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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)**

### **CONTINUING CONNECTED TRANSACTIONS 2025 ELECTRICITY SALES FRAMEWORK AGREEMENT**

#### **THE 2025 ELECTRICITY SALES FRAMEWORK AGREEMENT**

On 11 December 2024 (after trading hours), EB Greentech (Jiangsu) and CEWL entered into the 2025 Electricity Sales Framework Agreement, pursuant to which EB Greentech (Jiangsu) agreed to supply electricity to the CEWL Group, and CEWL agreed to procure its subsidiaries to purchase electricity from EB Greentech (Jiangsu), through the Power Grid Companies in Jiangsu Province and Shandong Province in the PRC for the year ending 31 December 2025.

#### **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 associates, including CEWL and its associates, is a connected person of the Company under Chapter 14A of the Listing Rules.

As such, the transactions contemplated under the 2025 Electricity Sales Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the Annual Cap in respect of the 2025 Electricity Sales Framework Agreement exceeds 0.1% but is less than 5%, the continuing connected transactions contemplated under the 2025 Electricity Sales Framework Agreement are subject to the reporting, announcement and annual review requirements, but are exempt from the circular and the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

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The principal terms of the 2025 Electricity Sales Framework Agreement are summarized below:

Date:	11 December 2024 (after trading hours)
Parties:	(i) EB Greentech (Jiangsu) (as electricity sales company); and (ii) CEWL (as electricity user)
Term:	Commencing on 1 January 2025 and shall expire on 31 December 2025
Nature of transaction:	EB Greentech (Jiangsu) supplies electricity to CEWL Group through the Power Grid Companies according to its electricity demand.
Electricity Volume:	Not exceeding 181,000,000 kWh per year (of which 107,000,000 kWh per year for Shandong Province in the PRC, and 74,000,000 kWh per year for Jiangsu Province in the PRC), with the actual amount of electricity consumed being used as the transaction settlement electricity volume.
Unit prices and pricing policy:	RMB0.374 per kWh (including tax) for Shandong Province in the PRC.  RMB0.435 per kWh (including tax) for Jiangsu Province in the PRC.

The unit prices set out above are determined after arm's length negotiation between EB Greentech (Jiangsu) and CEWL with reference to the quotations of electricity sales obtained from Independent Third Parties and the reference price published by the relevant PRC regulatory authorities, which are no less favorable to the terms available to EB Greentech (Jiangsu) and CEWL from Independent Third Parties for the electricity sales.

**Payment:** The fees payable for the electricity consumed under the 2025 Electricity Sales Framework Agreement shall be settled by CEWL Group with the Power Grid Companies monthly based on the actual electricity consumed, and the Power Grid Companies shall subsequently pay to EB Greentech (Jiangsu) an amount not less than the difference between the price at which EB Greentech (Jiangsu) purchases electricity from the Power Generation Companies and the price settled by CEWL Group to the Power Generation Companies via the Power Grid Companies (pursuant to the actual volume of electricity consumed and the unit prices set out under the 2025 Electricity Sales Framework Agreement) in accordance with the relevant trading rules of the electricity market.

**Others:** EB Greentech (Jiangsu) and the relevant subsidiaries of CEWL shall further enter into specific agreements for the specific implementation of the electricity sales, which shall be in conformity with the principles under the 2025 Electricity Sales Framework Agreement.

## **HISTORICAL TRANSACTION AMOUNTS**

There are no historical transactions in relation to the transactions contemplated under the 2025 Electricity Sales Framework Agreement.

## **ANNUAL CAP OF THE 2025 ELECTRICITY SALES FRAMEWORK AGREEMENT AND THE BASIS OF DETERMINATION**

According to the 2025 Electricity Sales Framework Agreement, the Annual Cap of the electricity fees payable by the CEWL Group for the purchase of electricity is RMB72,208,000 for the year ending 31 December 2025.

The basis for the Annual Cap was determined with reference to a number of factors, including (i) the historical electricity consumed by the CEWL Group in Jiangsu Province and Shandong Province in the PRC; (ii) the electricity expected to be consumed by the CEWL Group in Jiangsu Province and Shandong Province in the PRC during the term of the 2025 Electricity Sales Framework Agreement; (iii) the unit price per kWh as set out under the 2025 Electricity Sales Framework Agreement (for details, please refer to the paragraph headed “2025 Electricity Sales Framework Agreement — Unit prices and pricing policy” above); and (iv) the amount to be received by EB Greentech (Jiangsu) from the Power Grid Companies.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE 2025 ELECTRICITY SALES FRAMEWORK AGREEMENT**

EB Greentech (Jiangsu) obtained the electricity sales licence in 2023 and is currently qualified for the electricity sales business in Jiangsu and Shandong. To realize the coordination and sharing of resources among the subsidiaries of CEEGL (the Company and CEWL being the subsidiaries of CEEGL) and promote enterprise synergistic development, the Group intends to cooperate with the subsidiaries of CEWL to provide them electricity power services at competitive prices (which shall nevertheless be no less favorable to the terms available to the Group from Independent Third Parties), which besides increasing operational efficiency between the Group and CEWL Group, it is also conducive to the opening up of the electricity sales market of the Group in Shandong Province and Jiangsu Province, thus realizing the expansion and development of the business of the Group.

