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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)

SUPPLEMENTAL ANNOUNCEMENT

EXCEEDED OF ANNUAL CAP OF

CONTINUING CONNECTED TRANSACTION

IN RELATION TO 2022 DEPOSIT SERVICES MASTER AGREEMENT

Reference is made to the Announcement in relation to, among other things, the Exceeding of Annual Cap for the year ended 31 December 2024 under the 2022 Deposit Services Master Agreement.

The Company would like to provide further information in relation to the Exceeding of Annual Cap, the additional measures adopted by the Company to ensure future compliance with the Listing Rules, and the proposed Ratification with respect to the Exceeding of Annual Cap to be sought by the Company.

FURTHER BACKGROUND WITH RESPECT TO THE EXCEEDING OF ANNUAL CAP

As disclosed in the Announcement, the Exceeding of Annual Cap was due to two deposits being made in August and December 2024 for the sole purpose of early repayment of two Loans granted by CE Bank pursuant to the terms of the relevant loan agreements, to save the finance costs of the Group.

By way of background, it was a requirement of CE Bank that the Loans shall be repaid from the balances in the bank account of the Company held with CE Bank in Hong Kong (the “**Repayment Arrangement**”). To the best knowledge of the Company, the Repayment Arrangement is a standard requirement of CE Bank, which is equally applied to other independent third party clients of CE Bank.

The Loans were granted by CE Bank to the Company in 2023. The Company had subsequently experienced a series of personnel changes in the finance department in 2024, including the key contact persons with CE Bank regarding the Loans. To the best knowledge of the Company, with the intention to ensure sufficient fund in the bank account of the Company held with CE Bank for repayment of the two Loans in 2024, the new staff in the finance department had made advance deposits to the bank account, but had overlooked that the daily closing balance of deposits (taking into account both the PRC bank account balance and the Hong Kong bank account balance of the Group) would lead to the Exceeding of Annual Cap.

The Company had looked into the incidents, and is of the view that the cause of the Exceeding of Annual Cap was primarily due to the insufficient communication between the outgoing and new joining staff in the finance department, including communication on the impact of the Repayment Arrangement to the daily closing balance of deposits, and the awareness and sensitivity of the newly joined staff as to the approach and requirements for compliance with the Annual Caps.

The Loans had since then been fully repaid, and as at the date of this announcement, the Company does not have any other loan granted by CE Bank that requires repayment through deposits in the Group's bank accounts held with CE Bank, and the Company has complied with the Annual Caps since 27 December 2024 and currently has no intention to increase the Annual Cap for the year ending 31 December 2025. The Company has implemented additional measures to avoid the recurrence of similar incident (for further details, please refer to the paragraph headed "Further Details regarding the Measures Adopted by the Company to Ensure Future Compliance with the Listing Rules" in this announcement), and would ensure to comply with the relevant requirements under the Listing Rules (including Chapter 14A of the Listing Rules) when it foresees that the Annual Caps are expected to be exceeded going forward. The Company sincerely regrets the failure of compliance with the requirements under Chapter 14A of the Listing Rules.

FURTHER DETAILS REGARDING THE MEASURES ADOPTED BY THE COMPANY TO ENSURE FUTURE COMPLIANCE WITH THE LISTING RULES

In order to prevent the reoccurrence of similar breaches of the Listing Rules in the future, the Company had taken additional actions, including:

- (i) ***Training to the Directors, senior management and finance department.*** The Company had engaged an external counsel to provide training to the Directors, senior management of the Company and the relevant staff of the finance department, which had covered (i) the re-introduction of the requirements for continuing connected transactions under the Listing Rules; (ii) discussion of market precedents of non-compliance with the requirements of connected transactions under the Listing Rules and the disciplinary actions imposed by the Stock Exchange; and (iii) an evaluation of the current incident of Exceeding of Annual Cap and introduction of the additional measures adopted by the Company for ensuring future compliance with the Listing Rules.

The Company is of the view that the above training provided have further reinforced and enhanced the understanding and awareness of the requirements for continuing connected transactions under Chapter 14A of the Listing Rules of the Directors, the senior management and the relevant staff of the finance department, brought both old and new staff on the same page the importance of compliance of Listing Rules and familiarized them with the additional practical measures and procedures to monitor the compliance with the Annual Caps. The Company believes that the strengthened measures adopted (to be discussed below) are effective in enhancing communication within the Group to ensure on-going compliance and allow swift response before the Annual Caps are about to be exceeded.

