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# 泛亞環保集團有限公司

## Pan Asia Environmental Protection Group Limited

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 556)**

### **VOLUNTARY ANNOUNCEMENT**

This announcement is made by the Company on a voluntary basis.

The Board is pleased to announce that on 18 October 2014, the Company's wholly-owned subsidiary, namely, Wuxi Pan-Asia, entered into the Cooperation Agreement with Beijing Orient Capital pursuant to which the parties to the Cooperation Agreement intend to cooperate with each other in the development of environment-friendly sound barrier, sound-absorbing panels and other noise reduction products with the use of wood wool cement board.

### **THE COOPERATION AGREEMENT**

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#### **Parties**

1. Wuxi Pan-Asia; and
2. Beijing Orient Capital.

#### **Main terms of the Cooperation Agreement**

Under the Cooperation Agreement:

1. Both parties intend to apply wood wool cement board for use on roads, civil aviation, sound barrier for transport sectors, sound-absorbing panels, walls and roof, and other relevant application products.
2. Beijing Orient Capital will set up a project team responsible for liaising with design institutes and looking for potential users and will closely cooperate with Wuxi Pan-Asia.
3. Wuxi Pan-Asia will set up a project team responsible for improvement of the materials, equipment and related components assembling and will closely cooperate with Beijing Orient Capital.

4. The cooperation period is tentatively set to be one year. During the cooperation period, the parties agreed to establish a joint venture project company in accordance with the actual market needs. While the registered capital of the project company is to be confirmed, it is contemplated that Beijing Orient Capital shall contribute in the ratio of 65% and Wuxi Pan-Asia shall contribute in the ratio of 35% to the registered capital. The project company shall be primarily engaged in products designing, products testing, market development and conducting sales exhibitions.

## **REASON OF ENTERING INTO THE COOPERATION AGREEMENT**

The Group has commenced its endeavor to develop its business of manufacturing and sale of wood wool cement board, a kind of eco-friendly construction material. It is regarded as one of the most eco-friendly and feasible substitutes of the current high-polluting construction materials used in the PRC. The Board considers that entering into the Cooperation Agreement with Beijing Orient Capital will expedite and enhance the development of the Group's business of wood wool cement board and will enable the Company to broaden its customer base. With the synergy expected to be resulted from the cooperation of a well-established business partner in terms of in experience in the production of noise-reduction products, the Board is of the view that the terms of the Cooperation Agreement are in the interest of the Company and the Shareholders as a whole.

## **INFORMATION OF THE GROUP**

The Group is an integrated environmental protection services provider in the PRC. The Group is principally engaged in designing and manufacturing water and flue gas treatment products and equipment, selling pipes, as well as undertaking environment protection construction engineering projects and providing environment protection related professional services. The Group also engaged in the production and sale of wood wool cement board.

Wuxi Pan-Asia, a wholly foreign owned enterprise incorporated under the law of the PRC, is a wholly owned subsidiary of the Company engaging in manufacture and sale of environmental protection products and equipment and undertaking of environmental protection construction engineering projects in the PRC.

## **INFORMATION OF BEIJING ORIENT CAPITAL**

Beijing Orient Capital is principally engaged in computer network and information technology services, production and development of noise reduction products for high-speed railways. Beijing Orient Capital is also engaged in the business of production of green materials.

**The Company will make further announcement for further update as and when appropriate.**

## DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Beijing Orient Capital”	Beijing Orient Capital Technology Limited (北京東方首創科技有限公司), a limited liability company incorporated under the laws of People’s Republic of China, a subsidiary of Beijing Capital Group Co., Ltd. (北京首都創業集團有限公司), a large state-owned enterprise affiliated with the State-owned Assets Supervision and Administration Commission of the Beijing Municipality, the PRC
“Board”	Board of directors
“Cooperation Agreement”	The agreement entered into between Beijing Orient Capital and Wuxi Pan-Asia and, being the subject of this announcement
“Company”	Pan Asia Environmental Protection Group Limited, a company incorporated in the Cayman Islands whose shares are listed and traded on Main Board (stock code: 556)
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“PRC”	the People’s Republic of China, which for the purpose of this announcement excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Wuxi Pan-Asia”	Wuxi Pan-Asia Environment Protection Technologies Limited (無錫泛亞環保科技有限公司), a wholly foreign owned enterprise incorporated under the laws of the PRC and a wholly owned subsidiary of the Company

By Order of the Board  
**Pan Asia Environmental Protection Group Limited**  
**Jiang Quanlong**  
*Chairman*

Hong Kong, 24 October 2014

As at the date of this announcement, the directors of the Company are:

*Executive Directors:*  
Mr. JIANG Quanlong  
Mr. JIANG Lei  
Mr. FAN Yajun

*Independent Non-Executive Directors:*  
Mr. LAI Wing Lee  
Mr. LEUNG Shu Sun, Sunny  
Professor WANG Guozhen