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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
IN RELATION TO THE**

- (1) PRE-CONDITIONAL PROPOSAL FOR THE PRIVATISATION OF
CANVEST ENVIRONMENTAL PROTECTION GROUP COMPANY
LIMITED BY THE OFFEROR BY WAY OF A SCHEME OF
ARRANGEMENT (UNDER SECTION 86 OF
THE COMPANIES ACT OF THE CAYMAN ISLANDS)**
- (2) OPTION OFFER**
- (3) CONNECTED TRANSACTIONS AND SPECIAL DEALS IN RELATION
TO THE LAND DISPOSAL, SMART PARKING DISPOSAL AND
OFFICE BUILDING DISPOSAL**
- (4) SPECIAL DEAL IN RELATION TO THE ROLLOVER ARRANGEMENT
AND**
- (5) PROPOSED WITHDRAWAL OF LISTING OF THE COMPANY**

Exclusive Financial Adviser to the Offeror



Exclusive Financial Adviser to the Company



Reference is made to the announcement dated 22 July 2024 (the “**Joint Announcement**”) jointly published by Canvest Environmental Protection Group Company Limited (the “**Company**”) and GRANDBLUE INVESTMENT HONGKONG LIMITED (瀚藍(香港)環境投資有限公司) (the “**Offeror**”) in relation to, among other things, the pre-conditional proposal for the privatisation of the Company by the Offeror by way of a scheme of arrangement under section 86 of the Companies Act. Unless the context requires otherwise, capitalised terms used herein shall have the same meanings as those defined in the Joint Announcement.

On 22 July 2024, Grandblue Environment, the indirect parent company of the Offeror, published the material asset acquisition proposal regarding the Proposal and the Scheme (the “**Material Asset Acquisition Proposal**”) on the website of the Shanghai Stock Exchange. On 2 August 2024, Grandblue Environment received a comment letter in relation to the Material Asset Acquisition Proposal (the “**Comment Letter**”) from the Shanghai Stock Exchange. In response to the Comment Letter, Grandblue Environment published the response to the Comment Letter (the “**Response to Comment Letter**”) on the website of the Shanghai Stock Exchange on 23 August 2024.

Extracts of the relevant parts of the Response to Comment Letter containing material information with Takeovers Code implications are attached in the Appendix to this announcement. The full text of the Response to Comment Letter are published in Chinese on the website of the Shanghai Stock Exchange (www.sse.com.cn).

Shareholders and potential investors are advised to refer to the announcements and other documents published by Offeror and/or the Company on the website of the Stock Exchange for information regarding the Proposal and the Scheme.

WARNING: The making of the Proposal is subject to the satisfaction of the Pre-Conditions. Shareholders, Optionholders and potential investors of the Company should be aware that the implementation of the Proposal and the Scheme are subject to the Conditions being fulfilled or waived, as applicable, and thus the Proposal may or may not be implemented and the Scheme may or may not become effective. Shareholders and potential investors of the Company should therefore exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

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, 23 August 2024

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 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.

APPENDIX
EXTRACTS OF THE RESPONSE TO COMMENT LETTER
(English translation for reference purposes only)

Question 3(2) Explain the specific measures and timetable for releasing relevant Pledged Shares¹, whether there are substantial obstacles and the impact on this transaction

As advised by the Cayman Islands legal adviser to the Scheme, the consent of Shanghai Industrial Holdings Limited (上海實業控股有限公司) (“**Shanghai Industrial**”), as pledgee of the Pledged Shares (the “**Pledgee**”), to the Scheme should be obtained.

Under the laws of the Cayman Islands, the Scheme must be approved by the Scheme Shareholders representing not less than 75% in value of the Scheme Shares held by the Scheme Shareholders present and voting either in person or by proxy at the Court Meeting. The Scheme is also subject to the sanction of the Grand Court of the Cayman Islands.

