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CANVEST ENVIRONMENTAL PROTECTION GROUP COMPANY LIMITED

粵豐環保電力有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1381)

ANNOUNCEMENT PURSUANT TO RULE 3.7 OF THE TAKEOVERS CODE IN RELATION TO THE POSSIBLE PRIVATISATION OF THE COMPANY

This announcement is made by Canvest Environmental Protection Group Company Limited (the “**Company**”) pursuant to Rule 3.7 of the Hong Kong Code on Takeovers and Mergers (the “**Takeovers Code**”), Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provision (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

POSSIBLE PRIVATISATION OF THE COMPANY

The board (the “**Board**”) of directors of the Company wishes to inform shareholders that it came to the attention of the Company on 7 July 2024, that Grandblue Environment Co., Ltd.* (瀚藍環境股份有限公司) (“**Grandblue Environment**”), a joint stock limited company incorporated in the People’s Republic of China with limited liability with its shares traded on the Shanghai Stock Exchange (stock code:600323), is currently exploring a potential asset acquisition to acquire the shares of the Company through its indirect wholly-owned subsidiary, GRANDBLUE INVESTMENT HONGKONG LIMITED (the “**Potential Purchaser**”).

The Potential Purchaser is currently exploring a proposal, which may include a potential pre-conditional privatisation offer to privatise the Company (the “**Possible Privatisation**”), which if proceeded with, could result in the delisting of the Company from the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The Possible Privatisation is proposed to be a cash offer. One of the pre-conditions to the Possible Privatisation is proposed to be the completion of a capital injection in a subsidiary of Grandblue Environment (which wholly owns the Potential Purchaser) by entities related to or

affiliated with Guangdong Hengjian Investment Holding Co., Ltd (廣東恒健投資控股有限公司) and Nanhai Holding Investment Co., Ltd. (廣東南海控股集團有限公司).

As at the date of this announcement, the Potential Purchaser has not furnished any definitive Possible Privatisation proposal to the Company. No agreement or other commitment has been made by the Potential Purchaser as to whether to proceed with the Possible Privatisation, and details and terms (including the timetable) of the Possible Privatisation are yet to be finalised and there is no certainty that the Possible Privatisation will proceed. However, if the Potential Purchaser proceeds with the Possible Privatisation, it would involve an indicative cancellation price of HK\$4.90 per share of the Company and also be subject to satisfaction of pre-condition(s) and conditions. These pre-condition(s) and condition(s), the satisfaction of which may be time-consuming, may or may not be fulfilled.

Further, the Potential Purchaser is exploring to propose, subject to satisfaction of pre-conditions and conditions, to allow Best Approach Developments Limited (“**Best Approach**”), the controlling shareholder of the Company, to retain approximately 7.23% of the total issued share capital of the Company as at the date of this announcement, after the Possible Privatisation becomes effective (the “**Rollover Arrangement**”). As the Rollover Arrangement is not offered to all shareholders of the Company, if the Potential Purchaser proceeds with the Possible Privatisation, the Rollover Arrangement will constitute a special deal under Rule 25 of the Takeovers Code and will require the consent of the Executive under Rule 25 of the Takeovers Code.

MONTHLY UPDATE

In accordance with Rule 3.7 of the Takeovers Code, the Company will make monthly announcement(s) setting out the progress of the Possible Privatisation until an announcement of a firm intention to make an offer under Rule 3.5 of the Takeovers Code or of a decision not to proceed with an offer is made. Further announcement(s) will be made by the Company as and when appropriate or required in accordance with the Listing Rules and the Takeovers Code (as the case may be).

DEALING DISCLOSURE

For the purposes of the Takeovers Code, the offer period commenced on the date of this announcement, being 7 July 2024. Save for a total of 2,439,541,169 Shares in issue, the Company has no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) as at the date of this announcement.

In accordance with Rule 3.8 of the Takeovers Code, the respective associates (as defined under the Takeovers Code and including, among others, any person who owns or controls 5% or more of any class of relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company or the Potential Purchaser) of the Company and the Potential Purchaser are hereby reminded to disclose their dealings in the relevant securities of the Company under Rule 22 of the Takeovers Code.

RESPONSIBILITIES OF STOCK BROKERS, BANKS AND OTHER INTERMEDIARIES

In accordance with Rule 3.8 of the Takeovers Code, the full text of Note 11 to Rule 22 of the Takeovers Code is reproduced below:

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates of an offeror or the offeree company and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than \$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that cooperation.

“Executive” referred to above has the meaning ascribed to it under the Takeovers Code.”

WARNING

Shareholders and potential investors of the Company should be aware that there is no assurance that the Possible Privatisation will eventually be materialised and the Potential Purchaser and the Company are not obliged to effect the Possible Privatisation. The Possible Privatisation, if materializes, could lead to the delisting of the Company from the Main Board of the Stock Exchange. Shareholders of the Company and potential investors are therefore advised to exercise caution when dealing in the shares and/or other securities of the Company.

By Order of the Board
Canvest Environmental Protection Group Company Limited
Lee Wing Yee Loretta
Chairlady

Hong Kong, 7 July 2024

As at the date of this announcement, the Board comprises Ms. Lee Wing Yee Loretta, Mr. Lai Kin Man, Mr. Yuan Guozhen and Mr. Lai Chun Tung, as executive Directors; Mr. Feng Jun, as non-executive Directors; Professor Sha Zhenquan, Mr. Chan Kam Kwan Jason, Mr. Chung Kwok Nam and Mr. Lee Tsung Wah Jonathan, as independent non-executive Directors.

The directors of the Company jointly and severally accept full responsibility for the accuracy of the information contained in this announcement, and confirm, having made all reasonable enquires, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

** For identification purposes only*