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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Guodian Technology & Environment Group Corporation Limited*, you should at once hand this circular, together with the accompanying form of proxy and reply to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.



國電科技環保集團股份有限公司

GUODIAN TECHNOLOGY & ENVIRONMENT GROUP CORPORATION LIMITED*

(a joint stock company incorporated in the People's Republic of China with limited liability)

(Stock code: 01296)

**(1) PROPOSED APPOINTMENT OF EXECUTIVE DIRECTOR;
(2) CONTINUING CONNECTED TRANSACTIONS
FRAMEWORK AGREEMENT OF SALE OF COMPREHENSIVE PRODUCTS
AND SERVICES;
AND
(3) NOTICE OF EXTRAORDINARY GENERAL MEETING**

**Independent Financial Adviser to the Independent Board Committee and the
Independent Shareholders**



Gram Capital Limited
嘉林資本有限公司

The Company will convene the EGM at the Conference Room, 12th Floor, Building 1, Yard 16, W. 4th Ring Middle Road, Haidian District, Beijing, the PRC at 3:00 p.m. on Tuesday, 19 October 2021. The notice of the EGM, the form of proxy and the reply slip for the EGM have been dispatched and published on 30 September 2021.

PRECAUTIONARY MEASURES FOR THE EGM

To safeguard the health and safety of Shareholders and to prevent the spreading of the COVID-19 pandemic, the following precautionary measures will be implemented at the EGM:

- (1) Compulsory temperature screening/checks
- (2) Wearing of surgical face mask
- (3) No provision of refreshments or drinks

Attendees who do not comply with the precautionary measures referred to in (1) to (3) above may be denied entry to the EGM venue, at the absolute discretion of the Company as permitted by law.

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DEFINITIONS

In this circular, the following terms and expressions shall have the following meanings unless the context otherwise requires:

“Board”	the board of Directors
“China Energy”	China Energy Investment Corporation Limited* (國家能源投資集團有限責任公司), a company incorporated in the PRC with limited liability, being the controlling shareholder of the Company, and is beneficially owned by the State-owned Assets Supervision and Administration Commission of the State Council of the PRC
“Company”	Guodian Technology & Environment Group Corporation Limited* (國電科技環保集團股份有限公司), a joint stock company incorporated in the PRC with limited liability, the H Shares of which are listed on the Stock Exchange (stock code: 1296)
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“Domestic Shares”	ordinary shares in the share capital of the Company, with a nominal value of RMB1.0 each, which are subscribed for and paid up in RMB
“EGM”	the extraordinary general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving (1) the proposed appointment of executive Director; and (2) the Framework Agreement and the transactions contemplated thereunder, and the proposed annual cap
“Framework Agreement”	the Framework Agreement of Sale of Comprehensive Products and Services entered into between the Company and Wangkui New Energy on 13 August 2021

DEFINITIONS

“Group”	the Company and its subsidiaries
“Guodian Power”	Guodian Power Development Co., Ltd.* (國電電力發展股份有限公司), a joint stock limited company incorporated in the PRC with limited liability, the A shares of which are listed on the Shanghai Stock Exchange (stock code: 600795)
“H Share(s)”	the overseas-listed foreign shares in the ordinary share capital of the Company, with a RMB denominated par value of RMB1.0 each, which are subscribed for and traded in Hong Kong dollars and listed on the Stock Exchange
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	a committee of the Board comprising all the independent non-executive Directors established for the purpose of considering and advising the Independent Shareholders in respect of the Framework Agreement and the transactions contemplated thereunder, and the proposed annual cap
“Independent Financial Adviser” or “Gram Capital”	Gram Capital Limited, a licensed corporation to carry out type 6 (advising on corporate finance) regulated activity under the SFO and as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders on the Framework Agreement to be considered at the EGM and the transactions contemplated thereunder, and the proposed annual cap
“Independent Shareholders”	Shareholder(s) other than those required to abstain from voting on the resolution(s) relating to the Framework Agreement and the transactions contemplated thereunder, and the proposed annual cap at the EGM under the Listing Rules
“Independent Third Party(ies)”	a person/persons, or in case of a company/companies, the company/companies or its/their ultimate beneficial owner(s), who is/are independent of and not connected with the Company and its subsidiaries and their respective connected persons and their respective ultimate beneficial owner(s) or their respective associates

