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New Universe Environmental Group Limited

新宇環保集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 436)

DISCLOSEABLE TRANSACTION

Financial adviser to the Company



Reference is made to the announcements of the Company dated 30 November 2016 and 18 January 2017 in relation to the entering into of the Memorandum of Understanding regarding the proposed acquisition of the entire equity interests in ECCL and the shareholders' loan to ECCL (if any).

THE S&P AGREEMENT

The Board is pleased to announce that on 31 March 2017 (after trading hours), the Purchaser (a wholly-owned subsidiary of the Company) entered into the S&P Agreement with the Vendor, pursuant to which the Purchaser has agreed to purchase and the Vendor has agreed to sell (i) the FIWRL Sale Shares and the FIWRL Sale Loan; (ii) the ECCL Sale Shares and the ECCL Sale Loan; and (iii) the FIIEL Sale Shares and the FIIEL Sale Loan, for an aggregate consideration of HK\$217,800,003, of which HK\$153,800,003 shall be settled in cash and the balance of HK\$64,000,000 shall be settled by the issue of Consideration Shares under the General Mandate.

IMPLICATIONS UNDER THE LISTING RULES

As the applicable percentage ratios (as defined under Rule 14.04(9) of the Listing Rules) in relation to the Acquisition exceed 5% but are below 25%, the Acquisition constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

Reference is made to the announcements of the Company dated 30 November 2016 and 18 January 2017 in relation to the entering into of the Memorandum of Understanding regarding the proposed acquisition of the entire equity interests in ECCL and the shareholders' loan to ECCL (if any). The Board is pleased to announce that on 31 March 2017 (after trading hours), the Purchaser (a wholly-owned subsidiary of the Company) entered into the S&P Agreement and the principal terms and conditions of the S&P Agreement are as follows.

THE S&P AGREEMENT

Date

31 March 2017

Parties

Purchaser: the Purchaser

Vendor: the Vendor

The Vendor is beneficially and wholly owned by Mr. CHAN. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, save for the interest of Mr. CHAN in 39,600,000 Shares, representing approximately 1.34% of the issued share capital of the Company as at the date of this announcement and the lender of a loan to the Company in the amount of HK\$25,000,000 bearing interest at a fixed rate of 4% per annum and repayable on 31 December 2018, the Vendor and its ultimate beneficially owner are the Independent Third Parties.

Assets to be acquired

Pursuant to the S&P Agreement, it has been agreed that the Purchaser will acquire from the Vendor:

- (i) the FIWRL Sale Shares, representing the entire issued share capital in FIWRL and the FIWRL Sale Loan;
- (ii) the ECCL Sale Shares, representing the entire issued share capital in ECCL and the ECCL Sale Loan; and
- (iii) the FIIEL Sale Shares, representing the entire issued share capital in FIIEL and the FIIEL Sale Loan.

Consideration and payment terms

The considerations for the Acquisition are as follows:

Assets to be acquired	Consideration
the FIWRL Sale Shares	HK\$42,300,000
the FIWRL Sale Loan	HK\$1
the ECCL Sale Shares	HK\$148,000,000
the ECCL Sale Loan	HK\$1
the FIIEL Sale Shares	HK\$27,500,000
the FIIEL Sale Loan	HK\$1
Total:	<u>HK\$217,800,003</u>

The aggregate consideration for the Acquisition shall be HK\$217,800,003, of which HK\$64,000,000 shall be settled by the issue of Consideration Shares at the issue price of HK\$0.80 per Consideration Share under the General Mandate upon Completion and the remaining of HK\$153,800,003 shall be settled in cash by (i) the part payment made by the Purchaser to the Vendor in the amount of HK\$5,000,000 on 30 November 2016 pursuant to the Memorandum of Understanding and (ii) the payment of HK\$148,800,003 by six instalments and the respective amount and the payment date of each of the instalments are as follows:

Instalments	Payment Date	Instalment payment amount (excluding interests)
The first instalment	Upon Completion	HK\$24,800,003
The second instalment	31 December 2017	HK\$24,800,000
The third instalment	30 June 2018	HK\$24,800,000
The fourth instalment	31 December 2018	HK\$24,800,000
The fifth instalment	30 June 2019	HK\$24,800,000
The sixth instalment	31 December 2019	HK\$24,800,000

As shown in the unaudited accounts of FIWRL as at 28 February 2017, FIWRL has an outstanding loans receivable with a total carrying amount of approximately HK\$21,291,000, which is unsecured, interest free and repayable on 31 December 2017, from two Independent Third Parties (the “**Loans Receivable**”). Mr. CHAN has provided an irrevocable personal undertaking in favour of the FIWRL Group for the full recovery of the Loans Receivable if it has not been fully recovered by 31 December 2017.

Pursuant to the S&P Agreement, the Vendor also undertakes that if the Loans Receivable cannot be fully recovered by 31 December 2017, the outstanding amount of the Loans Receivable as at 31 December 2017 shall be recovered by the Vendor by deducting such outstanding amount from the payment amount of the third instalment (and the subsequent instalments, if necessary).

It is expected that the funding for payment of the cash consideration of HK\$148,800,003 shall be financed by the internal resources and banking facility of the Company. The Purchaser shall bear interest on the outstanding amount of the cash consideration from and including the date of Completion up to (and including) the payment date of the sixth instalment, at the interest rate of HSBC Prime Rate minus 1% per annum to be quoted from time to time in Hong Kong, payable in arrears on every payment date of the instalments.

The aggregate consideration of HK\$42,300,001 for the acquisition of the FIWRL Sale Shares and the FIWRL Sale Loan was arrived at after arm's length negotiations between the Purchaser and the Vendor after taking into account (i) the net liabilities of the FIWRL Group attributable to the owners of the FIWRL Group as at 28 February 2017 of approximately HK\$6,328,000 and (ii) the shareholders' loan owed by FIWRL to FIWRL(BVI) of approximately HK\$48,630,000.

The aggregate consideration of HK\$148,000,001 for the acquisition of the ECCL Sale Shares and the ECCL Sale Loan was arrived at after arm's length negotiations between the Purchaser and the Vendor and represented the valuation attributable to the 30% equity interest of NCIP as at 28 February 2017 of approximately HK\$148,000,000 according to a valuation report applying the market approach, issued by Jones Lang LaSalle Corporate Appraisal and Advisory Limited, an independent professional valuer.

The aggregate consideration of HK\$27,500,001 for the acquisition of the FIIEL Sale Shares and the FIIEL Sale Loan was arrived at after arm's length negotiations between the Purchaser and the Vendor after taking into account (i) the net liabilities of the FIIEL Group attributable to the owners of the FIIEL Group as at 28 February 2017 of approximately HK\$17,572,000; (ii) the shareholders' loan owed by FIIEL to FIIL(BVI) of approximately HK\$29,682,000; and (iii) the valuation appreciation of the Property of approximately HK\$15,394,000 as at 28 February 2017 according to a property valuation report issued by DTZ Cushman & Wakefield Limited, an independent professional valuer.

Consideration Shares

The 80,000,000 Consideration Shares represent (i) approximately 2.71% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 2.64% of the issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares (assuming that there is no other change to the issued share capital of the Company from the date of this announcement to the date of issue of the Consideration Shares).

The issue price of the Consideration Shares of HK\$0.80 represents:

- (i) a premium of approximately 5.26% from the closing price of HK\$0.76 per Share as quoted on the Stock Exchange on the date of the S&P Agreement; and
- (ii) a premium of approximately 7.82% from the average closing price of approximately HK\$0.742 per Share as quoted on the Stock Exchange for the five trading days immediately preceding the date the S&P Agreement.

