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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

MONTHLY UPDATE 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 announcements dated 22 July 2024 (the “**Joint Announcement**”), 23 August 2024, 30 August 2024 and 12 September 2024 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 and the announcement dated 9 August 2024 jointly published by the Company and the Offeror, in relation to the extension of time for despatch of the Scheme Document. Unless the context requires otherwise, capitalised terms used herein shall have the same meanings as those defined in the Joint Announcement.

STATUS OF SATISFACTION OF THE PRE-CONDITIONS

As stated in the Joint Announcement, the making of the Proposal (including the Scheme) is conditional upon the Pre-Conditions having been satisfied.

Since the publication of the Joint Announcement, steps have been taken in relation to the fulfilment of the Pre-Conditions. As at the date of this joint announcement, Pre-Condition (vi), which is the completion of the declaration of the concentration of undertakings in China pursuant to the PRC Anti-monopoly Law (which requires merger filing where (1) a transaction constitutes a concentration of undertakings; and (2) the turnover of the undertakings participating in the concentration meets the threshold set out under the PRC Anti-monopoly Law) and obtaining the approval from the State Administration for Market Regulation of the PRC, has been fulfilled.

Save as disclosed above, the other Pre-Conditions have yet to be fulfilled.

In relation to Pre-Condition (i), which is the Yuezhao Environmental Disposal, including (a) the completion of the payment of consideration and the completion of the registration procedures of the equity transfer, having been completed within three months from the date of the Joint Announcement; (b) the Group does not record loss from the Yuezhao Environmental Disposal; and (c) there is no debtor and creditor relationship between the Group and Yuezhao Environment and the Group does not assume any responsibility for the debt of Yuezhao Environment (for the avoidance of doubt, the Yuezhao Environmental Disposal will be disposed of to a person who is not a shareholder (nor an associate of the shareholder) of the Company and hence the Yuezhao Environmental Disposal does not constitute a special deal), as at the date of this joint announcement,

- (i) the payment of consideration and registration procedures of the equity transfer of Yuezhao Environmental have been completed;
- (ii) the Group has not recorded loss from the Yuezhao Environmental Disposal; and
- (iii) there is no debtor and creditor relationship between the Group and Yuezhao Environment. According to the agreement documents currently in force, the Group does not assume any responsibility for the debt of Yuezhao Environment. However, given the Yuezhao Environmental Disposal has not completed as at the date of this joint announcement, it is yet to be confirmed if (c) has been satisfied.

In relation to Pre-Condition (ii), which is all necessary internal decision-making procedures and approval and filing procedures in respect of the transactions contemplated under the Proposal having been completed by Grandblue Environment, including (a) the approval of the board of directors of Grandblue Environment; and (b) the approval at the general meeting of the shareholders of Grandblue Environment, as at the date of this joint announcement,

- (i) Grandblue Environment has convened a board meeting to approve the plan in relation to the transactions contemplated under the Proposal;
- (ii) due diligence, audit and valuation have been commenced;
- (iii) the board of directors of Grandblue Environment has yet to review and approve the transaction report in relation to the Proposal; and
- (iv) the general meeting of the shareholders of Grandblue Environment to approve the transactions contemplated under the Proposal is yet to be convened.

In relation to Pre-Condition (iii), which is the completion of the Capital Injection in the aggregate amount of RMB4.6 billion into Grandblue Foshan, as at the date of this joint announcement,

- (i) the capital injection agreement has been entered into;
- (ii) the shareholders of Grandblue Environment have approved the capital injection agreement in relation to the Capital Injection;
- (iii) the approval from the Foshan State-owned Assets Supervision and Administration Commission has been obtained;
- (iv) the approval of the transactions from the general meeting of the shareholders of Grandblue Environment is yet to be obtained;
- (v) the approvals from Grandblue Solid Waste Treatment and Nanhai Hengjian Fund are yet to be obtained; and
- (vi) the Capital Injection is yet to be completed.

In relation to Pre-Condition (iv), which is the Group having signed written agreements and/or obtained written preliminary or in-principle confirmation from the relevant financial institutions, guarantors and other entities (if applicable) to resolve the following guarantee issues:

- (a) guarantee provided by Loyal Step Limited (步忠有限公司) (an indirect wholly-owned subsidiary of the Company) (“**Loyal Step**”), which exceeds the proportion of its shareholding in Huizhou Zhongzhou Environmental Protection Resources Co., Ltd.* (惠州市中洲環保資源有限公司) (an associate of the Group and is owned as to 40% by Loyal Step and 60% by Independent Third Parties); and

(b) guarantee provided by any other member of the Group (if any) which exceeds the proportion of its shareholding as set out in the financial statements of the Company as at 30 June 2024 or any other financial statements to be agreed in writing between the Offeror and the Company,

and such written agreements and/or written preliminary or in-principle confirmation having effectively confirmed that the Group will assume limited guarantee liability for the relevant non-consolidated subsidiaries within the proportion of their respective shareholding, as at the date of this joint announcement, the Group has commenced to resolve the guarantee issue in relation to (a).

In relation to Pre-Condition (v), which is, with respect to the applicable outbound direct investment laws and regulations, all relevant Approvals, registrations, filings, reports (as the case may be), have been obtained from, completed with and/or made to (as the case may be): (a) the Ministry of Commerce of the PRC; (b) the National Development and Reform Commission of the PRC; and (c) the State Administration of Foreign Exchange of the PRC, or the respective local authorities or delegates or institutions authorised by each of (a) to (c), as at the date of this joint announcement, the relevant filings have been made to the Ministry of Commerce of the PRC and the National Development and Reform Commission of the PRC.

Save as disclosed above, there are no further updates on the fulfilment of the Pre-Conditions. The Offeror will continue to work towards the satisfaction of the Pre-Conditions.

Further announcement(s) will be made as and when appropriate in compliance with the Takeovers Code upon the satisfaction of the Pre-Conditions and the despatch of the Scheme Document.

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, 30 September 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.