Going forward, trainings regarding the compliance requirements of connected transactions under the Listing Rules will be delivered quarterly to all subsidiaries/project companies within the Group. Relevant finance staff who are responsible for monitoring the daily closing balance of deposits of the bank accounts of the Group held with CE Bank will be required to attend the training in person. The Company will also engage external counsel and external auditor to provide thematic trainings in connection with connected transactions under the Listing Rules from time to time, so to strengthen the awareness of relevant finance staff.

- (ii) ***Increased frequency of reminder to relevant staff to observe the internal control policies.*** As of the date of this announcement, the Company has already implemented strengthened internal policies and procedures regarding the continuing connected transactions of deposit services and the Annual Caps (the “**Updated Internal Measures**”), which had been provided to the staff in the finance department of the headquarters of the Group (which would be responsible for monitoring the closing balance of deposits) to remind and update them the strengthened measures and procedures. Going forward, in the event there is any new joining staff to the finance department of the headquarters of the Group, the Company will forthwith circulate the Updated Internal Measures to such new finance staff. In addition, the Company will also circulate the Updated Internal Measures to the staff in the finance department of the headquarters of the Group quarterly to remind them the importance of compliance with the requirements of the Listing Rules.

- (iii) ***Increased frequency of inspection of balances of bank accounts of the Group held with CE Bank.*** Pursuant to the Updated Internal Measures which had already been implemented as of the date of this announcement, the relevant finance staff would perform daily inspection on the balances of all bank accounts of the Group held with CE Bank (including both PRC bank accounts and Hong Kong bank accounts). In the event the balance of deposits is close to reaching the Annual Caps, the funds in the bank accounts will be transferred to the bank accounts of the Group held with other banks. Since March 2025, the finance department will monthly report the closing balances of deposits in the bank accounts of the Group held with CE Bank and details of inspection to the Directors.
- (iv) ***Conducting forecast on the fluctuation of the closing balances of the deposits.*** As already being implemented as of the date of this announcement, on Monday every week, the finance staff will collect information from all relevant companies in the Group regarding the expected daily closing balance of deposits of the bank accounts of the Group held with CE Bank in the next seven days, and compile a forecast on the movement of the daily closing balance of deposits covering such next seven days. In addition, to ensure the daily closing balance of deposits of the bank accounts of the Group held with CE Bank is maintained below the Annual Caps, approval from the chief financial officer of the Company has to be obtained for any transfer exceeding RMB1 million.

FURTHER RATIFICATION MEASURES PROPOSED BY THE GROUP

Ratification of the Annual Cap for the year ended 31 December 2024

As at the date of this announcement, CE Group is indirectly interested in an aggregate of 1,462,912,986 Shares (representing approximately 70.81% of the issued Shares), among which (i) 21,706,369 Shares (representing approximately 1.05% of the issued Shares) are held indirectly through Guildford Limited, a wholly-owned company of CE Group; (ii) 1,206,617 Shares (representing approximately 0.06% of the issued Shares) are held through Everbright Investment & Management Limited, a wholly-owned company of CE Group; and (iii) 1,440,000,000 Shares (representing approximately 69.70% of the issued Shares) are held indirectly through CEEGL (the controlling shareholder of the Company), which CE Group indirectly holds approximately 43.08% of its shareholding interests. Therefore, each of CE Group and its associates, including CE Bank, is a connected person of the Company under Chapter 14A of the Listing Rules.

As such, the continuing connected transactions contemplated under the 2022 Deposit Services Master Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

The Highest Maximum Daily Closing Balance (August) and the Highest Maximum Daily Closing Balance (December) had exceeded the Annual Cap of HK\$130 million for the year ended 31 December 2024. As the highest applicable percentage ratios for the Highest Maximum Daily Closing Balance (August) and the Highest Maximum Daily Closing Balance (December) had respectively exceeded 5%, the transactions under the 2022 Deposit Services Master Agreement therefore constituted continuing connected transactions of the Company which would be subject to the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. As a result, the Company has failed to re-comply with the announcement and independent shareholders' approval requirements before the Annual Cap was exceeded under Chapter 14A of the Listing Rules.