The terms of the 2025 Electricity Sales Framework Agreement were agreed between EB Greentech (Jiangsu) and the CEWL Group after arm’s length negotiations.

Having considered the (i) pricing policy under the 2025 Electricity Sales Framework Agreement; (ii) the unit prices of electricity procured by EB Greentech (Jiangsu) from the Power Generation Companies pursuant to the agreements entered into with the Power Generation Companies, the unit prices of which are based on arm’s length negotiation between EB Greentech (Jiangsu) and the Power Generation Companies and are lower than the relevant unit prices set out under the 2025 Electricity Sales Framework Agreement; (iii) the basis of determination of the Annual Cap; and (iv) the reasons for and benefits of entering into the 2025 Electricity Sales Framework Agreement, the Board, including the independent non-executive Directors, is of the view that the 2025 Electricity Sales Framework 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 terms and the Annual Cap thereunder are fair and reasonable and in the interests of the Group and the Shareholders as a whole.

## **INTERNAL CONTROL MEASURES**

To protect the interests of the Shareholders, the Group will adopt the following internal control procedures in relation to the 2025 Electricity Sales Framework Agreement:

- (i) the Group will comply with its internal control procedures in respect of connected transactions before the Company or any of its subsidiaries enter into any specific agreements or otherwise conduct the transactions in pursuant to the 2025 Electricity Sales Framework Agreement;
- (ii) the Group will also monitor the implementation of the 2025 Electricity Sales Framework Agreement regularly and report periodically to the Board and management of the Group;
- (iii) the independent non-executive Directors and auditors of the Company will conduct an annual review of the transactions under the 2025 Electricity Sales Framework Agreement (including the fees charged in respect of the transactions) and provide annual confirmations in accordance with the Listing Rules that the transactions are conducted in accordance with the 2025 Electricity Sales Framework Agreement and the Group's pricing policy measures, and to confirm if the terms are fair and reasonable; and
- (iv) the Group will strictly monitor the continuing connected transactions under the 2025 Electricity Sales Framework Agreement to ensure that they do not exceed the Annual Cap thereunder. In the event that the Annual Cap is expected to be exceeded, the Board will consider whether to revise the Annual Cap accordingly and ensure compliance with the applicable Listing Rules.

## **INFORMATION ABOUT THE PARTIES**

The Company is a professional environmental protection service provider in China, with its businesses focusing on integrated biomass utilisation, hazardous and solid waste treatment, environmental remediation, solar energy and wind power. The business coverage of the Company spans across 15 provinces and autonomous regions in China and Hong Kong and spreads far to Germany. EB Greentech (Jiangsu) is a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company. It is principally engaged in environmental protection technology services, technology development, technology promotion, technology consulting and other businesses.

CEWL is an exempted company incorporated in Bermuda with limited liability, whose shares are listed on the Mainboard of the 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 (a company incorporated in Hong Kong with limited liability whose shares are listed on the Main Board of the Stock Exchange (stock code: 257)). CEWL is principally engaged in water environment

management, municipal wastewater treatment, industrial wastewater treatment, water supply, reusable water, sludge treatment and disposal, sponge city construction, river-basin ecological restoration, wastewater source heat pump, leachate treatment, research and development of water environment technologies and engineering construction, etc.

## **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 associates, including CEWL and its associates, is a connected person of the Company under Chapter 14A of the Listing Rules.

As such, the transactions contemplated under the 2025 Electricity Sales Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the Annual Cap in respect of the 2025 Electricity Sales Framework Agreement exceeds 0.1% but is less than 5%, hence the continuing connected transactions contemplated under the 2025 Electricity Sales Framework Agreement are subject to the reporting, announcement and annual review requirements, but are exempt from the circular and the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

None of the Directors has a material interest in the 2025 Electricity Sales Framework Agreement or is required to abstain from voting on the resolutions in relation to such transactions.

## **DEFINITIONS**

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

“2025 Electricity Sales Framework Agreement”	the agreement entered into between EB Greentech (Jiangsu) and CEWL on 11 December 2024, pursuant to which EB Greentech (Jiangsu) agreed to supply electricity to the CEWL Group, and CEWL agreed to procure its subsidiaries to purchase electricity from EB Greentech (Jiangsu), through the Power Grid Companies for the year ending 31 December 2025
“Annual Cap”	the annual cap for the year ending 31 December 2025 under the 2025 Electricity Sales Framework Agreement
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“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
“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 the Singapore Exchange Securities Trading Limited (stock code: U9E) and the Main Board of the Stock Exchange (stock code: 1857)
“CEWL Group”	CEWL and its subsidiaries
“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
“EB Greentech (Jiangsu)”	EB Greentech Technology Services (Jiangsu) Limited, an indirect wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“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
“Power Generation Companies”	the local power generation companies operating in the Jiangsu Province and Shandong Province in the PRC

“Power Grid Companies”	the relevant local power grid companies operating in Jiangsu Province and Shandong Province in the PRC
“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, 11 December 2024

*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*)