

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)

**SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO
ADDITIONAL RESUMPTION GUIDANCE AND
CONTINUED SUSPENSION OF TRADING**

This announcement is made by the board of directors (the “**Board**” or “**Directors**”) of CT Environmental Group Limited (the “**Company**”) pursuant to Rule 13.09(2)(a) of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the provisions of inside information under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcement of the Company dated 13 November 2019 regarding certain additional resumption guidance from the Stock Exchange for the Company (the “**November 2019 Announcement**”). Unless otherwise defined, capitalized terms used in this announcement shall have the same meanings as those defined in the November 2019 Announcement.

CIRCUMSTANCES LEADING TO ADDITIONAL RESUMPTION GUIDANCE

On 8 November 2019, the Company received a letter from the Stock Exchange setting out certain additional resumption guidance arising from certain concerns raised by the Stock Exchange.

As previously announced, the Group has engaged an independent internal control consultant to conduct an internal control review on the Allegations and to prepare the AUP Report. The AUP Report, in its advanced form, revealed a number of internal control weaknesses on the workflow of sludge treatment process and internal authorization procedures. Such deficiencies on the internal control system raised the concerns: 1) that the Directors might have failed to put in place adequate internal controls over the Company's financial and operational matters to safeguard its assets and protect the interest of its shareholders; 2) on whether the Directors have discharged their fiduciary duties of skill, care and diligence regarding the adequacy of the Company's internal controls and procedures over its financial and operational matters; and 3) whether the Directors meet the standard of competence commensurate with their position as directors of a listed issuer as required under Rule 3.09.

Due to the above, the Stock Exchange requested the below additional resumption guidance: 1) demonstrate that the Company has in place adequate internal controls and procedures to comply with the Listing Rules; and 2) demonstrate that all Directors meet a standard of competence commensurate with their position as directors of a listed issuer to fulfil duties of skill, care and diligence as required under Rules 3.08 and 3.09.

On 27 June 2019, the Company announced that the PRC enforcement authority has commenced legal proceedings against certain subsidiaries of the Group. Two executive Directors, namely, Tsui Cham To ("**Mr. Tsui**") and Xu Juwen, were also the defendants of some of the legal proceedings with alleged fraud. This raised concerns to the Stock Exchange on management integrity that might pose a risk to investors and damage market confidence, particularly given Mr. Tsui remains the Company's chairman and controlling shareholder as of the date of this announcement.

Due to the above, the Stock Exchange requested the Company, as an additional resumption guidance, to 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.

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, 22 November 2019

As at the date of this announcement, the executive directors of the Company are Mr. Tsui Cham To, Mr. Lu Xiao'an, Mr. Liang Qilin, Mr. Liang Zhenjie, Mr. Xu Juwen and Mr. Yuan Guanghua and the independent non-executive directors of the Company are Mr. He Jingyong, Dr. Ng Wai Kuen, Mr. Yu Chung Leung and Mr. Zhang Lu Fu.