DEFINITIONS

“Latest Practicable Date”	27 September 2021, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Longyuan Power”	China Longyuan Power Group Corporation Limited* (龍源電力集團股份有限公司), a joint stock company established in the PRC with limited liability, the H shares of which are listed on the Stock Exchange (stock code: 916)
“Longyuan Technology”	Yantai Longyuan Power Technology Co., Ltd.* (煙台龍源電力技術股份有限公司), a joint stock company incorporated in the PRC with limited liability and listed on the Shenzhen Stock Exchange (stock code: 300105), which is approximately 22.83% directly owned by the Company as at the Latest Practicable Date
“PRC”	The People’s Republic of China, for the purpose of this circular only, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	The Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
“Shareholder(s)”	the holder(s) of the H Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Wangkui New Energy”	Guoneng Technology & Environment Wangkui New Energy Co., Ltd.* (國能科環望奎新能源有限公司), a company incorporated in the PRC with limited liability, and a non wholly-owned subsidiary of the Company as at the Latest Practicable Date
“%”	per cent.

The English translation of the names in Chinese which is marked with “” in this circular is for identification purposes only.*

LETTER FROM THE BOARD



國電科技環保集團股份有限公司

GUODIAN TECHNOLOGY & ENVIRONMENT GROUP CORPORATION LIMITED*

(a joint stock company incorporated in the People's Republic of China with limited liability)

(Stock code: 01296)

Executive Director:

Mr. Chen Dongqing (*Chairman*)

Non-executive Directors:

Mr. Wang Zhongqu

Mr. Song Chang

Mr. Zhang Wenjian

Mr. Gu Yuchun

Ms. Ge Xiaojing

Legal Address:

Suite 1101, 11/F, Building 1

Yard 16, W. 4th Ring Middle Road

Haidian District, Beijing, the PRC

Principal Office in the PRC:

Building 1

Yard 16, W. 4th Ring Middle Road

Haidian District, Beijing, the PRC

Independent non-executive Directors:

Mr. Shen Xiaoliu

Mr. Qu Jiuhui

Mr. Xie Qiuye

Mr. Yeung Chi Tat

Principal Place of Business in Hong Kong:

31/F, Tower Two, Times Square

1 Matheson Street, Causeway Bay

Hong Kong

30 September 2021

To the Shareholders,

Dear Sir or Madam,

**(1) PROPOSED APPOINTMENT OF EXECUTIVE DIRECTOR;
(2) CONTINUING CONNECTED TRANSACTIONS
FRAMEWORK AGREEMENT OF SALE OF COMPREHENSIVE PRODUCTS
AND SERVICES;
AND
(3) NOTICE OF EXTRAORDINARY GENERAL MEETING**

LETTER FROM THE BOARD

INTRODUCTION

Reference is made to the announcement of the Company dated 30 June 2021 in relation to the proposed appointment of executive Director, and the announcement of the Company dated 13 August 2021 in relation to the entering into of the Framework Agreement.

The purpose of this circular is to provide you with further information on the proposed appointment of executive Director, as well as the details of the Framework Agreement, the transactions contemplated thereunder and the proposed annual cap.

PROPOSED APPOINTMENT OF EXECUTIVE DIRECTOR

Mr. Li Caiyun (李彩雲先生) (“**Mr. Li**”) has been nominated as an executive Director of the Company. The term of Mr. Li as an executive Director will commence on the date of approval by the Shareholders until the expiry of the tenure of the fourth session of the Board.

