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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)

ANNOUNCEMENT PURSUANT TO RULE 3.7 OF THE TAKEOVERS CODE IN RELATION TO THE POSSIBLE PRIVATISATION OF CANVEST ENVIRONMENTAL PROTECTION GROUP COMPANY LIMITED

This announcement is made by GRANDBLUE INVESTMENT HONGKONG LIMITED (瀚藍(香港)環境投資有限公司) (“**Grandblue**”) pursuant to Rule 3.7 of the Hong Kong Code on Takeovers and Mergers (the “**Takeovers Code**”).

POSSIBLE PRIVATISATION OF CANVEST ENVIRONMENTAL PROTECTION GROUP COMPANY LIMITED

On 7 July 2024, 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, the shares of which are listed on the Shanghai Stock Exchange (stock code: 600323), published an announcement (the “**Grandblue Environment Announcement**”) on the website of the Shanghai Stock Exchange (www.sse.com.cn) in relation to its potential asset acquisition (the “**Potential Asset Acquisition**”) to acquire the shares in Canvest Environmental Protection Group Company Limited (the “**Company**”), a company listed on The Stock Exchange of Hong Kong Limited (stock code: 1381), through Grandblue, an indirect wholly owned subsidiary of Grandblue Environment as at the date of this announcement. Pursuant to Article 40 of the Administrative Measures on Material Asset Restructuring of Listed Companies (Revised 2023) (《上市公司重大資產重組管理辦法》(2023修訂)), in view of the requirement for timely disclosure of material information, Grandblue Environment is required to disclose the information of the Potential Asset Acquisition in a timely manner.

Grandblue 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 Stock Exchange of Hong Kong Limited. 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 Grandblue) 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, Grandblue has not furnished any definitive Possible Privatisation proposal to the Company. No agreement or other commitment has been made by Grandblue 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 Grandblue proceeds with the Possible Privatisation, it would involve an indicative cancellation price of HK\$4.90 per share of the Company (the “**Indicative Cancellation Price**”) and also be subject to satisfaction of pre-conditions and conditions. These pre-conditions and conditions, the satisfaction of which may be time-consuming, may or may not be fulfilled. The Indicative Cancellation Price is disclosed in the Grandblue Environment Announcement for the purpose of the compliance with Article 11 of the Administrative Measures on Material Asset Restructuring of Listed Companies (Revised 2023) (《上市公司重大資產重組管理辦法》(2023修訂)), which Grandblue Environment, the parent company of Grandblue, is subject to. Pursuant to Article 11 of the Administrative Measures on Material Asset Restructuring of Listed Companies (Revised 2023) (《上市公司重大資產重組管理辦法》(2023修訂)), Grandblue Environment is required to disclose in the Grandblue Environment Announcement that the price of the assets involved in the acquisition is fair and there are no circumstances which will damage the legitimate rights and interests of Grandblue Environment and its shareholders. The Possible Privatisation, if made, will be made on the same or better terms as disclosed in this announcement.

For illustrative purposes only, based on publicly available information, as at 30 June 2024, the total number of issued shares in the share capital of the Company is 2,439,541,169 (the “**Total Issue Share Capital**”). The multiple of the Total Issue Share Capital and the Indicative Cancellation Price equals HK\$11,953,751,728.10.

Further, Grandblue 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, held by Best Approach after the Possible Privatisation becomes effective (the “**Rollover Arrangement**”). The information in relation to the Rollover Arrangement is disclosed in the Grandblue Environment Announcement for the purpose of the compliance with Article 4 of the Administrative Measures on Material Asset Restructuring of Listed Companies (Revised 2023) (《上市公司重大資產重組管理辦法》(2023修訂)), which Grandblue Environment, the parent company of Grandblue, is subject to. Pursuant to Article 4 of the Administrative Measures on Material Asset Restructuring of Listed Companies (Revised 2023) (《上市公司重大資產重組管理辦法》(2023修訂)), disclosure in the Grandblue Environment Announcement has to be true, accurate and complete and there must be no material omission. Hence, the proposed Rollover

Arrangement, which is material information about the Potential Asset Acquisition, has to be disclosed in the Grandblue Environment Announcement. As the Rollover Arrangement is not offered to all shareholders of the Company, if Grandblue 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.

In accordance with note 3 to Rule 3.7 of the Takeovers Code, Grandblue will be bound by the statements in relation to the terms of the Possible Privatisation made in this announcement if the Possible Privatisation proposal is subsequently made.

Announcements will be made about any progress regarding the Possible Privatisation as and when required under the Takeovers Code.

MONTHLY UPDATES

In compliance with Rule 3.7 of the Takeovers Code, monthly announcement(s) setting out the progress of the Possible Privatisation will be made by Grandblue and/or the Company 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. Grandblue and/or the Company will make announcements as and when appropriate or required in accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and/or the Takeovers Code.

DISCLOSURE OF DEALINGS

For the purpose of the Takeovers Code, an offer period in respect of the Company commences on the date of this announcement.

Associates (as defined in the Takeovers Code and including, among others, persons who own or control 5% or more of the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code)) of the Company and Grandblue are hereby reminded to disclose their dealings in the relevant securities of the Company under Rule 22 of the Takeovers Code.

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

“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 co-operation.”

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

Shareholders and potential investors of the Company should be aware that the Possible Privatisation and the delisting may or may not proceed. Shareholders and/or potential investors of the Company are advised to exercise caution in dealing in the securities of the Company.

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

Wu Zhiyong
Director

Tang Yuyun
Director

Hong Kong, 7 July 2024

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

The directors of the Grandblue jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than that relating to the Company), 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.

As at the date of this 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 Environment jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than that relating to the Company), 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