As an effort to re-comply with the announcement and independent shareholders' approval requirements under the Listing Rules, the Board will seek the approval of the Independent Shareholders, among other things, to approve the Ratification.

Supplemental 2022 Deposit Services Master Agreement

In connection to the above, on 15 April 2025 (after the trading hours), the Company entered into the Supplemental 2022 Deposit Services Master Agreement to revise the Annual Cap for the year ended 31 December 2024 set out thereunder. The principal terms are summarised below:

Date	:	15 April 2025 (after trading hours)
Parties	:	(i) the Company; and (ii) CE Group
New 2024 Annual Cap	:	Pursuant to the Supplemental 2022 Deposit Services Master Agreement, the Annual Cap for the year ended 31 December 2024, being the maximum daily closing balance of deposits (including interest accrued thereon), shall be revised from HK\$130,000,000 to HK\$184,950,836.63.

Save for the adjustment of the Annual Cap for the year ended 31 December 2024 as set out above, all other terms and conditions under the 2022 Deposit Services Master Agreement remain the same.

- Other : The Supplemental 2022 Deposit Services Master Agreement shall take effect upon satisfaction of the following conditions:
- (i) the authorized representative of the parties having executed the Supplemental 2022 Deposit Services Master Agreement; and
 - (ii) the Company having convened general meeting to approve the Supplemental 2022 Deposit Services Master Agreement and the transactions contemplated thereunder in accordance with the requirements of the Listing Rules.

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.

CE Group is joint stock company established in the PRC and an indirect controlling shareholder of the Company. It is owned by Central Huijin, the Ministry of Finance of the PRC and the National Council for Social Security Fund of the PRC (全國社會保障基金理事會). Central Huijin is in turn wholly-owned by the State Council of the PRC. It is a conglomerate which, through its subsidiaries and associates, engages in a diverse range of businesses including banking, securities and asset management.

GENERAL INFORMATION

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 Supplemental 2022 Deposit Services Master Agreement. Save as disclosed above, none of the Directors has a material interest in the Supplemental 2022 Deposit Services Master Agreement or is required to abstain from voting on the relevant resolutions approving the Ratification and the Supplemental 2022 Deposit Services Master Agreement.

The Independent Board Committee has been formed to advise the Independent Shareholders to approve the Ratification, the Supplemental 2022 Deposit Services Master Agreement and the transactions (including the New 2024 Annual Cap) at the EGM. Ignite Capital has been appointed with the approval of the Independent Board Committee as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard under the Listing Rules. The Independent Board Committee will form its view after obtaining and considering the advice from the Independent Financial Adviser.

A circular of the EGM containing, among others, (i) details of the Ratification, the Supplemental 2022 Deposit Services Master Agreement (including the New 2024 Annual Cap); (ii) the advice and recommendations from the Independent Board Committee in respect of the Ratification and the Supplemental 2022 Deposit Services Master Agreement; (iii) a letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders in respect of the Ratification and the Supplemental 2022 Deposit Services Master Agreement and the transactions (including the New 2024 Annual Cap) thereunder; and (iv) a notice of the EGM is expected to be dispatched to the Shareholders on or before 23 April 2025 as more time is required to finalise the information to be included in the circular.

BOOK CLOSURE PERIOD FOR EGM

An EGM will be held on 8 May 2025 to consider and, if thought fit, approve by the Independent Shareholders the resolution with respect to the Ratification and the Supplemental 2022 Deposit Services Master Agreement. In order to determine the entitlement to attend and vote at the EGM, the register of members of the Company will be closed from Wednesday, 30 April 2025 to Thursday, 8 May 2025 (both days inclusive), during which period no transfer of Shares will be effected.

In order to qualify for attending and voting at the EGM, all transfer documents should be lodged for registration with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Tuesday, 29 April 2025.