The biographical details of Mr. Li are set out below:

Mr. Li Caiyun, aged 52, is proposed to serve as an executive Director of the Company. Mr. Li is currently the deputy secretary of the Party Committee and the general manager of the Company. Mr. Li successively served as the deputy director of construction site of Jiangsu Electric Power Construction No. 3 Engineering Company* (江蘇省電力建設第三工程公司); the manager of Jiangsu Electric Power Construction No. 3 Engineering Company; the director and the deputy chief engineer of the engineering department of Guodian Changzhou Power Generating Co., Ltd.* (國電常州發電有限公司); the deputy chief engineer, the deputy general manager and a member of the Party Committee of Guodian Taizhou Generation Co., Ltd.* (國電泰州發電有限公司); the deputy chief and chief of the engineering department of bidding center of Guodian Group Corporation* (中國國電集團公司); the general manager and the deputy secretary of the Party Committee, the secretary of the Party Committee and the chairman of the board of directors of Guodian Longyuan Power Technology and Engineering. Co., Ltd.* (國電龍源電力技術工程有限責任公司); the chairman of the board of directors of Guodian Longyuan Energy Saving Technology Co., Ltd.* (國電龍源節能技術有限公司); and the general manager assistant, a member of the Party Group, a member of the Party Committee and the deputy general manager of the Company. Mr. Li obtained a bachelor’s degree in industrial and civil construction from the School of Water Resources and Hydropower Engineering Wuhan University. Mr. Li is a senior engineer.

Save as disclosed herein, as of the Latest Practicable Date, Mr. Li (i) had not held any other directorships in any listed public companies, in Hong Kong or overseas, in the last three years or held other positions within the Company and its subsidiaries; (ii) had no relationship with any Directors, senior management, substantial shareholders or controlling shareholders (as defined under the Listing Rules) of the Company; and (iii) had no interests in the shares of the Company within the meaning of Part XV of the SFO.

LETTER FROM THE BOARD

Mr. Li will enter into a service contract with the Company after his official appointment. The annual remuneration of Mr. Li will be determined by the remuneration and appraisal committee of the Board authorized by Shareholders with reference to, among other things, its terms of reference and the duties and responsibilities of Mr. Li.

Save as disclosed above, as of the Latest Practicable Date, to the best knowledge of the Board, there were no other matters in relation to the appointment of Mr. Li as executive Director that need to be brought to the attention of the Shareholders nor was there any information that is required to be disclosed pursuant to Rules 13.51(2) (h) to (v) of the Listing Rules.

THE FRAMEWORK AGREEMENT

Date : 13 August 2021 (after trading hours)

Parties : (1) the Company; and

(2) Wangkui New Energy

A summary of the principal terms of the Framework Agreement is set out below:

Pursuant to the Framework Agreement, the products or services that the Company shall provide to Wangkui New Energy and its subsidiaries include power station EPC, centralized control data access and intelligent station construction, intelligent online or remote monitoring and monitoring system, relevant commissioning, management and operation services.

The parties agree that the signing of the Framework Agreement shall not preclude them from choosing counterparties at their discretion, or conducting transactions with third parties. The Company undertakes that it will provide and procure its subsidiaries to provide Wangkui New Energy with products and services on terms no more favourable than those offered to third parties.

Wangkui New Energy agrees to prioritise the use of the Company's products and services in the event that conditions and fees payable for the products and services to be provided by third parties are comparable with those of the products and services to be provided by the Company.

The parties will enter into separate agreements from time to time and as required in relation to the provision of products or services pursuant to the Framework Agreement.

The term of the Framework Agreement shall commence on the date on which the Framework Agreement and the proposed annual cap for the transactions under the Framework Agreement are approved by the Independent Shareholders and end on 31 December 2021 (both days inclusive).

LETTER FROM THE BOARD

Pricing policy

According to the general pricing policy of the Company on continuing connected transactions, the pricing of the products and services in relation to the Framework Agreement shall be determined in accordance with the following general principles and sequence, but shall not be lower than the price offered by the Group to Independent Third Parties for the same products or services:

- (1) where there is a government-prescribed price, the government-prescribed price;
- (2) where there is no government-prescribed price but there is a government guidance price, the government-guidance price;
- (3) where there is neither government-prescribed price nor government-guidance price, the historical transaction price or prevailing market price; or
- (4) where none of the aforesaid is available, the principle of reasonable cost plus reasonable profit shall be adopted in determining the appropriate price.

