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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 EQUIPMENT PURCHASE AND SALE AGREEMENT IN RELATION TO ZHONGJIANG WASTE-TO-ENERGY PROJECT

EQUIPMENT PURCHASE AND SALE AGREEMENT

The Board is pleased to announce that on 15 September 2022, EB Alternative Energy Zhongjiang, an indirect wholly-owned subsidiary of the Company, entered into the Equipment Purchase and Sale Agreement with EB Environmental Changzhou, pursuant to which EB Alternative Energy Zhongjiang has agreed to purchase the Equipment and related technological services from EB Environmental Changzhou in accordance with the terms thereunder in relation to the Zhongjiang Waste-to-energy Project.

IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, EB Environmental Changzhou is an indirect wholly-owned subsidiary of CEEGL and CEEGL is an indirect controlling shareholder of the Company (which is interested in approximately 69.70% equity interests in the Company), hence EB Environmental Changzhou is an associate of CEEGL and a connected person of the Company under Chapter 14A of the Listing Rules. As such, the transactions contemplated under the Equipment Purchase and Sale Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest of all applicable percentage ratios in respect of the Equipment Purchase and Sale Agreement exceeds 0.1% but is less than 5%, the connected transaction contemplated thereunder is subject to the reporting and announcement requirements but exempt from circular and the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

I. THE EQUIPMENT PURCHASE AND SALE AGREEMENT

The principal terms of the Equipment Purchase and Sale Agreement are summarized below:

- Date:** 15 September 2022
- Parties:** (i) EB Alternative Energy Zhongjiang (as purchaser); and
(ii) EB Environmental Changzhou (as vendor)
- Subject matter:** EB Alternative Energy Zhongjiang shall purchase mainly the following equipment and related technological services from EB Environmental Changzhou with specification detailed in the Equipment Purchase and Sale Agreement (the “**Equipment**”):
- (i) Landfill Leachate Membrane Filtration System, which includes:
 - two sets of tubular ultrafiltration membrane system;
 - one set of TUF system;
 - one set of reverse osmosis membrane system; and
 - one set of DTRO System.
 - (ii) Industrial Wastewater System, which includes:
 - one set of tubular ultrafiltration membrane system; and
 - one set of reverse osmosis membrane system.

The Equipment was manufactured by EB Environmental Changzhou with no original acquisition cost and valuation.

- Consideration:** RMB4,740,000 (among which RMB545,309.73 is the VAT) (equivalent to approximately HK\$5,688,000)
- Delivery:**
- (i) Equipment acquired shall be delivered by 15 September 2022 or delivery time as otherwise notified in writing by the purchaser.
 - (ii) EB Environmental Changzhou is responsible for the unloading of the Equipment, and, at the same time as the delivery of the Equipment, shall provide to EB Alternative Energy Zhongjiang the relevant technological services including design, installation, commissioning, testing, inspection, operation, maintenance and training accordingly.
- Payment terms:**
- (i) Upon delivery, quality inspection and receipt of a VAT special invoice issued by EB Environmental Changzhou of 50% of the consideration, EB Alternative Energy Zhongjiang shall settle such invoice within 10 working days.
 - (ii) After installation and commissioning of the Equipment, EB Alternative Energy Zhongjiang shall issue a preliminary compliance certificate and thus receive another VAT special invoice from EB Environmental Changzhou for the settlement of the remaining 50% of the consideration. After the receipt of such invoice, 40% of the consideration shall then be settled within 10 working days.
 - (iii) 10% of the consideration constitutes a deposit paid by EB Environmental Changzhou for quality guarantee when the parties entered into the Equipment Purchase and Sale Agreement, which shall be returned to EB Environmental Changzhou for offsetting the remaining 10% of the consideration 15 working days after the quality assurance period.

II. BASIS FOR DETERMINATION OF CONSIDERATION

The amount payable by the Group for the Equipment was determined through tender bids as well as competitive negotiation and with reference to the prevailing market price for the same or similar equipment and on a fair and reasonable basis. The purchase price was agreed on normal commercial terms and it is no less favourable than the terms obtained by the Company from independent third party suppliers for the same equipment.