DEFINITIONS

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

“2022 Deposit Services Master Agreement”	the agreement entered into between the Company and CE Group on 15 December 2022, pursuant to which, CE Group has agreed to provide, through CE Bank, deposit services to the Group in accordance with the terms thereunder for the three years ending 31 December 2023, 2024 and 2025. For details, please refer to the announcement of the Company dated 15 December 2022
“Announcement”	the announcement of the Company dated 4 March 2025 in relation to, among other things, the Exceeding of Annual Cap for the year ended 31 December 2024 under the 2022 Deposit Services Master Agreement
“Annual Cap(s)”	the annual cap(s) for the years ending 31 December 2023, 2024 and 2025 under the 2022 Deposit Services Master Agreement
“associate(s)”	has the meaning ascribed to it under the Listing Rules

“Board”	the board of Directors of the Company
“CE Bank”	China Everbright Bank Company Limited (中國光大銀行股份有限公司), a joint stock company established in the PRC with limited liability whose H shares and A shares are listed on the Main Board of the Stock Exchange (stock code: 6818) and the Shanghai Stock Exchange (stock code: 601818), respectively, and an associate of CE Group
“CE Group”	China Everbright Group Ltd.* (中國光大集團股份公司), a joint stock company established in the PRC and the sole shareholder of China Everbright Holdings Company Limited, a controlling shareholder of CEEGL, therefore an associate of CEEGL
“CEEGL”	China Everbright Environmental 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
“Central Huijin”	Central Huijin Investment Ltd.* (中央匯金投資有限責任公司), a company established in the PRC with limited liability and is indirectly wholly-owned by the State Council of the PRC
“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
“EGM”	the extraordinary general meeting of the Company to be held on 8 May 2025 to approve, among other things, the Ratification, the Supplemental 2022 Deposit Services Master Agreement and the transactions (including the New 2024 Annual Cap) contemplated thereunder

“Exceeding of Annual Cap”	the exceeding of the Annual Cap for the year ended 31 December 2024. For details, please refer to the paragraph headed “Exceeded the Annual Cap for the year ended 31 December 2024 under the 2022 Deposit Services Master Agreement” in the Announcement
“Group”	the Company and its subsidiaries from time to time
“Highest Maximum Daily Closing Balance (August)”	the highest maximum daily closing balance of the Company’s bank account held with CE Bank during the period between 19 August 2024 and 4 September 2024, which amounted to HK\$161,192,407.98 on 21 August 2024
“Highest Maximum Daily Closing Balance (December)”	the highest maximum daily closing balance of the Company’s bank account held with CE Bank during the period between 12 December 2024 and 26 December 2024, which amounted to HK\$184,950,836.63 on 26 December 2024
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Ignite Capital” or “Independent Financial Adviser”	Ignite Capital (Asia Pacific) Limited, a corporation licensed under the SFO to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the Ratification, the Supplemental 2022 Deposit Services Master Agreement and the transactions (including the New 2024 Annual Cap) contemplated thereunder
“Independent Board Committee”	the independent committee of the Board, comprising Mr. CHOW Siu Lui, Prof. YAN Houmin and Mr. LI Huaqiang to advise the Independent Shareholders on the Ratification, the Supplemental 2022 Deposit Services Agreement and the transactions (including the New 2024 Annual Cap) contemplated thereunder
“Independent Shareholder(s)”	Shareholders who are not interested in the Ratification, the Supplemental 2022 Deposit Services Agreement and are not required under the Listing Rules to abstain from voting on the resolution to approve the Ratification, the Supplemental 2022 Deposit Services Master Agreement and the transactions (including the New 2024 Annual Cap) contemplated thereunder at the EGM

“Independent Third Party(ies)”	any party or parties that, to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, is or are third party(ies) independent of the Company and connected persons of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“Loans”	the two loans granted by CE Bank to the Company in 2023
“New 2024 Annual Cap)”	the proposed Annual Cap for the year ended 31 December 2024 under the Supplemental 2022 Deposit Services Master Agreement
“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)
“Ratification”	the ratification of the Annual Cap for the year ended 31 December 2024 by an amount equal to the Highest Maximum Daily Closing Balance (December)
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	share(s) of the Company
“Shareholder(s)”	the shareholder(s) of the Company
“SFO”	the Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Supplemental 2022 Deposit Services Master Agreement” a supplemental agreement to the 2022 Deposit Services Master Agreement dated 15 April 2025 and entered into between the Company and CE Group to revise the Annual Cap for the year ended 31 December 2024 set out thereunder

“%” per cent

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

Hong Kong, 15 April 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*