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Incorporation of a subsidiary and commencement of new manufacturing facility

Aobo Environmental Technology Limited (NSX:AB9 or Aobo) is pleased to announce that its wholly owned subsidiary Aobo Environment New Energy (Wuxi) Co. Ltd., (AENE) has entered into a Joint Venture agreement with Suzhou Qiang Yi Power Technology Co., Ltd (SQYPT), and that Aobo has completed construction and has commenced use of its new manufacturing facility in Wuxi.

The two companies have formed a Joint Venture to be named Aobo Energy Storage Technology (Wuxi) Co., Ltd. (AEST). AEST will have registered capital of RMB 5 million (approx. A\$1,003,895), of which Aobo's wholly owned subsidiary AENE will contribute 60% of the registered capital and SQYPT will contribute the balance. AEST's main business will be lithium battery energy storage products R&D and sales.

Aobo has now commenced use of its brand new manufacturing facility in Wuxi China, of which the total floor area is approx. 21,600 square metres. The new facility comprises three main buildings. Building One and Two are used for air treatment products and energy storage products manufacturing respectively. Building Three is used for offices and product research and development. Aobo has ceased to use its previously leased manufacturing facility.

Mr. Zhang Jiangang, CEO of Aobo, commented:

"SQYPT has significant experience and strength in the energy storage field. Aobo has worked successfully with SQYPT on projects in the past. It was a logical progression to combine our talents in the incorporation of AEST which now represents the beginning of closer cooperation between both parties, to further improve the Company's R&D capability in energy storage, strengthen our sales of energy storage products and expand the scale of our energy storage business. We envisage this will bring significant long-term benefits for Aobo shareholders".

"Aobo's manufacturing capacity was limited by its production floor area. With opening of the new facility, Aobo can increase its manufacturing capacity and enhance its operation efficiency".

A handwritten signature in black ink, appearing to read "Andrew Smith".

Andrew Smith
Chairman
Aobo Environmental Technology Limited



Photo: Aobo's new manufacturing facility