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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)**

### **CONNECTED TRANSACTION ENTERING INTO THE LEACHATE EMERGENCY TREATMENT SERVICE AGREEMENT**

#### **LEACHATE EMERGENCY TREATMENT SERVICE AGREEMENT**

The Board announces that on 17 May 2022, Everbright Environmental Remediation (Jiangsu) and Wujiang Everbright Environmental entered into the Leachate Emergency Treatment Service Agreement, pursuant to which Wujiang Everbright Environmental will provide emergency treatment services of household waste leachate generated by the Project to Everbright Environmental Remediation (Jiangsu) at a maximum service fee of RMB7,000,000 (equivalent to approximately HK\$8,610,000).

As at the date of this announcement, Wujiang Everbright Environmental is a wholly-owned subsidiary of CEEGL and CEEGL is an indirect controlling Shareholder (which is interested in approximately 69.70% equity interests in the Company), hence Wujiang Everbright Environmental is an associate of CEEGL and a connected person of the Company under Chapter 14A of the Listing Rules.

Since the highest of all applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the Leachate Emergency Treatment Service Agreement is more than 0.1% but less than 5%, the connected transaction contemplated under the Leachate Emergency Treatment Service Agreement is subject to the reporting and announcement requirements but exempt from circular and the independent Shareholders' approval requirements as set out in Chapter 14A of the Listing Rules.

## THE LEACHATE EMERGENCY TREATMENT SERVICE AGREEMENT

The Board announces that on 17 May 2022, Everbright Environmental Remediation (Jiangsu) and Wujiang Everbright Environmental entered into the Leachate Emergency Treatment Service Agreement, pursuant to which Wujiang Everbright Environmental will provide emergency treatment services of household waste leachate generated by the Project to Everbright Environmental Remediation (Jiangsu) at a maximum service fee of RMB7,000,000 (equivalent to approximately HK\$8,610,000).

The principal terms of the Leachate Emergency Treatment Service Agreement are as follows:

Parties: (i) Everbright Environmental Remediation (Jiangsu); and

(ii) Wujiang Everbright Environmental

Scope of services: Wujiang Everbright Environmental shall provide the following services to Everbright Environmental Remediation (Jiangsu):

Emergency treatment of household waste leachate generated by the Project at the landfill site of Everbright Environmental Remediation (Jiangsu);

Everbright Environmental Remediation (Jiangsu) shall transport the household waste leachate in its area to the designated location of the household waste-to-energy plant of Wujiang Everbright Environmental for unloading, and Wujiang Everbright Environmental shall be responsible for the household waste leachate treatment and ensuring that the water quality after treatment meets the relevant statutory requirements; and

The daily maximum volume of the transported household waste leachate for treatment shall be 100 tonnes, the total treatment volume shall be approximately 30,000 tonnes, and the final treatment volume shall not be more than 35,000 tonnes.

Service period:	17 May 2022 to 14 February 2023
Maximum service fee:	RMB7,000,000
Transport arrangement:	Everbright Environmental Remediation (Jiangsu) shall be responsible for the transportation of household waste leachate to Wujiang Everbright Environmental's household waste-to-energy plant and the relevant transportation costs (including the loading and unloading costs)
Measurement of processing fee:	The processing fee for the treatment of the household waste leachate is RMB200 per tonne and the treatment volume shall be based on the weighing scale of Wujiang Everbright Environmental
Payment method:	The fee for the treatment of household waste leachate shall be billed and settled on a monthly basis

## **BASIS FOR DETERMINATION OF CONSIDERATION**

The service fee was determined through arm's length negotiations between Everbright Environmental Remediation (Jiangsu) and Wujiang Everbright Environmental in accordance with fair and reasonable pricing principles in the market, after taking into account open market inquiry as well as holistic considerations of qualification and price quotation. It was agreed on normal commercial terms and was no less favourable than the terms obtained by the Group from independent third party service suppliers. Such fee has taken into account the time, expertise and resources that Wujiang Everbright Environmental will provide in relation to the emergency treatment services of household waste leachate.

## **INFORMATION ABOUT THE PARTIES**

### **The Company and Everbright Environmental Remediation (Jiangsu)**

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, autonomous region and Hong Kong in China, and spreads far to Germany.

Everbright Environmental Remediation (Jiangsu) is a wholly-owned subsidiary of the Company and is principally engaged in environmental remediation business.

