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**GRANDBLUE INVESTMENT
HONGKONG LIMITED**
(瀚藍(香港)環境投資有限公司)
(Incorporated in Hong Kong with limited liability)

**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)

JOINT ANNOUNCEMENT

SPECIAL DEAL RELATING TO AMENDMENTS TO EXCHANGEABLE BONDS TERMS AND CONDITIONS

References are made to (i) the announcement dated 22 July 2024 (the “**Joint Announcement**”) jointly published by the Company and the Offeror in relation to, among other things, the Proposal; (ii) the announcement dated 31 July 2024 published by the Company in relation to the appointment of Somerley Capital Limited as the independent financial adviser to the Independent Board Committee (the “**Independent Financial Adviser**”); and (iii) the announcement dated 5 October 2023 (the “**Exchangeable Bonds Announcement**”) published by Shanghai Industrial Holdings Limited (“**Shanghai Industrial**”) in relation to the issuance by Best Approach to Shanghai Industrial of the Exchangeable Bonds (as defined in the Exchangeable Bonds Announcement). Unless otherwise defined herein or the context requires otherwise, capitalised terms used herein shall have the same meanings as those defined in the Joint Announcement.

SPECIAL DEAL REALTING TO THE AMENDMENTS TO THE EXCHANGEABLE BONDS TERMS AND CONDITIONS

The Company was informed by Best Approach that, on 9 April 2025 after trading hours, Best Approach as the issuer, Shanghai Industrial as the subscriber and Ms. Loretta Lee as the guarantor, to the Exchangeable Bonds entered into an amendment agreement (the “**Amendment Agreement**”) to amend (the “**EB Amendments**”) certain terms and conditions of the Exchangeable Bonds (the “**Exchangeable Bonds Terms and Conditions**”).

The principal terms of the Amendment Agreement are set out below:

Date: 9 April 2025

Parties: (1) Best Approach (as the issuer)
(2) Shanghai Industrial (as the subscriber)
(3) Ms. Loretta Lee (as the guarantor)
(each a “**Party**”, and together, the “**Parties**”)

Amendments: The Parties agree to amend the Exchangeable Bonds Terms and Conditions to provide, among other things, new reciprocal voluntary early redemption rights as follows:

(1) The BA Voluntary Early Redemption

- (a) Best Approach shall have a voluntary early redemption right pursuant to which it may, at any time prior to the maturity date of the Exchangeable Bonds as set out in the Exchangeable Bonds Announcement (the “**Maturity Date**”), redeem the outstanding Exchangeable Bonds (the “**BA Voluntary Early Redemption**”) at an amount equal to the sum of (i) the principal amount of the Exchangeable Bonds (the “**Principal Amount**”) (plus accrued but unpaid interest based on the then applicable interest rate of the Exchangeable Bonds), plus (ii) the Early Redemption Fee (as defined below) (together, the “**BA Early Redemption Price**”).

- (b) Upon Best Approach notifying Shanghai Industrial of a proposed BA Voluntary Early Redemption (the “**BA Early Redemption Notice**”) and if, at such time, there is any matter which, if completed, will result in the occurrence of any event set out under paragraph (i) or (ii) of the paragraph headed “*Early redemption at the option of Company*” of the Exchangeable Bonds Announcement (each a “**BA Relevant Transaction**”) is ongoing or has been announced on the Stock Exchange website, then Best Approach shall, on the completion date of the BA Voluntary Early Redemption specified in the BA Early Redemption Notice, which shall be no sooner than 20, but no later than 60, business days after the date of the BA Early Redemption Notice (the “**BA Early Redemption Date**”), pay to Shanghai Industrial the BA Early Redemption Price.
- (c) If, at the time of the BA Early Redemption Notice, no BA Relevant Transaction is ongoing or has been announced on the Stock Exchange website, Shanghai Industrial shall have the right to object to the proposed Best Approach Voluntary Early Redemption, which then shall not be consummated.
- (d) The “**Early Redemption Fee**” in respect of the Exchangeable Bonds means the following:

$$A \times B \times C/D$$

Where:

A = the outstanding Principal Amount as at the BA Early Redemption Date

B = 3.4%

C = 180 (or, if lower, the number of days from the BA Early Redemption Date to the Maturity Date)

D = 360

(2) *The SI Voluntary Early Redemption*

- (a) Conversely, Shanghai Industrial shall also have a voluntary early redemption right pursuant to which it may, at any time prior to the Maturity Date, redeem the outstanding Exchangeable Bonds (the “**SI Voluntary Early Redemption**”), at an amount equal to the Principal Amount (plus accrued but unpaid interest at the then applicable interest rate of the Exchangeable Bonds) (the “**SI Early Redemption Price**”).
- (b) Upon Shanghai Industrial notifying Best Approach of a proposed SI Voluntary Early Redemption (the “**SI Early Redemption Notice**”) and if, at such time, any event set out under the paragraph headed “*Early redemption at the option of Best Approach*” of the Exchangeable Bonds Announcement has occurred (each, a “**SI Relevant Transaction**”), Best Approach shall pay to Shanghai Industrial the SI Early Redemption Price on the redemption date specified in the SI Early Redemption Notice.
- (c) If, at the time of the SI Early Redemption Notice, no SI Relevant Transaction has occurred, Best Approach shall have the right to object to the proposed SI Voluntary Early Redemption, which then shall not be consummated.

