

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.



中滔環保

CT ENVIRONMENTAL GROUP LIMITED
中滔環保集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1363)

QUARTERLY UPDATE ANNOUNCEMENT

This announcement is made by the board of directors (the “**Board**”) of CT Environmental Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rules 13.09(2)(a) and 13.24A of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

Reference is made to (i) the announcements of the Company dated 29 March 2019, 1 April 2019, 25 April 2019, 25 June 2019 and 13 November 2019 (the “**Prior Announcements**”) in relation to, among other things, the suspension of trading in the shares of the Company (“**Shares**”) on the Stock Exchange pending the publication of the annual results of the Company and its subsidiaries for the year ended 31 December 2018 (the “**Annual Results**”), the reasons for such delay in publication and resumption guidance issued by the Stock Exchange, (ii) quarterly update announcement dated 28 June 2019, 2 October 2019 and 31 December 2019 (the “**Previous Quarterly Update Announcement**”), and (iii) the announcement dated 27 June 2019 in relation to certain legal proceedings against a number of subsidiaries of the Group (the “**Legal Update Announcement**”). Unless otherwise stated, capitalised term used in this announcement shall have the same meaning as those defined in the above relevant announcements.

BUSINESS OPERATIONS

The Group is a professional environmental plan and solution provider, which offers one-stop centralized and customized environmental protection services. The Group is engaged in services in the whole chain, inclusive of industrial wastewater treatment, industrial water supply, general and industrial solid waste treatment and hazardous waste disposal and treatment, urban and domestic waste detoxification, and environmental inspection. The Group had continued its normal business operations since the suspension of the trading of the Shares and save as disclosed below, there is no major change in the business operations of the Group since the suspension of the trading of the Shares.

As disclosed in the announcement dated 18 December 2019, the Company entered into an agreement to sell the equity interest representing the remaining 50% equity interest in a subsidiary which holds most of the investment projects of the Group in Guangxi Autonomous Region at a consideration of RMB610,000,000 (“**Guangxi Disposal**”). The Guangxi Disposal was completed on 7 January 2020. The Company has applied the net proceeds for repaying bank loans and for general working capital.

As of the date of this announcement, the Group was in active and constructive discussions with certain local governments on: 1) the potential handover of some land parcels of the Group to the government in return for compensation; and 2) potential relocation and redevelopment of a project of the Group with relocation compensation from the government. No legally binding agreement has been reached for the above.

As disclosed in the Previous Quarterly Update Announcement, an agreement had been signed for the disposal of 49% equity stake of a non-core subsidiary. As of the date of this announcement, this transaction has not completed yet owing to the outstanding release of equity pledge by a bank with respect to certain banking facility.

The Company will keep the shareholders of the Company (“**Shareholders**”) and the public informed of the progress of the above.

UPDATE ON RESUMPTION PROGRESS

The Stock Exchange has set out the below resumption guidance in June 2019 and November 2019:

- (a) conduct an appropriate investigation into the Allegations, announce the findings and take appropriate remedial actions;
- (b) publish all outstanding financial results and address any audit modifications;
- (c) announce all material information for the Company's shareholders and other investors to appraise the Company's position;
- (d) demonstrate that the Company has in place adequate internal controls and procedures to comply with the Listing Rules;
- (e) demonstrate that there is no reasonable regulatory concern about management integrity and/or the integrity of any persons with substantial influence over the Company's management and operations, which will pose a risk to investors and damage market confidence; and
- (f) demonstrate that all Directors meet a standard of competence commensurate with their position as directors of a listed issuer.

For (b) above, the auditors of the Company, Crowe (HK) CPA Limited ("**Crowe**"), has commenced the audit work for the year ended 31 December 2018. However, the outbreak of COVID-19 has affected the carrying out of some of the audit work so that the progress of audit was slower than expected. The Company will publish further announcement in due course to inform the shareholders of the Company on the date of the release of the Annual Results. For the requirements of the other resumption guidance, the Company is taking necessary steps to fulfil such requirements and will keep inform the public on the progress as and when appropriate.

OTHER UPDATES

As disclosed in the Legal Update Announcement, a number of legal proceedings had been made against three subsidiaries of the Group (namely, Guangzhou Haitao, Guangzhou Liangang and Zhongshan Haitao), alleged that these subsidiaries (and some of the executive Directors) has been involved in criminal offences.

As of the date of this announcement, the hearing of the proceedings against Zhongshan Haitao and Guangzhou Haitao had been completed and are now waiting for the judgments to be issued. There is no information as to the expected date of the issue of such judgements while there is no material development regarding the status on the Guangzhou Liangang case.

The Company will keep the Shareholders and the public informed of the progress of all the legal proceedings mentioned above as and when appropriate.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on 1 April 2019. Trading in the Shares will remain suspended until further notice.

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

By order of the Board
CT Environmental Group Limited
Tsui Cham To
Chairman

Hong Kong, 1 April 2020

As at the date of this announcement, the executive directors of the Company are Mr. Tsui Cham To, Mr. Lu Xiao'an, Mr. Tsui Wai Kin, Mr. Wu Changbiao, Mr. Xu Huagen, Mr. Xu Juwen and Ms. Xu Liuqi, and the independent non-executive directors of the Company are Mr. He Jingyong, Dr. Ng Wai Kuen and Mr. Zhang Lu Fu.