III. REASONS FOR AND BENEFITS OF ENTERING INTO THE EQUIPMENT PURCHASE AND SALE AGREEMENT

With a consistent commitment to the dual emphasis on social as well as economic benefits, the Group has made vigorous effort in driving energy conservation and discharge reduction. In June 2021, the Company started participating in the Zhongjiang Waste-to-energy Project. By entering into the Equipment Purchase and Sale Agreement, the Group can procure the required equipment from EB Environmental Changzhou for the Zhongjiang Waste-to-energy Project. Past dealings with EB Environmental Changzhou demonstrated it is a stable and reliable supplier which enables the Group to be supplied with equipment with the required technological specification.

The Board, including the independent non-executive directors of the Company, is also of the view that the transaction contemplated under the Equipment Purchase and Sale Agreement is conducted in the ordinary and usual course of business of the Group on normal commercial terms; and the terms of the Equipment Purchase and Sale Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

IV. INFORMATION ABOUT THE PARTIES

The Company and EB Alternative Energy Zhongjiang

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.

EB Alternative Energy Zhongjiang is a company established in the PRC with limited liability and is an indirect wholly-owned subsidiary of the Company. It is principally engaged in the design, construction, operation and maintenance of integrated biomass and waste-to-energy project.

CEEGL and EB Environmental Changzhou

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).

EB Environmental Changzhou is a company established in the PRC with limited liability and is an indirect wholly-owned subsidiary of CEEGL. It is principally engaged in the provision of manufacturing services of environmental protection equipment.

V. IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, EB Environmental Changzhou is an indirect wholly-owned subsidiary of CEEGL and CEEGL is an indirect controlling shareholder of the Company (which is interested in approximately 69.70% equity interests in the Company), hence EB Environmental Changzhou is an associate of CEEGL and a connected person of the Company under Chapter 14A of the Listing Rules. As such, the transactions contemplated under the Equipment Purchase and Sale Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest of all applicable percentage ratios in respect of the Equipment Purchase and Sale Agreement exceeds 0.1% but is less than 5%, the connected transaction contemplated thereunder is subject to the reporting and announcement requirements but exempt from circular and the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Mr. HUANG Haiqing, the Non-executive Director and Chairman of the Board and Mr. QIAN Xiaodong, the Executive Director and Chief Executive Officer, have abstained from voting on the Board's resolution approving the Equipment Purchase and Sale Agreement due to the fact that they have connected relationships with CEEGL. Save as disclosed above, none of the Directors has a material interest in the Equipment Purchase and Sale Agreement or is required to abstain from voting on the resolution in relation to the transaction.

VI. DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“CEEGL”	China Everbright Environmental 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 of the Company
“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
“DTRO System”	disk tube reverse osmosis system for leachate treatment in wastewater
“EB Alternative Energy Zhongjiang”	Everbright Alternative Energy (Zhongjiang) Limited* (光大新能源(中江)有限公司), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“EB Environmental Changzhou”	Everbright Environmental Technology Equipment (Changzhou) Company Limited* (光大環保技術裝備(常州)有限公司), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of CEEGL

“Equipment Purchase and Sale Agreement”	the Landfill Leachate Membrane Filtration System, Industrial Wastewater System, DTRO System Purchase and Sale Agreement entered into between EB Alternative Energy Zhongjiang and EB Environmental Changzhou on 15 September 2022 pursuant to which EB Alternative Energy Zhongjiang has agreed to purchase the Equipment and related technological services from EB Environmental Changzhou in accordance with the terms thereunder
“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
“Industrial Wastewater System”	an industrial and landfill wastewater treatment procedure
“Landfill Leachate Membrane Filtration System”	an integrated project for landfill leachate treatment, including a tubular ultrafiltration membrane system and a reverse osmosis membrane system
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“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
“VAT”	the value-added tax in the PRC
“Zhongjiang Waste-to-energy Project”	the household waste environmental protection power generation project of the Group in Zhongjiang
“%”	per cent

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, 15 September 2022

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

Mr. HUANG Haiqing (*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*