## **CEEGL and Wujiang Everbright Environmental**

CEEGL is the largest environmental enterprise in China, a leading player in Asia's environmental protection industry, the world's largest waste-to-energy investor and operator, and a world-renowned environmental group. As the first one-stop integrated environmental solution provider in China, CEEGL focuses on the areas of environment, resources, energy and climate. Its main businesses cover waste-to-energy and integrated waste treatment, integrated biomass utilisation, hazardous and solid waste treatment, environmental remediation, water environment management, equipment manufacturing, waste sorting, environmental sanitation integration, resource recycling, development of zero-waste cities, energy-saving lighting, analysis and testing, research and development relating to green technologies, ecological and environmental planning and designing, as well as environmental protection industrial parks. It has a business presence in more than 210 locations across 25 provinces, municipalities, autonomous regions and special administrative region in China, as well as overseas markets including Germany, Poland, Vietnam and Mauritius.

CEEGL is indirectly held as to 43.01% of its shares by China Everbright Group Ltd.\* (中國光大集團股份公司) which is controlled by Central Huijin Investment Ltd.\* (中央匯金投資有限責任公司).

Wujiang Everbright Environmental is a wholly-owned subsidiary of CEEGL and is principally engaged in the design, construction, operation and maintenance of waste-to-energy plants.

### **REASONS FOR AND BENEFITS OF THE LEACHATE EMERGENCY TREATMENT SERVICE AGREEMENT**

Given the short transportation route between the Project site and the area where Wujiang Everbright Environmental locates as well as its price advantage, the Company engaged Wujiang Everbright Environmental as its household waste leachate emergency treatment service supplier in accordance with the fair and reasonable pricing principles in the market, after taking into account open market inquiry as well as holistic considerations of qualification and price quotation.

The Board, including the independent non-executive Directors, is of the view that the entering of the Leachate Emergency Treatment Service Agreement will enable the Group to dispose of the household waste leachate properly and efficiently. The Board is also of the view that the transaction contemplated under the Leachate Emergency Treatment Service Agreement is conducted in the ordinary and usual course of business of the Group; and the terms of the Leachate Emergency Treatment Service Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Mr. Wang Tianyi, the Non-executive Director and Chairman of the Board and Mr. Qian Xiaodong, the Executive Director and Chief Executive Officer of the Company, have abstained from voting to approve the Leachate Emergency Treatment Service Agreement in the Board meeting due to the fact that they are also the directors of CEEGL. Save as

disclosed above, none of the Directors has a material interest in the Leachate Emergency Treatment Service Agreement or is required to abstain from voting on the resolutions in relation to the transaction.

## **IMPLICATIONS UNDER THE LISTING RULES**

As at the date of this announcement, Wujiang Everbright Environmental is a wholly-owned subsidiary of CEEGL and CEEGL is an indirect controlling Shareholder (which is interested in approximately 69.70% equity interests in the Company), hence Wujiang Everbright Environmental is an associate of CEEGL and a connected person of the Company under Chapter 14A of the Listing Rules.

Since the highest of all applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the Leachate Emergency Treatment Service Agreement is more than 0.1% but less than 5%, the connected transaction contemplated under the Leachate Emergency Treatment Service Agreement is subject to the reporting and announcement requirements but exempt from circular and the independent Shareholders' approval requirements as set out in Chapter 14A of the Listing Rules.

## **DEFINITIONS**

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“CEEGL”	China Everbright Environment Group Limited (中國光大環境(集團)有限公司), a company incorporated under the laws of Hong Kong with limited liability whose shares are listed on the Main Board of the Stock Exchange (stock code: 257), and a controlling Shareholder
“Company”	China Everbright Greentech Limited (中國光大綠色環保有限公司), an exempted company incorporated in the Cayman Islands with limited liability whose shares are listed on the Main Board of the Stock Exchange (stock code: 1257)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company

“Everbright Environmental Remediation (Jiangsu)”	Everbright Environmental Remediation (Jiangsu) Limited (光大環境修復(江蘇)有限公司), a company incorporated under the laws of the PRC with limited liability and a wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Leachate Emergency Treatment Service Agreement”	the leachate emergency treatment service agreement dated 17 May 2022 entered into between Everbright Environmental Remediation (Jiangsu) and Wujiang Everbright Environmental in relation to the provision of emergency treatment services of household waste leachate generated by the Project
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“Project”	the project of the Group in relation to the construction and operation of environmental remediation business in Suzhou City
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	holder(s) of the share(s) in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Wujiang Everbright Environmental”	Suzhou Wujiang Everbright Environmental Energy Limited (蘇州吳江光大環保能源有限公司), a company incorporated under the laws of the PRC with limited liability and a wholly-owned subsidiary of CEEGL
“%”	per cent

*For the purpose of this announcement, the following exchange rate is used: RMB1.00: HK\$1.23.*

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

Hong Kong, 17 May 2022

*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 purposes only*