendor agreed to sell, the entire issued share capital of the Target Company at a consideration of RMB140,000,000 (approximately HK\$157,990,000).

THE SHARE SALE AND PURCHASE AGREEMENT

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

Date

30 November 2018

Parties

Purchaser: Canvest (China)

Vendor: Mo Haili, an individual

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 Canvest (China) 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 RMB140,000,000 (approximately HK\$157,990,000), and may 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 and 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	RMB91,000,000
Within 14 days after conditions 1 to 6 in the paragraph headed “Key Conditions Precedent” below having been fulfilled	RMB35,000,000
Within 14 days after conditions 7 to 8 in the paragraph headed “Key Conditions Precedent” below having been fulfilled	Remaining balance

The Consideration 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) All material manufacturing equipment having been delivered to the Project Company and the installation of which has commenced;
- (2) The Project Company having executed an operation agreement;
- (3) Due diligence of the Target Company and the Project Company having been completed to the satisfaction of Canvest (China);
- (4) The Project Company is in the position to operate and initial trial operations having commenced;
- (5) Canvest (China) and the Vendor having executed the Share Sale and Purchase Agreement;
- (6) All the procedures for the transfer of shares of the Project Company being completed;
- (7) The environmental protection facilities of the Project Company having received approval from the relevant authority; and
- (8) Changes of directors and supervisor of the Project Company having been completed.

Completion

Completion is to take place upon fulfilment of the closing arrangements as per the Share Sale and Purchase 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 ON THE TARGET COMPANY, LOYAL STEP AND THE PROJECT COMPANY

The Target Company currently holds 100% equity interest in Loyal Step. Loyal Step holds 40% equity interest in the Project Company. The Project Company is principally engaged in the treatment of bottom ash created from the incineration of waste in the PRC.

INFORMATION ON THE GROUP AND THE VENDOR

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

The Vendor is a natural person and 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 bottom ash generated by our waste-to-energy plants 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 calculated in accordance with Chapter 14 of the Listing Rules in respect of the Acquisition are less than 5%, the Acquisition does not constitute a discloseable 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 of the Target Company pursuant to the terms of the Share Sale and Purchase Agreement
“Board”	the board of Directors
“Canvest (China)” or “Purchaser”	Canvest Environmental (China) Company Limited (粵豐環保(中國)有限公司), a company incorporated in the British Virgin Islands and is an indirect wholly-owned subsidiary of the Company and the purchaser of the Target Company
“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 initial consideration of RMB140,000,000 payable to the Vendor in respect of the Acquisition and may be adjusted pursuant to the terms of the Share Sale and Purchase Agreement
“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
“Loyal Step”	Loyal Step Limited (步忠有限公司), a company incorporated in Hong Kong with limited liability
“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”	Huizhou City Zhongzhou Environmental Resources Company Limited* (惠州市中洲環保資源有限公司), 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 & Purchase Agreement”	the formal share sale and purchase agreement dated 30 November 2018 entered into between the Vendor and the Purchaser in relation to the Acquisition
“Target Company”	Open Mind Global Limited (啟迪有限公司), a company incorporated in the British Virgin Islands with limited liability
“Vendor”	Mo Haili* (莫海離), an individual
“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\$1.1285. 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, 30 November 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.