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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)**

### **EXCEEDED OF ANNUAL CAP OF CONTINUING CONNECTED TRANSACTION IN RELATION TO 2022 DEPOSIT SERVICES MASTER AGREEMENT**

#### **EXCEEDED THE ANNUAL CAP FOR THE YEAR ENDED 31 DECEMBER 2024 UNDER THE 2022 DEPOSIT SERVICES MASTER AGREEMENT**

Reference is made to the announcement of the Company dated 15 December 2022 in relation to, among other things, the continuing connected transactions under the 2022 Deposit Services Master Agreement in relation to the provision by CE Group, through CE Bank, deposit services to the Group, for a term from 1 January 2023 to 31 December 2025.

It has come to the attention of the Company that the actual maximum daily closing balance of deposits (including interest accrued thereon) had exceeded the Annual Cap for the year ended 31 December 2024 during the period (i) from 19 August 2024 to 4 September 2024, with the highest maximum daily closing balance of deposits (including interests accrued thereon) during the period amounting to HK\$161,192,407.98 on 21 August 2024 (i.e. the Highest Maximum Daily Closing Balance (August)); and (ii) from 12 December 2024 to 26 December 2024, with the highest maximum daily closing balance of deposits (including interests accrued thereon) during the period amounting to HK\$184,950,836.63 on 26 December 2024 (i.e. the Highest Maximum Daily Closing Balance (December)).

## **IMPLICATIONS UNDER 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.

Since 27 December 2024 and up to the date of this announcement, the actual maximum daily closing balance of deposits (including interest accrued thereon) did not exceed the relevant Annual Caps under the 2022 Deposit Services Master Agreement. The Company had taken additional measures to prevent the reoccurrence of similar breaches of the Listing Rules in the future. For details, please refer to the paragraph headed "Measures Adopted by the Company to Ensure Future Compliance with the Listing Rules" in this announcement.

## **INTRODUCTION**

Reference is made to the Announcement in relation to, among other things, the continuing connected transactions under the 2022 Deposit Services Master Agreement in relation to the provision by CE Group, through CE Bank, deposit services to the Group, for a term from 1 January 2023 to 31 December 2025.

## **2022 DEPOSIT SERVICES MASTER AGREEMENT**

As disclosed in the Announcement, on 15 December 2022, the Company entered into the 2022 Deposit Services Master Agreement with CE Group, 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.

As stated in the Announcement, the interest rate for deposit services contemplated under the 2022 Deposit Services Master Agreement shall be based on normal commercial terms, agreed through arm's-length negotiations between the parties and no less favourable than the terms available to the Group from independent third parties. For ascertaining the normal commercial terms available to the Group from independent third parties, the Group shall obtain and compare with the quotations from at least two independent third

parties for similar or comparable services. All commercial terms (including but not limited to the interest rate) shall comply with the relevant requirements prescribed by the PBOC and other relevant rules and regulations within or outside the PRC.

The Annual Caps, being the maximum daily closing balance of deposits (including interests accrued thereon) under the 2022 Deposit Services Master Agreement, are HK\$130,000,000, HK\$130,000,000 and HK\$130,000,000 for the years ended/ending 31 December 2023, 2024 and 2025, respectively.

#### **EXCEEDED THE ANNUAL CAP FOR THE YEAR ENDED 31 DECEMBER 2024 UNDER THE 2022 DEPOSIT SERVICES MASTER AGREEMENT**

It has come to the attention of the Company that the actual maximum daily closing balance of deposits (including interest accrued thereon) had exceeded the Annual Cap for the year ended 31 December 2024 during the period (i) from 19 August 2024 to 4 September 2024, with the highest maximum daily closing balance of deposits (including interests accrued thereon) during the period amounting to HK\$161,192,407.98 on 21 August 2024 (i.e. the Highest Maximum Daily Closing Balance (August)); and (ii) from 12 December 2024 to 26 December 2024, with the highest maximum daily closing balance of deposits (including interests accrued thereon) during the period amounting to HK\$184,950,836.63 on 26 December 2024 (i.e. the Highest Maximum Daily Closing Balance (December)) (the “**Exceeding of Annual Cap**”).

The Board, including the independent non-executive Directors, considers that the deposits made in relation to the Exceeding of Annual Cap were conducted on normal commercial terms and in the ordinary and usual course of business of the Group.

