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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 2025 SUB-TENANCY AGREEMENT

THE 2025 SUB-TENANCY AGREEMENT

On 16 May 2025 (after trading hours), in light of the expiry date of the Existing Sub-Tenancy Agreement, CE Greentech Management entered into the 2025 Sub-Tenancy Agreement with On Land in respect of the sub-tenancy of the Premises for a term of two years commencing from 18 May 2025 to 17 May 2027 (both days inclusive). The Premises will be used as the office of the Group in Hong Kong.

VALUE OF THE RIGHT-OF-USE ASSETS

In accordance with HKFRS 16, the Group will recognise right-of-use assets in its consolidated statement of financial position in respect of the sub-tenancy of the Premises under the 2025 Sub-Tenancy Agreement. The total value of the right-of-use assets to be recognised by the Group is HK\$4,111,560, which is calculated with reference to the present value of the aggregated rental payments to be made under the 2025 Sub-Tenancy Agreement.

IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, CEEGL is a controlling shareholder of the Company, indirectly interested in 1,440,000,000 Shares (representing approximately 69.70% of the issued Shares), which were held by its wholly-owned subsidiary China Everbright Green Holdings Limited, and On Land is an indirect wholly-owned subsidiary of CEEGL. Therefore, each of CEEGL and its associates, including On Land, is a connected person of the Company under Chapter 14A of the Listing Rules. As such, the entering into of the 2025 Sub-Tenancy 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 value of the right-of-use assets under the 2025 Sub-Tenancy Agreement exceeds 0.1% but is less than 5%, hence the connected transaction contemplated under the 2025 Sub-Tenancy 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.

THE 2025 SUB-TENANCY AGREEMENT

Reference is made to the announcement of the Company dated 6 May 2022 in relation to the Existing Sub-Tenancy Agreement for the sub-tenancy of the Premises.

On 16 May 2025 (after trading hours), in light of the expiry date of the Existing Sub-Tenancy Agreement, CE Greentech Management entered into the 2025 Sub-Tenancy Agreement with On Land in respect of the sub-tenancy of the Premises for a term of two years commencing from 18 May 2025 to 17 May 2027 (both days inclusive). The Premises will be used as the office of the Group in Hong Kong.

PRINCIPAL TERMS OF THE 2025 SUB-TENANCY AGREEMENT

The principal terms of the 2025 Sub-Tenancy Agreement are as follows:

Date	: 16 May 2025 (after trading hours)
Parties	: (i) On Land as the principal tenant; and (ii) CE Greentech Management as the sub-tenant
The Premises	: Unit 3602 of 36th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong
Lease term:	: Two years commencing on 18 May 2025 and expiring on 17 May 2027 (both days inclusive)

- Monthly rental : HK\$178,200 (exclusive of rates, management fees, water, electricity, gas and other utility charges) to be paid in advance on or before the first day of each and every calendar month
- Security deposit : HK\$621,269 (HK\$534,600 being rental deposit and HK\$86,669 being management fee and air-condition deposit)

As at the date of this announcement, CE Greentech Management has settled the security deposit in full.

The monthly rent payable by the Company during the term of the 2025 Sub-Tenancy Agreement is determined by both parties after an arm's length negotiation with reference to prevailing market rent for comparable premises in the vicinity and the valuation report prepared by an independent property consulting firm.

VALUE OF THE RIGHT-OF-USE ASSETS

In accordance with HKFRS 16, the Group will recognise right-of-use assets in its consolidated statement of financial position in respect of the sub-tenancy of the Premises under the 2025 Sub-Tenancy Agreement. The total value of the right-of-use assets to be recognised by the Group is HK\$4,111,560, which is calculated with reference to the present value of the aggregated rental payments to be made under the 2025 Sub-Tenancy Agreement.

REASONS FOR AND BENEFIT OF ENTERING INTO THE 2025 SUB-TENANCY AGREEMENT

The Premises has been used by the Group as its office in Hong Kong since 2016, and is currently under the sub-tenancy pursuant to the Existing Sub-Tenancy Agreement which is expiring on 17 May 2025. The Premises was leased to On Land by Lane Bright Limited (a wholly-owned subsidiary of CE Hong Kong).

Having considered that the Group has been operating in the Premises as office for a substantial period and considered the monthly rental payable under the 2025 Sub-Tenancy Agreement, the Board, including the independent non-executive Directors, is of the view that entering into the 2025 Sub-Tenancy Agreement will enable the Group to continue its operations at the Premises and the 2025 Sub-Tenancy Agreement is determined after arm's length negotiations between the parties, conducted on normal commercial terms and in the ordinary and usual course of business of the Group. The Board is also of the view that the terms and the monthly rental payable thereunder are fair and reasonable and in the interests of the Group and the Shareholders as a whole.

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 Greentech Management is an indirect wholly-owned subsidiary of the Company, and is principally engaged in the provision of management services and investment holding.

On Land is an indirect wholly-owned subsidiary of CEEGL, and is principally engaged in investment holding. 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 and is an indirect non-wholly owned subsidiary of CE Group. 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.

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.

IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, CEEGL is a controlling shareholder of the Company, indirectly interested in 1,440,000,000 Shares (representing approximately 69.70% of the issued Shares), which were held by its wholly-owned subsidiary China Everbright Green Holdings Limited, and On Land is an indirect wholly-owned subsidiary of CEEGL. Therefore, each of CEEGL and its associates, including On Land, is a connected person of the Company under Chapter 14A of the Listing Rules. As such, the entering into the 2025 Sub-Tenancy 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 value of the right-of-use assets under the 2025 Sub-Tenancy Agreement exceeds 0.1% but is less than 5%, hence the connected transaction contemplated under the 2025 Sub-Tenancy 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.

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 2025 Sub-Tenancy Agreement. Save as disclosed above, none of the Directors has a material interest in the 2025 Sub-Tenancy Agreement or is required to abstain from voting on the resolutions in relation to such transaction.

DEFINITIONS

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

“2025 Sub-Tenancy Agreement”	the sub-tenancy agreement dated 16 May 2025 entered into between CE Greentech Management as the sub-tenant and On Land as the principal tenant in relation to the sub-tenancy of the Premises for a term of two years commencing from 18 May 2025 to 17 May 2027 (both days inclusive)
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors of the Company
“CE Greentech Management”	China Everbright Greentech Management Limited (中國光大綠色環保管理有限公司), a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“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 CE Hong Kong, a controlling shareholder of CEEGL, therefore an associate of CEEGL
“CE Hong Kong”	China Everbright Holdings Company Limited (中國光大集團有限公司), a company incorporated under the laws of Hong Kong with limited liability and an indirect controlling shareholder 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
“CEIL”	China Everbright International Limited (中國光大國際有限公司), a company incorporated in Hong Kong and a wholly-owned subsidiary of CEEGL
“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
“Existing Sub-Tenancy Agreement”	the existing sub-tenancy agreement dated 6 May 2022 entered into between CE Greentech Management as the sub-tenant and CEIL as the principal tenant in relation to the sub-tenancy of the Premises for a term of three years commencing from 18 May 2022 to 17 May 2025 (both days inclusive)
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“HKFRS”	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time

“On Land”	On Land Limited (再倫有限公司), a company incorporated in Hong Kong and a wholly-owned subsidiary of CEEGL
“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)
“Premises”	the commercial unit situated at Unit 3602 of 36th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong
“Share(s)”	share(s) of the Company
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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

Hong Kong, 16 May 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*