

*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.*



## **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 ESTABLISHMENT OF A JOINT VENTURE**

#### **FORMATION OF JOINT VENTURE**

On 19 February 2025, CEEGL, Changzhou Equipment Company, EEP China, CEWL, the Company and Everbright Envirotech China entered into the Joint Venture Agreement in relation to, among others, the establishment of the Joint Venture with joint contribution by the Parties.

Pursuant to the Joint Venture Agreement, the registered capital of the Joint Venture shall be RMB50 million, of which the Company will contribute RMB5 million in cash, accounting for 10% of the registered capital of the Joint Venture; CEEGL will contribute RMB15 million in cash, accounting for 30% of the registered capital of the Joint Venture; Changzhou Equipment Company will contribute RMB15 million in cash, accounting for 30% of the registered capital of the Joint Venture; EEP China will contribute RMB5 million in cash, accounting for 10% of the registered capital of the Joint Venture; CEWL will contribute RMB5 million in cash, accounting for 10% of the registered capital of the Joint Venture; and Everbright Envirotech China will contribute RMB5 million in cash, accounting for 10% of the registered capital of the Joint Venture.

## **IMPLICATIONS UNDER THE LISTING RULES**

As at the date of this announcement, CEEGL is an indirect controlling shareholder of the Company (which is interested in approximately 69.70% equity interests in the Company), and CEEGL is a controlling shareholder of CEWL. Therefore, each of CEEGL and its subsidiaries, namely CEWL, Changzhou Equipment Company, EEP China, Everbright Envirotech China, is a connected person of the Company under Chapter 14A of the Listing Rules.

As such, the establishment of the Joint Venture contemplated under the Joint Venture Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the capital contribution to the Joint Venture by the Company pursuant to the Joint Venture Agreement exceeds 0.1% but is less than 5%, the connected transaction of entering into of the Joint Venture Agreement is subject to the reporting, announcement and annual review requirements, but is exempt from the circular and the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **FORMATION OF JOINT VENTURE**

On 19 February 2025, CEEGL, Changzhou Equipment Company, EEP China, CEWL, the Company and Everbright Envirotech China entered into the Joint Venture Agreement in relation to, among others, the establishment of the Joint Venture with joint contribution by the Parties.

The principal terms of the Joint Venture Agreement are as follows:

<b>Date</b>	:	19 February 2025
<b>Parties</b>	:	(i) CEEGL; (ii) Changzhou Equipment Company; (iii) EEP China; (iv) CEWL; (v) the Company; and (vi) Everbright Envirotech China.
<b>Registered Capital</b>	:	RMB50 million

- Amount of Capital Contribution** :
- (i) CEEGL will contribute RMB15 million in cash, representing 30% of the registered capital of the Joint Venture;
  - (ii) Changzhou Equipment Company will contribute RMB15 million in cash, representing 30% of the registered capital of the Joint Venture;
  - (iii) EEP China will contribute RMB5 million in cash, representing 10% of the registered capital of the Joint Venture;
  - (iv) CEWL will contribute RMB5 million in cash, representing 10% of the registered capital of the Joint Venture;
  - (v) the Company will contribute RMB5 million in cash, representing 10% of the registered capital of the Joint Venture; and
  - (vi) Everbright Envirotech China will contribute RMB5 million in cash, representing 10% of the registered capital of the Joint Venture.

The capital contribution to be made by the Company will be funded by the Group's internal resources.

**Timing of Capital Contribution** : The Parties shall paid-up the agreed capital contribution within five years after the establishment of the Joint Venture.

**Scope of Business** : General items: technological services, technological development, technological consultation, technological exchanges, technological transfer and technological promotion; engineering and technological research and experimental development; manufacturing of special environmental protection equipment; research and development of emerging energy technologies; research and development of new material technologies; research and development of internet of things technologies; research and development of resources recycling and utilisation technologies; research and development of carbon emission reduction, carbon conversion, carbon capture and carbon sequestration technologies; new material technology promotion services; environmental protection consultation services; resource recycling service technology consultation; internet of things technology services; sales of special environmental protection equipment; sales of eco-environmental materials; conference and exhibition services; business training (excluding educational and vocational skills training and other training that needs to obtain a permit); on-line energy monitoring technology research and development (Except for items subject to approval in accordance with the law, business activities shall be carried out independently and lawfully in accordance with the business licenses) (Subject to the registration with the registration authorities)

**Term of Operation** : Long term

**Corporate Governance** : *Board of directors*

The board of directors of the Joint Venture shall consist of three members, all of whom shall be elected through shareholders' meeting. The term of office of the directors is three years and may be re-elected upon expiration of its term of office.