The Consideration Shares will be issued under the General Mandate, which has not been used before and will be sufficient for the purpose. The Consideration Shares are not subject to any subsequent sale restriction.

Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares. The Consideration Shares, when issued, will rank pari passu in all respects with the Shares in issue.

Conditions Precedent

Completion of the S&P Agreement shall be conditional upon, inter alia:

- (a) the Purchaser, in its absolute discretion, being satisfied with the results of the due diligence review on each member of the FIWRL Group, the ECCL Group and the FIIEL Group;
- (b) the Purchaser having obtained a legal opinion (including but not limited to the legality of the establishment, alteration, effective renewal, capital contribution, litigation, business operations, government licences, intellectual property rights, environmental protection and the property held), on among others, the subsidiaries of any of the FIWRL Group, the ECCL Group and the FIIEL Group incorporated in the PRC, issued by a PRC law firm authorized by the Purchaser, in form and substance satisfactory to the Purchaser in its absolute discretion;

- (c) (if necessary) the relevant parties having obtained all necessary approvals in relation to the S&P Agreement and the transactions contemplated thereunder from the relevant authorities in the PRC, Hong Kong, BVI and other places;
- (d) the Purchaser having obtained from the Vendor the original copy of the certificate of good standing of each of FIWRL(BVI), ECCL(BVI) and FIIL(BVI);
- (e) no material adverse change as mentioned under the S&P Agreement has occurred since the date of the S&P Agreement to the date of Completion;
- (f) the representations, warranties and undertakings provided by the Vendor under the S&P Agreement shall continue to be true, correct and not misleading up to the date of Completion; and
- (g) the Stock Exchange granting the listing of, and permission to deal in, the Consideration Shares.

If any of the conditions (save for (c) and (g) above) set out above is not fulfilled or waived on or before 30 June 2017 (or such later date as the Purchaser and the Vendor may agree in writing), then the S&P Agreement will lapse while each party's rights and obligations already accrued under the S&P Agreement will not be affected.

Completion

Completion shall take place on the fifth business day following the date on which the above conditions precedent have been fulfilled or waived (or such later date as the parties to the S&P Agreement may mutually agree in writing).

Profit Guarantee

Pursuant to the S&P Agreement, the Vendor agrees that the total audited net profit after tax of NCIP for the two years ending 31 December 2018 (the "**Actual Profit**") in accordance with the Hong Kong Financial Reporting Standards, shall be not less than RMB44,334,000 (the "**Guaranteed Profit**"). In the event that the Actual Profit fails to meet the Guaranteed Profit, the Vendor shall indemnify the Company the Shortfall (as defined below) (in Hong Kong dollars at the exchange rate on the payment date to be quoted from HSBC in Hong Kong) by way of deducting the Shortfall from the payment amount of the fifth instalment (and subsequent instalments, if necessary) upon receipt of the written notice from the Purchaser.

"Shortfall" = (Guaranteed Profit – Actual Profit) x 30%

For avoidance of doubt, if the Actual Profit exceeds the Guaranteed Profit, the consideration of the Acquisition shall not be adjusted.

INFORMATION OF THE VENDOR

The Vendor is an investment holding company incorporated in BVI with limited liability and is beneficially and wholly owned by Mr. CHAN. The Vendor owns the beneficial interests of each of FIWRL(BVI), ECCL(BVI) and FIIL(BVI) which in turn owns the entire interests of the FIWRL Group, the ECCL Group and the FIIL Group respectively. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, save for the interest of Mr. CHAN in 39,600,000 Shares, representing approximately 1.34% of the issued share capital of the Company as at the date of this announcement and the lender of a loan to the Company in the amount of HK\$25,000,000 bearing interest at a fixed rate of 4% per annum and repayable on 31 December 2018, the Vendor and its ultimate beneficially owner are the Independent Third Parties.