As the Pledgee has an interest in the Pledged Shares held by a Scheme Shareholder, if the consent from the Pledgee is not in place, the Pledgee might seek to obtain relief or persuade the judge of the Grand Court of the Cayman Islands that the Scheme should not be sanctioned.

However, according to the undertaking issued by Best Approach Developments², Best Approach Developments will co-operate with Shanghai Industrial to obtain the written consent of Shanghai Industrial prior to the publication date of the Scheme Document of this transaction (such written consent includes but not limited to Shanghai Industrial’s consent to release the Pledged Shares before the Scheme Effective Date³ of this transaction). The Listed Company⁴ will urge Best Approach Developments to fully fulfil the undertaking, and after obtaining the relevant written consent from Shanghai Industrial in accordance with the undertaking, the relevant Pledged Shares will not constitute substantial obstacle to this transaction.

Question 4(4)2 The relevant undertaking and guarantee arrangement issued by the counterparty in respect of the accounts receivable of the Target Company⁵

According to the irrevocable undertaking entered into by Best Approach Developments, Best Approach Developments, Ms. Loretta Lee and Mr. Lai Kin Man⁶ (collectively, the “**Substantial Shareholders**”) have agreed to the following arrangements on the recovery of accounts receivable and guarantee arrangement: the Substantial Shareholders agree that Grandblue Hong Kong⁷ shall retain HK\$216,520,515.32 from the cancellation price payable to Best Approach Developments as a security deposit for the relevant accounts receivable and other losses. For the relevant receivables as at the Audit Reference Date of the Scheme Effective Date (being the last day of the month in which the Scheme Effective Date falls), if the relevant receivables are not recovered within five years after the Scheme Effective Date, Best Approach Developments, Ms. Loretta Lee and Mr. Lai Kin Man shall be jointly and severally liable to compensate Grandblue Hong Kong or the Target Company Group⁸.

Pursuant to the Deed of Irrevocable Undertaking and Guarantee, the specific arrangements in relation to the recovery of accounts receivable are as follows:

The total cancellation price payable by Grandblue Hong Kong to Best Approach Developments⁹ is HK\$5,680,213,363.30, of which the Substantial Shareholders agree that Grandblue Hong Kong shall retain HK\$216,520,515.32 as a security deposit for the following liabilities: (a) liabilities of the Substantial Shareholders to the Offeror or the Target Company Group incurred from 30 June 2024 to three years after the Scheme Effective Date, for losses or administrative or civil liabilities suffered by the Target Company Group as a result of events that existed before the Scheme Effective Date, and (b) liabilities of the Substantial Shareholders to the Offeror or the Target Company Group in respect of the relevant receivables of the Target Company Group as at the Audit Reference Date not recovered within five years after the Scheme Effective Date. In respect of such security deposit, the Offeror shall deduct the amount accordingly in accordance with the liabilities incurred under (a) and (b) above after the Scheme Effective Date, and pay the remaining amount to Best Approach Developments after the expiry of five years from the Scheme Effective Date.

Notes:

- (1) “Pledged Shares” has the same meaning as “Pledged Shares” in the Joint Announcement
- (2) “Best Approach Developments” has the same meaning as “Best Approach” in the Joint Announcement
- (3) “Scheme Effective Date” has the same meaning as “Effective Date” in the Joint Announcement
- (4) “Listed Company” has the same meaning as “Grandblue Environment” in the Joint Announcement
- (5) “Target Company” has the same meaning as “Company” in the Joint Announcement
- (6) “Mr. Lai Kin Man” has the same meaning as “Mr. KM Lai” in the Joint Announcement
- (7) “Grandblue Hong Kong” has the same meaning as “Grandblue” in the Joint Announcement
- (8) “Target Company Group” has the same meaning as “the Group” in the Joint Announcement
- (9) “cancellation price payable by Grandblue Hong Kong to Best Approach Developments” has the same meaning as “Best Approach Cancellation Price” in the Joint Announcement