### *Shareholders' meeting*

Resolutions in relation to the amendment of articles of association, increase or reduction of registered share capital and merger, division, dissolution or change in form of the Joint Venture shall be passed by shareholders representing at least two-thirds of the voting rights of the Joint Venture.

The Joint Venture does not have a supervisory committee.

- Undertakings** : CEEGL undertakes to procure the Joint Venture to not engage in any business that would directly or indirectly compete with the Company's principal business.
- Distribution of Profits** : The Parties shall be entitled to the profits (after making up for the losses and making contributions to the common reserve fund pursuant to the Joint Venture Agreement) of the Joint Venture in proportion to their respective paid-up capital contribution to the Joint Venture.

### **FINANCIAL INFORMATION OF THE JOINT VENTURE**

As at the date of this announcement, the Joint Venture has not yet been established and does not have any historical financial results. The Joint Venture will be accounted for as an associated company of the Company upon its establishment.

### **REASONS FOR AND BENEFITS OF ENTERING INTO THE JOINT VENTURE AGREEMENT**

The Group has been exploring ways to foster capabilities in asset management and operation for the full business cycle from carbon emission to carbon demand with an innovation-driven approach to serve the national energy security strategy and the goal of "Dual Carbon", as it strives to develop into a clean energy operator claiming new-quality productivity and core competitiveness.

In light of the Made in China 2025 (中國製造 2025) and the Implementation Guidelines of Manufacturing Innovation Centres (製造業創新中心實施指南) policies, the Group enters into the Joint Venture Agreement with the view to create synergies and collaboration through establishing a hub for integrating manufacturing resources and accelerating the commercialization and industrialization of scientific achievements.

The terms of the Joint Venture Agreement were agreed between CEEGL Group and the Company after arm's length negotiations.

Having considered the factors above, the Directors (including the independent non-executive Directors) are of the view that (i) the transaction contemplated under the Joint Venture Agreement is on normal commercial terms and is entered into in the ordinary and usual course of business of the Group; and (ii) the terms contained under the Joint Venture Agreement are fair and reasonable and in the interests of the Group and the Shareholders as a whole.

As Mr. WANG Silian, being a non-executive Director and chairman of the Board, is also an executive director and chairman of the board of CEEGL, he has abstained from voting on the Board resolutions to approve the Joint Venture Agreement. Save as disclosed above, none of the Directors have material interest in the Joint Venture Agreement and hence no other Director was required to abstain from voting on the relevant resolutions approving the same.

The Company expects to finance its capital contribution to the Joint Venture by utilising the Group's internal resources.

## **INFORMATION ABOUT THE PARTIES**

The Company is a professional environmental protection service provider in China, with its new energy businesses focusing on integrated biomass utilisation, hazardous and solid waste treatment, environmental remediation, as well as solar energy and wind power.

CEEGL is a company incorporated in Hong Kong with limited liability whose shares are listed on the Main Board of the Stock Exchange (stock code: 257). It is the controlling shareholder of the Company. 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 three major areas, namely solid waste, water-related business and clean energy. Its main businesses cover waste-to-energy and integrated waste treatment, integrated biomass utilisation, hazardous and solid waste treatment, new energy, environmental remediation, water environment management, equipment manufacturing, waste sorting, environmental sanitation integration, resource recycling, development of zero-waste cities, research and development relating to green technologies, ecological and environmental planning and designing, as well as environmental protection industrial parks.

CEWL is an exempted company incorporated in Bermuda with limited liability, whose shares are listed on the Mainboard of Singapore Exchange Securities Trading Limited (stock code: U9E) and the Main Board of the Stock Exchange (stock code: 1857). It is an indirect non-wholly owned subsidiary of CEEGL. CEWL primarily engages in comprehensive water environment management, municipal waste water treatment, industrial waste water treatment, water supply, reusable water, sludge treatment and disposal, sponge city construction, river-basin ecological restoration, waste water source heat pump, leachate treatment, as well as research and development of water environment technologies and engineering construction.

Changzhou Equipment Company is an indirectly wholly-owned subsidiary of CEEGL. As a one-stop, comprehensive service provider in the environmental protection equipment sector, Changzhou Equipment Company mainly engages in the research, development and manufacturing of various environmental protection equipment.