INFORMATION ON THE FIWRL GROUP

FIWRL is a company incorporated in Hong Kong and is principally engaged in investment holding. The major asset of FIWRL is its 100% equity interests in the registered paid-up capital of JXYE. JXYE is a wholly foreign-owned enterprise established in the PRC on 20 September 2010. The operating period of JXYE is 50 years for the period from 20 September 2010 to 19 September 2060. The paid up registered capital and the total investment amount of JXYE were HK\$48,500,000 and HK\$90,000,000 respectively. Pursuant to the business licence of JXYE, it is engaged in the treatment, development and disposal of industrial waste. JXYE is currently a dormant company. Mr. XI was appointed as the sole executive director of JXYE on 15 November 2016. It is expected that Mr. XI will be retained to act as the sole director of JXYE upon Completion.

Financial information of the FIWRL Group

Set out below are certain financial information of the FIWRL Group based on the unaudited consolidated management accounts of FIWRL for the two years ended 31 December 2016 and for the two months ended 28 February 2017 prepared under the Hong Kong Financial Reporting Standards:

	For the two months ended 28 February 2017 HK\$'000	For the year ended 31 December	
		2016 HK\$'000	2015 HK\$'000
Turnover	–	–	–
(Loss) before taxation	(2)	(2,046)	(17)
(Loss) after taxation	(2)	(2,046)	(17)
	As at 28 February 2017	As at 31 December 2016	As at 31 December 2015
Loan from Immediate holding company	48,630	48,630	48,630
Net (liabilities)	(6,328)	(6,326)	(1,275)

Upon Completion, FIWRL and JXYE will become wholly-owned subsidiaries of the Company and the financial results of the FIWRL Group will be consolidated to the financial statements of the Group.

INFORMATION ON THE ECCL GROUP

ECCL is a company incorporated in Hong Kong and is principally engaged in investment holding. The major asset of ECCL is its 30% equity interests in the registered paid-up capital of NCIP which is a sino-foreign joint equity company established in the PRC on 26 November 2012. The operating period of NCIP is 50 years for the period from 26 November 2012 to 21 November 2062. The paid up registered capital of NCIP was HK\$93,600,000.

Currently, NCIP is owned as to (i) 40% by 南京化學工業園公用事業有限責任公司 (Nanjing Chemical Industry Park Public Utility Enterprise Limited*); (ii) 30% by 新中天環保股份有限公司 (Xin Zhong Tian Environmental Company Limited*) and (iii) 30% by ECCL. Upon Completion, NCIP will be owned as to (i) 40% by 南京化學工業園公用事業有限責任公司; (ii) 30% by 新中天環保股份有限公司 and (iii) 30% by ECCL which will be wholly owned by the Purchaser. The existing board of directors of NCIP consists of seven directors, including Mr. XI and Ms. CHEUNG who were appointed as directors of NCIP on 20 July 2012. It is expected that Mr. XI and Ms. CHEUNG will be retained to act as directors of NCIP upon Completion.

NCIP possesses the hazardous waste operating permission licence and is mainly engaged in the collection, storage, incineration and disposal of industrial solid wastes and hazardous wastes in Nanjing. The approved processing capacity of NCIP is 19,800 tons of hazardous waste per annum. NCIP is one of the three companies doing solid waste disposal services by the end of 2015 in Nanjing.

Financial information of the ECCL Group

Set out below are certain financial information of the ECCL Group based on the unaudited management accounts of ECCL for the two years ended 31 December 2016 and for the two months ended 28 February 2017 prepared under the Hong Kong Financial Reporting Standards:

	For the two months ended 28 February 2017 HK\$'000	For the year ended 31 December 2016 HK\$'000	2015 HK\$'000
	As at 28 February 2017	As at 31 December 2016	As at 31 December 2015
Turnover	–	–	–
Profit/(Loss) before taxation	(37)	4,020	2,208
Profit/(Loss) after taxation	(37)	4,020	2,208
Loan from Immediate holding company	34,823	34,823	34,823
Net (liabilities)	(1,142)	(1,105)	(3,234)

Upon Completion, ECCL will become a wholly-owned subsidiary of the Company and the financial results of the ECCL Group will be consolidated to the financial statements of the Group. ECCL accounts for the 30% interests in NCIP on equity accounting basis in accordance with the Hong Kong Financial Reporting Standards.