#### **REASONS FOR EXCEEDING THE ANNUAL CAP FOR THE YEAR ENDED 31 DECEMBER 2024 UNDER THE 2022 DEPOSIT SERVICES MASTER AGREEMENT**

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 (the “**Loans**”) pursuant to the terms of the relevant loan agreements, to save the finance costs of the Group. The Loans were covered by the 2022 Loan Services Master Agreement, and were granted by CE Bank to the Group during the ordinary and usual course of business of the Group, and the terms therein are fair and reasonable and in the interests of the Group and the Shareholders as a whole. As a result of the insufficient communication between the staff in the finance department after the personnel changes in 2024 (including the continuous changes of members of the previous working team in the finance department who were responsible for monitoring the Annual Caps) and the failure to closely monitor the closing balances of the deposits, the responsible staff had overlooked the requirements of the Annual Caps at the time of making the said deposits, which led to the Exceeding of Annual Cap.

The Directors confirm that since 27 December 2024 and up to the date of this announcement, there had been no recurrence of similar incidents of exceeding of Annual Caps under the 2022 Deposit Services Master Agreement. The Company had since then strengthened the training to the Directors, senior management and the finance department on the Listing Rules requirements of connected transactions, and implemented additional measures to ensure compliance with the Listing Rules going forward. For details, please refer to the paragraph headed “Measures Adopted by the Company to Ensure Future Compliance with the Listing Rules” in this announcement.

## **IMPLICATIONS UNDER THE LISTING RULES**

As at the date of this announcement, CE Group is a controlling shareholder of CEEGL, and CEEGL is an indirect controlling shareholder of the Company (which is interested in approximately 69.70% equity interests in the Company). 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.

Since 27 December 2024 and up to the date of this announcement, the actual maximum daily closing balance of deposits (including interest accrued thereon) did not exceed the relevant Annual Caps under the 2022 Deposit Services Master Agreement.

## **MEASURES ADOPTED BY THE COMPANY TO ENSURE FUTURE COMPLIANCE WITH THE LISTING RULES**

After considering the background and circumstances leading to the current incident, the Directors consider that the failure of compliance with the requirements under Chapter 14A of the Listing Rules was due to insufficient communication between the relevant staff. In order to prevent the reoccurrence of similar breaches of the Listing Rules in the future, the Company had taken additional actions, including:

1. The Company has arranged training to the Directors, the senior management and the finance department on the compliance requirements of connected transactions under Chapter 14A of the Listing Rules, to reinforce their understanding and awareness of the importance of compliance with the Listing Rules.
2. The Company has already put in place internal control policies and relevant procedures on the implementation of the relevant connected transactions and compliance with the relevant requirements under Chapter 14A of the Listing Rules. The Company will increase the frequency of reminding the relevant staff to observe and follow such policies and procedures, and require the finance staff to report the status of compliance with the Annual Caps and records of the daily closing balance of the deposits to the Directors on a monthly basis.
3. The finance department will increase the frequency of inspection and review of the closing balance of the deposits, and will prepare forecast on the fluctuation of the closing balances of the deposits after taking into account any new deposits proposed to be made and the interests to be accrued. The finance department shall forthwith report to the Directors once it is estimated that the Annual Cap will be exceeded for consideration of the appropriate follow up actions (e.g. to increase the Annual Caps).

## **INFORMATION OF 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 incorporated 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.

CE Bank is a joint stock company incorporated 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. CE Group is the controlling shareholder of CE Bank. CE Bank is one of the major commercial banks in the PRC, and primarily engages in the commercial banking business, including retail banking, corporate banking and treasury operation, etc.

## 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
“2022 Loan 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, loan 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
“Announcement”	the announcement of the Company dated 15 December 2022 in relation to, among others, the continuing connected transactions of entering into of the 2022 Deposit Services Master Agreement and the 2022 Loan 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 incorporated 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 incorporated 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 a 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 incorporated 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
“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 for the period from 19 August 2024 to 4 September 2024 amounting 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 for the period from 12 December 2024 to 26 December 2024 amounting 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

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“PBOC”	The People’s Bank of China (中國人民銀行), the central bank of 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, 4 March 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*