Conditions precedent: The EB Amendments shall be conditional upon (i) the Executive granting its consent to the EB Amendments Special Deal (as defined below), (ii) the Independent Financial Adviser confirming that the terms of the EB Amendments are fair and reasonable so far as the Shareholders other than the Offeror, the Offeror Concert Parties and those who are interested in or involved in the EB Amendments (including Shanghai Industrial and True Victor (as defined below)) (the “**EB Amendments Independent Shareholders**”) are concerned; and (iii) the passing of an ordinary resolution by the EB Amendments Independent Shareholders at the EGM to approve the EB Amendments (together, the “**EB Amendments Conditions**”).

IMPLICATIONS UNDER THE TAKEOVERS CODE

The EB Amendments is an arrangement among Best Approach, Ms. Loretta Lee (each being a party acting in concert with the Offeror) and Shanghai Industrial (being an indirect substantial shareholder of the Company through its indirect wholly-owned subsidiary, True Victor Holdings Limited (“**True Victor**”)), which is not capable of being extended to all Shareholders. As such, the EB Amendments constitute a special deal (the “**EB Amendments Special Deal**”) which require the consent of the Executive under Rule 25 of the Takeovers Code.

The Company understands from Best Approach that it has applied to the Executive for consent to the EB Amendments Special Deal and such consent, if granted, will be subject to satisfaction of the other EB Amendments Conditions. Satisfaction of the EB Amendment Conditions is not one of the Pre-Conditions or Conditions of the Proposal and the Scheme. Therefore, if all the Pre-Conditions and Conditions are satisfied (or waived, as the case may be), the implementation of the Proposal and the effectiveness of the Scheme will not be subject to whether the EB Amendments Conditions are satisfied or whether the Amendment Agreement will complete.

THE INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee, comprising Mr. Feng Jun, being the non-executive Director who does not have any relationship with the Offeror, Best Approach or Shanghai Industrial, and Professor Sha Zhenquan, Mr. Chan Kam Kwan Jason, Mr. Chung Kwok Nam and Mr. Lee Tsung Wah Jonathan, being the independent non-executive Directors, has been formed pursuant to the requirements of the Takeovers Code to advise the EB Amendments Independent Shareholders on the EB Amendments Special Deal.

Somerley Capital Limited has been appointed as the Independent Financial Adviser with the approval of the Independent Board Committee to advise the Independent Board Committee on matters in relation to, among other things, the Proposal, the Scheme and the EB Amendments Special Deal.

GENERAL

The EGM is expected to be held by the Company on 12 May 2025. The Scheme Document containing, among other things, (i) further details of the EB Amendments, (ii) a letter from the Independent Board Committee to the EB Amendments Independent Shareholders; and (iii) a letter from the Independent Financial Adviser to the Independent Board Committee is expected to be despatched to the Shareholders on 17 April 2025.

As at the date of this announcement, Best Approach holds 1,335,615,837 Shares (representing approximately 54.75% of the total Shares in issue), Ms. Loretta Lee holds 1,376,000 Shares (representing approximately 0.06% of the total Shares in issue), Mr. KM Lai is deemed to be interested in 10,000,000 Shares held by his spouse (representing approximately 0.41% of the total Shares in issue) and True Victor holds 475,251,000 Shares (representing approximately 19.48% of the total Shares in issue). Best Approach, Ms. Loretta Lee, Mr. KM Lai, True Victor and Mr. CT Lai (if he holds any Shares as at the date of the EGM) will abstain from voting on

the proposed resolution(s) in respect of the EB Amendments at the EGM. Given the EB Amendments is not one of the Pre-Conditions or Conditions, True Victor is an Independent Shareholder.

By order of the board of directors of
Grandblue Investment Hongkong Limited

Wu Zhiyong
Director

Tang Yuyun
Director

By order of the Board of
**Canvest Environmental Protection Group
Company Limited**

Lee Wing Yee Loretta
Chairlady

Hong Kong, 9 April 2025

As at the date of this joint announcement, the directors of Grandblue are Mr. Wu Zhiyong and Ms. Tang Yuyun.

As at the date of this joint announcement, the directors of Grandblue Environment are Mr. Zhang Houxiang, Ms. Jin Duo, Mr. Li Zhibin, Mr. Wang Weirong, Mr. Zhou Shaojie, Mr. Chen Yihua; and the independent directors of Grandblue Environment are Mr. Zhang Jun, Mr. Liang Jinqi and Ms. Li Kantong.

The directors of Grandblue and Grandblue Environment jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to the Group and Best Approach) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

As at the date of this joint 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 Director; 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 jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to the Offeror) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the directors of the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.