EEP China is a wholly-owned subsidiary of CEEGL, encompasses waste-to-energy, food and kitchen waste treatment, leachate treatment, fly ash treatment, methane-to-energy, sludge treatment and disposal, construction and decoration waste treatment, development of environmental protection industrial parks, integrated urban services, waste sorting, resource utilisation and recycling, as well as technical consultancy and engineering design relating to environmental protection.

Everbright Envirotech China is an indirectly wholly-owned subsidiary of CEEGL, mainly focuses on key research areas such as solid waste treatment and resource utilisation, agricultural and forestry biomass utilisation, water environment management, big data, intelligent control, etc., to empower the development of all business sectors of CEEGL through technology-driven solutions.

## **IMPLICATIONS UNDER THE LISTING RULES**

As at the date of this announcement, CEEGL is an indirect controlling shareholder of the Company (which is interested in approximately 69.70% equity interests in the Company), and CEEGL is a controlling shareholder of CEWL. Therefore, each of CEEGL and its subsidiaries, namely CEWL, Changzhou Equipment Company, EEP China, Everbright Envirotech China, is a connected person of the Company under Chapter 14A of the Listing Rules.

As such, the establishment of the Joint Venture contemplated under the Joint Venture Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the capital contribution to the Joint Venture by the Company pursuant to the Joint Venture Agreement exceeds 0.1% but is less than 5%, the connected transaction of entering into of the Joint Venture Agreement is subject to the reporting, announcement and annual review requirements, but is exempt from the circular and the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

## DEFINITIONS

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

“Board”	the board of Directors of the Company
“CEEGL”	China Everbright Environment Group Limited (中國光大環境(集團)有限公司), a company incorporated in Hong Kong with limited liability, whose shares are listed on the Main Board of the Stock Exchange (stock code: 257), and the controlling shareholder of the Company
“CEEGL Group”	CEEGL, Changzhou Equipment Company, EEP China, CEWL and Everbright Envirotech China
“CEWL”	China Everbright Water Limited (中國光大水務有限公司), an exempted company incorporated in Bermuda with limited liability, whose shares are listed on the Mainboard of Singapore Exchange Securities Trading Limited (stock code: U9E) and the Main Board of the Stock Exchange (stock code: 1857)
“Changzhou Equipment Company”	Everbright Environmental Technical Equipment (Changzhou) Limited* (光大環保技術裝備(常州)有限公司), a limited liability company established in the PRC and an indirect wholly-owned subsidiary of CEEGL
“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”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“EEP China”	Everbright Environmental Protection (China) Limited* (光大環保(中國)有限公司), a limited liability company established in the PRC and a wholly-owned subsidiary of CEEGL



“Everbright Envirotech China”	Everbright Envirotech (China) Limited* (光大環境科技(中國)有限公司), a limited liability company established in the PRC and an indirect wholly-owned subsidiary of CEEGL
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Joint Venture”	the limited liability joint venture company proposed to be established in Changzhou, Jiangsu Province of the PRC in accordance with the Joint Venture Agreement
“Joint Venture Agreement”	the Joint Venture Agreement (合資協議) entered into by CEEGL, Changzhou Equipment Company, EEP China, CEWL, the Company and Everbright Envirotech China on 19 February 2025
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“Parties”	CEEGL, Changzhou Equipment Company, EEP China, CEWL, the Company and Everbright Envirotech China
“PRC”	the People’s Republic of China (excluding for the purpose of this announcement, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan)
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

By order of the Board  
**China Everbright Greentech Limited**  
**ZHU Fugang**  
*Executive Director and Chief Executive Officer*

Hong Kong, 19 February 2025

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

Mr. WANG Silian (*Chairman, Non-executive Director*)  
Mr. ZHU Fugang (*Chief Executive Officer, Executive Director*)  
Mr. WANG Dianer (*Vice President, Executive Director*)  
Mr. HUANG Chaoxiong (*Executive Director*)  
Mr. SONG Jian (*Non-executive Director*)  
Ms. MAO Jing (*Non-executive Director*)  
Mr. CHOW Siu Lui (*Independent Non-executive Director*)  
Prof. YAN Houmin (*Independent Non-executive Director*)  
Mr. LI Huaqiang (*Independent Non-executive Director*)

\* *For identification purposes only*