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## **CHINA EVERBRIGHT GREENTECH LIMITED**

### **中國光大綠色環保有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1257)**

### **DISCLOSEABLE TRANSACTION FURTHER DISPOSAL OF UNDERLYING ASSETS UNDER ABN SERIES I**

References are made to (i) the announcement of the Company dated 28 January 2021 in relation to, among others, the possible issuance of ABN and (ii) the announcement of the Company dated 21 April 2021 in relation to the disposal of the initial Underlying Assets under ABN Series I (the “**April 2021 Announcement**”). Unless the context requires otherwise, capitalised terms used in this announcement shall have the same meanings as those defined in the April 2021 Announcement.

#### **THE INITIAL DISPOSAL OF UNDERLYING ASSETS**

On 21 April 2021, EB Greentech Management Shenzhen and JIC Trust entered into the Trust Agreement, pursuant to which, among other things, EB Greentech Management Shenzhen conditionally agreed to entrust JIC Trust with the initial Underlying Assets amounting to RMB589,041,500 (equivalent to approximately HK\$706,849,800) (the “**Initial Disposal**”) and JIC Trust conditionally agreed to be the trustee and manager of the Trust for the benefits of the Beneficiaries for the purpose of the issuance of ABN Series I. The principal terms of the Trust Agreement are disclosed in the section headed “1. The Trust Agreement” in the April 2021 Announcement. The Initial Disposal was completed on the same day.

## THE REVOLVING PURCHASE ARRANGEMENT

Pursuant to the Trust Agreement, JIC Trust may, to the extent there is any surplus in the Trust Account at the scheduled dates and upon application by EB Greentech Management Shenzhen, be entrusted with new eligible Underlying Assets from EB Greentech Management Shenzhen within the Revolving Purchase Period (the “**Revolving Purchase Arrangement**”). JIC Trust shall pay for the new eligible Underlying Assets using the disposable funds in the Trust Account.

## FURTHER DISPOSAL OF UNDERLYING ASSETS

On 12 October 2021, EB Greentech Management Shenzhen proposed to entrust further Underlying Assets amounting to RMB193,000,000 (equivalent to approximately HK\$231,600,000) (the “**New Underlying Assets**”) in accordance with the Revolving Purchase Arrangement under the Trust Agreement (the “**Further Disposal**”). The proposed entrustment of the New Underlying Assets was confirmed by JIC Trust on 19 October 2021. Subject to the conditions detailed below, the Further Disposal is expected to complete on the second business day following the said confirmation.

Upon completion of the Further Disposal, EB Greentech Management Shenzhen will cease to have any rights or interests in, and will cease to bear any risks relating to, the New Underlying Assets. JIC Trust, as the trustee and the manager under the Trust Agreement, will hold the New Underlying Assets for the benefits of the Beneficiaries and will be responsible for the management, application and disposal of the New Underlying Assets. The face value of the ABN issued under ABN Series I will remain unchanged.

### The New Underlying Assets

The New Underlying Assets represent subsidies that certain subsidiaries of the Company (the “**Project Companies**”) are entitled to receive for their sale of on-grid electricity under their respective electricity sale and purchase agreements with power companies, pursuant to the Renewable Energy Law of the PRC\* (《中華人民共和國可再生能源法》), the Interim Measures for the Administration of the Collection and Use of the Renewable Energy Development Fund\* (《可再生能源發展基金徵收使用管理暫行辦法》), the Administrative Measures for Additional Subsidies for Renewable Energy Power Prices\* (《可再生能源電價附加補助資金管理辦法》), Several Opinions on Promotion of the Sound Development of Power Generation with Non-hydropower Renewable Energy Resources\* (《關於促進非水可再生能源發電健康發展的若干意見》), and subsidies catalogues and/or checklists formally issued by the relevant governmental departments.

On 9 October 2021, each of the Project Companies (as the transferors) entered into transfer agreements with EB Greentech Management Shenzhen (as the transferee), pursuant to which the Project Companies agreed to transfer the New Underlying Assets to EB Greentech Management Shenzhen at carrying value.

