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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 ISSUANCE OF CORPORATE BONDS

This is a voluntary announcement made by the board (the “**Board**”) of directors (the “**Directors**”) of Pan Asia Environmental Protection Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) in relation to the issuance of corporate bonds by the Company (the “**Corporate Bonds**”).

ISSUANCE OF CORPORATE BONDS

The Board is pleased to announce that the Company intends to issue the Corporate Bonds in an aggregate principal amount of up to HK\$100 million bearing interest rates of not more than 6% per annum with maturity ranging from 3 years to 7.5 years from the date of issue. The Company has appointed an agent (the “**Agent**”) to procure or refer independent private investors to subscribe for the Corporate Bonds and to provide Corporate Bonds subscription and custody services.

The Corporate Bonds may also be subscribed by the connected persons (as defined under the Rule Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”)) of the Company upon referral by the Company. The issuance of the Corporate Bonds to a connected person, if any, would constitute provision of financial assistance by a connected person to the Company and would be a connected transaction under Chapter 14A of the Listing Rules. As the Company will only issue the Corporate Bonds to connected persons, if any, on normal commercial terms or better and no security over the assets of the Group will be granted in respect of such issuance, the issuance of Corporate Bonds to connected persons will be exempt from the notification, announcement and independent shareholders’ approval requirements under the Listing Rules in accordance with Rule 14A.90 of the Listing Rules.

As at the date of this announcement, the Company has not issued any Corporate Bonds.

To the best of the Directors’ knowledge, information and belief and having made all reasonable enquiries, the Agent is an independent third party and its respective ultimate beneficial owners are third parties independent of the Company and its connected persons.

REASONS FOR THE ISSUANCE OF CORPORATE BONDS AND USE OF PROCEEDS

The Group is principally engaged in the sales of environmental protection products and equipment, undertaking of environmental protection construction engineering projects, and manufacture and sales of environmental protection construction materials in the PRC and investment holding. The net proceeds from the proposed subscription will be used for the usual and ordinary course of business of the Group and to finance any potential investment opportunities of the Group that may arise from time to time.

In addition, the proposed subscription will not result in any dilution on the shareholding of the existing shareholders of the Company.

In view of the above, the Directors are of the view that the proposed subscription would provide a good opportunity to strengthen the Company's financial position and is in the interests of the Company and its shareholders as a whole.

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

Hong Kong, 22 September 2017

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

Executive Directors:

Mr. JIANG Xin
Mr. CHO Yu Chung

Non-Executive Director:

Mr. FAN Yajun

Independent Non-Executive Directors:

Mr. LAI Wing Lee
Mr. LEUNG Shu Sun, Sunny
Professor WANG Guozhen