

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

DISPOSAL OF SHARES BY CONTROLLING SHAREHOLDER

This announcement is made by Pan Asia Environmental Protection Group Limited (the “**Company**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that the controlling Shareholder, Praise Fortune Limited (“**Praise Fortune**”) entered into a subscription agreement (the “**Subscription Agreement**”) with Avenue Multi-Strategy Fund SPC (“**Avenue SPC**”) on 29 September 2016, pursuant to which Praise Fortune agreed to subscribe for, and Avenue SPC agreed to allot and issue, Class B participating, non-voting and redeemable shares (the “**Subscription Shares**”) of Avenue Multi-Strategy Fund Segregated Portfolio 1 of Avenue SPC by way of transferring 250,000,000 shares of the Company (the “**Shares**”) by Praise Fortune, at the agreed share price of HK\$1.6 per share and certain liabilities of Praise Fortune, to Avenue SPC.

Shareholders and potential investors are advised to exercise caution when dealing in the shares in the Company.

This announcement is made by the Company pursuant to Rule 13.09(2) of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

The Board wishes to inform the Shareholders and potential investors that the controlling Shareholder, Praise Fortune, entered into the Subscription Agreement with Avenue SPC on 29 September 2016, pursuant to which Praise Fortune agreed to subscribe, and Avenue SPC agreed to allot and issue, the Subscription Shares by way of transferring an aggregate of 250,000,000 Shares (representing approximately 29.76% of the existing issued share capital of the Company) by Praise Fortune, at the agreed share price of HK\$1.6 per share and certain liabilities of Praise Fortune, to Avenue SPC.

Avenue SPC is an exempted segregated portfolio company limited by shares incorporated under the laws of the Cayman Islands. The share capital of Avenue SPC is US\$50,000 divided into 100 management shares of a par value of US\$0.01 each (the “**Management Shares**”) and 499,990,000 participating shares of a par value of US\$0.0001 (the “**Participating Shares**”). The Management Share refers to a non-participating, non-redeemable and voting share. Only the holders of the Management Shares have the voting rights in Avenue SPC. Currently, 100 Management Shares are

held by Avenue Asset Management (Cayman) Limited and there are no other Management Shares in issue at the moment. The Participating Share refers to a participating, redeemable, non-voting share issued in respect of a portfolio. The Subscription Share is a kind of the Participating Share and Praise Fortune, as a holder of the Participating Shares only, has no voting right in Avenue SPC. Praise Fortune does not hold any Management Share. Currently, there are no Participating Shares in issue other than the Subscription Shares.

To the best of the knowledge of the directors of the Company, information and belief having made all reasonable enquiring, Avenue SPC, the holder of the Management Shares and its beneficial owner, and the directors of Avenue SPC are not connected persons of the Company and are independent of the Company and its connected persons immediately before completion of the Subscription Agreement.

Upon completion of the Subscription Agreement, Praise Fortune's interests in the Shares will be decreased from 606,568,000 Shares (representing approximately 72.21% of the existing issued share capital of the Company) to 356,568,000 Shares (represent approximately 42.45% of the existing issued share capital of the Company). Upon completion of the Subscription Agreement, Avenue SPC will hold 250,000,000 Shares (representing approximately 29.76% of the existing issued share capital of the Company). Therefore, Avenue SPC will become the second largest substantial shareholder of the Company.

Shareholders and potential investors are advised to exercise caution when dealing in the shares in the Company.

By Order of the Board
Pan Asia Environmental Protection Group Limited
Wan San Fai, Vincent
Company Secretary

Hong Kong, 29 September 2016

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

Executive Directors:

Mr. JIANG Quanlong

Mr. JIANG Lei

Mr. CHO Yu Chung

Independent Non-Executive Directors:

Mr. LAI Wing Lee

Mr. LEUNG Shu Sun, Sunny

Professor WANG Guozhen

Non-Executive Director:

Mr. FAN Yajun