## **Consideration**

In consideration of the acquisition of the New Underlying Assets, JIC Trust shall pay to EB Greentech Management Shenzhen a sum equal to the carrying value of the New Underlying Assets as at the completion date. As at the date of this announcement, the unaudited carrying value of the New Underlying Assets was RMB193,000,000. Pursuant to the Revolving Purchase Arrangement, such consideration shall be paid out of the disposable funds in the Trust Account.

## **Conditions precedent**

The completion of the Further Disposal is conditional upon the satisfaction or waiver of the following conditions, among others:

1. the Trust having been set up on its effective date;
2. the Revolving Purchase Period not having expired, and no event having occurred which would result in the early termination of the Revolving Purchase Period;
3. the New Underlying Assets being eligible assets as defined under the Trust Agreement, and EB Greentech Management Shenzhen having delivered to JIC Trust a complete list of the New Underlying Assets, together with electronic copies of the corresponding underlying documents;
4. execution of a completion confirmation following the delivery of the required documentation by EB Greentech Management Shenzhen to JIC Trust;
5. due payment of the consideration for the New Underlying Assets by JIC Trust in accordance with the terms of the Trust Agreement; and
6. registration of the transfer of the New Underlying Assets with the CCRC Movable Financing Registry.

## **Financial impact and use of proceeds**

Pursuant to the Revolving Purchase Arrangement, the consideration payable by JIC Trust to EB Greentech Management Shenzhen for the New Underlying Assets shall be equal to the carrying value of such assets as at the day of payment of the consideration. As a result, the Further Disposal is not expected to result in any gain or loss to the Company.

The Group intends to use the proceeds from the Further Disposal for the replenishment of general working capital or repayment of borrowings to financial institutions.

## **Reasons for and Benefits of the Further Disposal**

The Directors are of the view that the Further Disposal can help replenish the working capital of the Group within a reasonable time, and enable the Group to optimize its financing structure and manage its overall financing cost within a reasonable range.

The Directors (including the independent non-executive Directors) are of the view that the Further Disposal has been entered into in the ordinary and usual course of business of the Company, and the terms of the transaction are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **INFORMATION OF THE PARTIES INVOLVED IN THE FURTHER DISPOSAL**

The Company is a professional environmental protection service provider in China, with its businesses focusing on integrated biomass utilisation, hazardous and solid waste treatment, environmental remediation, solar energy and wind power. The Company has its business coverage spanning across 15 provinces and autonomous regions in China, and in Germany.

EB Greentech Management Shenzhen is a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company. It is principally engaged in providing management services to the Group.

JIC Trust is a company incorporated in the PRC with limited liability principally engaged in provision of trust services in the PRC.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, as at the date of this announcement, JIC Trust and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

## **LISTING RULES IMPLICATIONS**

As the highest applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules) in respect of the Further Disposal is less than 5%, the Further Disposal, on a standalone basis, does not constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is not subject to the notification and announcement requirements under the Listing Rules.

Pursuant to Rule 14.22 of the Listing Rules, the Further Disposal shall be aggregated with the Initial Disposal since both transactions are entered into by the Group with JIC Trust within a 12-month period. As the highest applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules) in respect of the Further Disposal and the Initial Disposal on an aggregated basis is more than 5% but less than 25%, the Further

Disposal (when aggregated with the Initial Disposal) constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the notification and announcement requirements under the Listing Rules.

*For the purpose of this announcement, the following exchange rate is used: RMB1.00 = HK\$1.20.*

By Order of the Board  
**China Everbright Greentech Limited**  
**QIAN Xiaodong**  
*Executive Director and Chief Executive Officer*

Hong Kong, 19 October 2021

*As at the date of this announcement, the members of the Board comprise:*

Mr. WANG Tianyi (*Chairman, non-executive Director*)  
Mr. QIAN Xiaodong (*Chief Executive Officer, executive Director*)  
Mr. YANG Zhiqiang (*Vice President, executive Director*)  
Mr. LO Kam Fan (*Chief Financial Officer, executive Director*)  
Ms. GUO Ying (*Non-executive Director*)  
Mr. SONG Jian (*Non-executive Director*)  
Mr. CHOW Siu Lui (*Independent non-executive Director*)  
Mr. Philip TSAO (*Independent non-executive Director*)  
Prof. YAN Houmin (*Independent non-executive Director*)

\* *For identification purpose only*