INFORMATION ON THE FIIEL GROUP

FIIEL is a company incorporated in Hong Kong and is principally engaged in investment holding. The major asset of FIIEL is its 100% equity interests in the registered paid-up capital of TXXRR. TXXRR is a wholly foreign-owned enterprise established in the PRC on 15 January 2009. The operating period of TXXRR is 30 years for the period from 15 January 2009 to 14 January 2039. The registered paid up capital of TXXRR was HK\$30,000,000. TXXRR owns the Property which is located at No. 9 Shugang Road, Yinshi Village, Binjiang Town, Taixing, Jiangsu Province, the PRC. The land and property interests of the Property are valued by DTZ Cushman & Wakefield Limited, the independent valuer, based on the market approach, at the aggregate amount of RMB22,900,000 (approximately HK\$25,579,000) as at 28 February 2017.

The Property comprises a single storey industrial complex erected on a parcel of land with a site area of approximately 33,323 sq m. The buildings comprise one main workshop and five ancillary buildings with a total gross floor area of approximately 3,360 sq m. The land use rights of the Property have been granted for a term of 50 years due to expire on 19 December 2059 for industrial use. The Property is currently leased to and occupied by a subsidiary of the Company, 泰州宇新固體廢物處置有限公司 (Taizhou New Universe Solid Waste Disposal Company Limited)) at a monthly rental of RMB80,000 pursuant to a leasing agreement to be expired on 30 June 2017.

Financial information of the FIIEL Group

Set out below are certain financial information of the FIIEL Group based on the unaudited consolidated management accounts of FIIEL for the two years ended 31 December 2016 and for the two months ended 28 February 2017 prepared under the Hong Kong Financial Reporting Standards:

	For the two months ended 28 February 2017 HK\$'000	For the year ended 31 December 2016 HK\$'000	2015 HK\$'000
Turnover	–	–	–
Profit before taxation	113	115	412
Profit after taxation	113	115	412
	As at 28 February 2017	As at 31 December 2016	As at 31 December 2015
Loan from Immediate holding company	29,682	29,682	29,682
Net (liabilities)	(17,572)	(17,685)	(16,992)

Upon Completion, FIIEL and TXXRR will become the wholly-owned subsidiaries of the Company and the financial results of the FIIEL Group will be consolidated to the financial statements of the Group.

Reason for the Acquisition

The Group is principally engaged in (a) environmental waste treatment services; (b) industrial sewage treatment and facilities provision services in an eco-plating specialised zone in the Jiangsu Province, the PRC; and (c) investments in plastic materials dyeing operations.

As set out in the results announcement of the Company for the year ended 31 December 2016, the Group will continue to focus on environmental related business and will continue to enhance the waste management and treatment standards. The Directors would keep on seeking for the right opportunities for business restructuring and industrial upgrade to improve the overall sustainable profitability.

It is expected that (i) the acquisition of the FIWRL Group will enable the Group to set up a base for the development of its environmental related construction and engineering consultancy services in the PRC; (ii) the acquisition of the ECCL Group will enable the Group to further expand its environmental waste treatment services in Nanjing; and (iii) the acquisition of the FIIEEL Group will enable the Group to further expand its environmental waste treatment services in Taizhou. As such, the Directors are of the opinion that the Acquisition is in line with the corporate strategy of the Group which includes expansion of the environmental operations in Jiangsu Province and provides an opportunity for the Company to further broaden its business scope into environmental operations. The Directors consider that the terms of the S&P Agreement are of normal commercial terms and are fair and reasonable and the Acquisition is in the interests of the Company and the Shareholders as a whole.