EXTRACTS OF THE RESPONSE TO COMMENT LETTER
(Chinese version as published on the website of the Shanghai Stock Exchange)

問題三(二) 說明解除相關股票質押¹的具體措施和時間安排，是否存在實質性障礙及對本次交易的影響

根據計劃的開曼律師的說明，應當取得股票質押的質押權人(以下簡稱「質押權人」)上海實業控股有限公司(以下簡稱「上海實業」)關於計劃的同意。

根據開曼群島相關法律，計劃必須獲得計劃股東(佔不少於親身或透過委任代表出席法院會議並於會上投票的計劃股東所持計劃股份價值的75%)於法院會議上批准。該計劃還必須獲得開曼群島大法院的批准。

由於質押權人在計劃股東持有的股票質押中擁有權益，如無法取得質押權人同意，質押權人可能會尋求獲得濟助或說服開曼群島大法院法官不予批准該計劃。

但根據臻達發展²出具的承諾，臻達發展將與上海實業通力配合，在本次交易的計劃文件發佈日前，取得上海實業出具的書面同意(該書面同意內容包括但不限於上海實業同意將股票質押在本次交易的計劃生效日期³前解除)。上市公司⁴將督促臻達發展充分履行承諾內容，在根據承諾安排取得上海實業出具的相關書面同意文件後，相關股票質押將不會構成本次交易的實質性障礙。

問題四(四)2、交易對手方就標的公司⁵應收賬款所出具的相關承諾及保障安排

根據臻達發展簽署的不可撤銷承諾，臻達發展、李詠怡女士、黎健文先生⁶(以下合稱「大股東」)關於應收賬款回款的承諾以及保障安排為：大股東同意瀚藍香港⁷在其需要向臻達發展支付的註銷價總額中扣留216,520,515.32港元，作為相關應收款項及其他損失的扣款保證金。對截至計劃生效審計基準日(即計劃生效日期⁸所在月的最後一天)的相關應收款項，如未在計劃生效日後的五年內收回的，臻達發展、李詠怡女士、黎健文先生將向瀚藍香港或標的公司集團⁷承擔連帶賠償責任。

不可撤銷承諾關於應收賬款回款情況的具體保障安排如下：

瀚藍香港需要向臻達發展支付的註銷價⁹總額為5,680,213,363.30港元，大股東同意瀚藍香港扣留其中的216,520,515.32港元作為下列賠償責任的扣款保證金：(a)自2024年6月30日起至計劃生效日期後的三年內，如因計劃生效日期之前的事實導致標的公司集團受到損失或者承擔行政、民事責任的，大股東需向要約人或標的公司集團承擔賠償責任，及(b)大股東需對標的公司集團截至計劃生效審計基準日的相關應收款項在計劃生效日期後的五年內未收回的部分向要約人或標的公司集團承擔賠償責任。對於該等扣款保證金，由要約人在計劃生效後，按照前述(a)項及(b)項下所發生的賠償責任相應扣款，並在計劃生效日五年屆滿之日後將剩餘款項支付給臻達發展。

註：

- (1) 「股票質押」具有聯合公告中「質押股份」之涵義
- (2) 「臻達發展」具有聯合公告中「臻達」之涵義
- (3) 「計劃生效日期」具有聯合公告中「生效日期」之涵義
- (4) 「上市公司」具有聯合公告中「瀚藍環境」之涵義
- (5) 「標的公司」具有聯合公告中「本公司」之涵義
- (6) 「黎健文先生」具有聯合公告中「黎健文先生」之涵義
- (7) 「瀚藍香港」具有聯合公告中「瀚藍」之涵義
- (8) 「標的公司集團」具有聯合公告中「本集團」之涵義
- (9) 「瀚藍香港需要向臻達發展支付的註銷價」具有聯合公告中「臻達註銷價格」之涵義