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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)**

### **VOLUNTARY ANNOUNCEMENT ENTERING INTO AN INVESTMENT AGREEMENT**

The board (the “**Board**”) of directors of New Universe Environmental Group Limited, (the “**Company**”, together with its subsidiaries, the “**Group**”) is pleased to announce that on 30 August 2018, the Company entered into an investment agreement (the “**Investment Agreement**”) with 揚州市江都區郭村鎮人民政府 (People’s Government of Yangzhou City Jiangdu District Guocun Town\*), pursuant to which the Company or its related company shall inject capital in cash to set up a wholly-owned subsidiary in the People’s Republic of China (the “**PRC**”) (the “**New Subsidiary**”) which will engage in the provision of hazardous wastes treatment services by constructing new incinerators (“**Phase I Construction**”) and integrated solid waste utilisation by constructing integrated solid waste utilisation facilities (“**Phase II Construction**”) at 揚州市江都區郭村鎮循環經濟產業園 (Yangzhou City Jiangdu District Guocun Town Circular Economy Industrial Park\*) (the “**Project**”).

Pursuant to the Investment Agreement, the registered capital of the New Subsidiary will be USD25 million of which USD15 million shall be utilised for the Phase I Construction and the balance of USD10 million shall be utilised for the Phase II Construction. The Project will be situated at Yangzhou City Jiangdu District Guocun Town Circular Economy Industrial Park\*, which is located at the Yangzhou City in Jiangsu Province, the PRC, with a total land area of approximately 160 mu. Upon the full operation of the Phase I Construction, it is expected the New Subsidiary will handle approximately 40,000 tons of hazardous waste per annum.

\* *For identification purpose only*

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE INVESTMENT AGREEMENT**

The Group is principally engaged in (i) the environmental treatment and disposal of hazardous industrial and medical wastes; (ii) the environmental plating sewage treatment services and provision of related facilities and utilities in an eco-plating specialised zone; and (iii) the investments in plastic materials dyeing operations, in the PRC.

The Board is of the opinion that the Project is in line with the corporate strategy of the Group, which includes expansion of the environmental operations in Jiangsu Province. All the terms and conditions under the Investment Agreement are entered into by the parties after arm's length negotiation. The Board believes the terms of the Investment Agreement are fair and reasonable and in the interests of the shareholders of the Company as a whole.

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

Hong Kong, 30 August 2018

*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, Ms. ZHANG Ying, Ms. LIU Yu Jie and Mr. HON Wa Fai; and three independent non-executive Directors: Prof. CHAN Yan Cheong, Mr. YUEN Kim Hung, Michael and Mr. HO Yau Hong, Alfred.*