EFFECT ON SHAREHOLDING STRUCTURE

The shareholding structure of the Company as at the date of this announcement and immediately after the issuance of the Consideration Shares are as follows:

	As at the date of this announcement		Immediately after Completion	
	<i>No. of Shares</i>	<i>Approximate per cent.</i>	<i>No. of Shares</i>	<i>Approximate per cent.</i>
New Universe Enterprises Limited	1,071,823,656	36.26	1,071,823,656	35.31
CM International Capital Limited	800,000,000	27.07	800,000,000	26.35
Ms. LIU Yu Jie, an executive Director	202,000,000	6.83	202,000,000	6.65
Public Shareholders:				
Mr. CHAN	39,600,000	1.34	119,600,000	3.94
Other public Shareholders	842,273,362	28.50	842,273,362	27.75
Total	<u>2,955,697,018</u>	<u>100.00</u>	<u>3,035,697,018</u>	<u>100.00</u>

IMPLICATIONS UNDER THE LISTING RULES

As the applicable percentage ratios (as defined under Rule 14.04(9) of the Listing Rules) in relation to the Acquisition exceed 5% but are below 25%, the Acquisition constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

“Acquisition”	the acquisition by the Purchaser of (i) the FIWRL Sale Shares and the FIWRL Sale Loan; (ii) the ECCL Sale Shares and the ECCL Sale Loan; and (iii) the FIIEL Sale Shares and the FIIEL Sale Loan from the Vendor pursuant to the S&P Agreement
“Board”	board of Directors
“BVI”	the British Virgin Islands
“Company”	New Universe Environmental Group Limited, a company incorporated in Cayman Islands with limited liability, whose Shares are listed on the Main Board of the Stock Exchange
“Completion”	completion of the Acquisition
“connected person(s)”	has the meaning ascribed to it in the Listing Rules
“Consideration Shares”	80,000,000 new Shares to be allotted and issued by the Company to the Vendor to settle part of the Consideration in relation to the Acquisition
“Director(s)”	director(s) of the Company
“ECCL”	Ever Champ (China) Limited 恒明(中國)有限公司, a company incorporated in Hong Kong with limited liability and is beneficially and wholly owned by ECCL(BVI)
“ECCL(BVI)”	Ever Champ (China) Limited, a company incorporated in BVI with limited liability and is beneficially and wholly owned by the Vendor
“ECCL Group”	ECCL and its 30% equity interest in NCIP

“ECCL Sale Loan”	the outstanding interest-free unsecured shareholder’s loan in the amount of HK\$34,822,655 owed by ECCL to ECCL(BVI)
“ECCL Sale Shares”	10,000 issued shares of HK\$1 each in the share capital of ECCL beneficially owned by Mr. CHAN, representing the entire interest of the issued share capital of ECCL
“FIIEL”	Fair International Investment Enterprise Limited 信榮國際投資企業有限公司, a company incorporated in Hong Kong with limited liability and is beneficially and wholly owned by FIIL(BVI)
“FIIL(BVI)”	Fair International Investment Limited, a company incorporated in BVI with limited liability and is beneficially and wholly owned by the Vendor
“FIIEL Group”	FIIEL and TXXRR
“FIIEL Sale Loan”	the outstanding interest-free unsecured shareholder’s loan in the amount of HK\$29,681,553.84 owed by FIIEL to FIIL(BVI)
“FIIEL Sale Shares”	10,000 issued shares of HK\$1 each in the share capital of FIIEL beneficially owned by Mr. CHAN, representing the entire interest of the issued share capital of FIIEL
“FIWRL”	Fair Industry Waste Recyclables Limited 信榮工業廢物再生利用有限公司, a company incorporated in Hong Kong with limited liability and is beneficially and wholly owned by FIWRL(BVI)
“FIWRL(BVI)”	Fair Industry Waste Recyclables Limited, a company incorporated in BVI with limited liability and is beneficially and wholly owned by the Vendor
“FIWRL Group”	FIWRL and JXYE
“FIWRL Sale Loan”	the outstanding interest-free unsecured shareholder’s loan in the amount of HK\$48,630,030 owed by FIWRL to FIWRL(BVI)

“FIWRL Sale Shares”	10,000 issued shares of HK\$1 each in the share capital of FIWRL beneficially owned by Mr. CHAN, representing the entire interest of the issued share capital of FIWRL
“General Mandate”	the general mandate granted to the Directors to allot, issue and deal with up to 591,139,403 Shares, representing approximately 20.0% of the issued share capital of the Company as at the annual general meeting of the Company held on 6 May 2016
“Group”	the Company and its subsidiaries
“Independent Third Party(ies)”	party(ies) shall not be connected person(s) of the Company and shall be third parties independent of and not connected with any connected persons of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“JXYE”	江蘇新宇環保科技有限公司(Jiangsu Xin Yu Environmental Technology Company Limited*), a wholly foreign-owned enterprise established in the Zhenjiang City, Jiangsu Province, the PRC and is wholly and directly owned by FIWRL
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Memorandum of Understanding”	the memorandum of understanding dated 30 November 2016 entered into between the Purchaser and the Vendor in relation to the proposed acquisition of the entire equity interests in ECCL and the shareholders’ loan to ECCL (if any), as supplemented by the supplemental memorandum of understanding dated 18 January 2017 entered into between the same parties
“Mr. CHAN”	Mr. CHAN Son Neng, permanent resident of Macau Special Administrative Region of the PRC

“Mr. XI”	Mr. XI Yu, the executive Director and chairman of the Company, is the beneficial owner of 83.66% of the issued share capital of New Universe Enterprises Limited, which in turn interested in approximately 36.26% of the issued share capital of the Company
“Ms. CHEUNG”	Ms. CHEUNG Siu Ling, the executive Director
“NCIP”	南京化學工業園天宇固體廢物處置有限公司(Nanjing Chemical Industry Park Tianyu Solid Waste Disposal Co., Ltd.), a sino foreign-owned enterprise established in Nanjing City, Jiangsu Province, the PRC and is 30% equity interest owned by ECCL
“PRC”	the People’s Republic of China, excluding Hong Kong, Taiwan and Macau Special Administrative Region of the PRC
“Property”	the land and buildings located at No. 9 Shugang Road, Yinshi Village, Binjiang Town, Taixing, Jiangsu Province, the PRC
“Purchaser”	New Universe International Holdings Limited, a company incorporated in BVI with limited liability and is a wholly owned subsidiary of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“S&P Agreement”	the conditional sale and purchase agreement dated 31 March 2017 entered into among the Purchaser and the Vendor in relation to the Acquisition
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Shares
“sq m”	square metre
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“TXXRR”	泰興新新資源再生利用有限公司(Taixing Xin Xin Resources Recycling Company Limited*), a wholly foreign-owned enterprise established in the Taixing City, Jiangsu Province, the PRC and is wholly and directly owned by FIIEI

“Vendor” Sinotech Investments Limited 華科投資有限公司, a company incorporated in BVI with limited liability, which is wholly owned by Mr. CHAN

“%” per cent.

For illustration purposes, the exchange rate of approximately RMB1 = HK\$1.117 is used throughout this announcement.

By order of the Board
New Universe Environmental Group Limited
XI Yu
Chairman

Hong Kong, 31 March 2017

As at the date of this announcement, the Board comprises six executive Directors: Mr. XI Yu (Chairman) Mr. SONG Yu Qing (Chief Executive Officer), Ms. CHEUNG Siu Ling, Mr. LIAO Feng, Ms. LIU Yu Jie and Mr. HON Wa Fai; and three independent non-executive Directors: Dr. CHAN Yan Cheong, Mr. YUEN Kim Hung, Michael and Mr. HO Yau Hong, Alfred.

* *For identification purpose only*