At present, the products and services to be provided to Wangkui New Energy are not subject to any government-prescribed price or government-guidance price. In this connection, the transactions contemplated under the Framework Agreement are expected to be conducted through bidding with reference to the historical price for equipment and materials of similar quantities and specifications provided by the Group as well as specific cases of the project, Therefore, only the general principles (3) and (4) above are applicable.

In a typical power station EPC project, the relevant subsidiary of the Group shall consider the reasonable cost by reference to (1) the selection of equipment and materials determined by the design department; (2) the reference price of equipment and materials provided by the procurement and material management department; (3) the construction plan put forward by the engineering construction and management department; and (4) the project management cost provided by the planning and operation department, service fee of successful tenders, and other expenses during the execution of the relevant contract.

The profit margin/rate of return on investment will be determined by the scale and nature of the project, the conditions of the project owner, the intensity of competition, the cost of capital and the market price. The sales and marketing department at subsidiary level shall propose the profit level while the deputy general manager, general manager and chairman of the Board shall have the authority to adjust the quotation if necessary. Depending on the nature of the project, the gross profit margin generally ranges from 5% to 25%. For details, please refer to the section headed “Management Discussion and Analysis” in the 2020 annual report of the Company.

Proposed Annual Cap and Basis of Determination

The proposed annual cap of the products and services to be provided by the Company to Wangkui New Energy under the Framework Agreement is RMB700.0 million.

LETTER FROM THE BOARD

Given that there is no historical transaction amount that can be referenced, in determining the proposed annual cap, the Board has taken into account the following major factors, including but not limited to:

- (i) the estimated demand of the Group's (excluding Wangkui New Energy and its subsidiaries) power station EPC services by Wangkui New Energy according to the engineering procurement and construction contract entered into between Guoneng Longyuan Power Technology and Engineering Co., Ltd.* (being a wholly-owned subsidiary of the Company) and Wangkui New Energy in June 2021 of approximately RMB640.0 million; and
- (ii) the estimated demand from Wangkui New Energy for the Group's spare parts for centralized control data access and intelligent station construction, intelligent online or remote monitoring and monitoring system, relevant commissioning, management and operation services, in the amount of approximately RMB36.0 million.

REASONS FOR AND BENEFITS OF ENTERING INTO THE FRAMEWORK AGREEMENT

Wangkui New Energy is an important customer of the Group (excluding Wangkui New Energy and its subsidiaries). The self-constructed wind power projects of Wangkui New Energy require the procurement of power station EPC services provided by the subsidiaries of the Group. Wangkui New Energy also needs to procure the centralized control data access and intelligent station construction, intelligent online or remote monitoring and monitoring system, relevant commissioning, management and operation services from the various subsidiaries of the Group.

The Framework Agreement is entered into in the ordinary course of business of the Company and is carried out at the market price. Its terms are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Directors (including the independent non-executive Directors, but excluding Mr. Wang Zhongqu, Mr. Song Chang, Mr. Zhang Wenjian and Mr. Gu Yuchun, the non-executive Directors) confirm that the terms of the Framework Agreement (including the proposed annual cap) are entered into on normal commercial terms, and the terms are fair and reasonable. The transactions contemplated under the Framework Agreement are entered into in the ordinary and usual course of business of the Company, and in the interest of the Company and the Shareholders as a whole.

Mr. Wang Zhongqu, Mr. Song Chang, Mr. Zhang Wenjian and Mr. Gu Yuchun, the non-executive Directors who are connected with China Energy and/or its subsidiaries, have abstained from voting on the resolutions of the Board to approve the Framework Agreement, the transactions contemplated thereunder and the proposed annual cap. Save as disclosed above, none of the Directors has any material interests in the Framework Agreement and the proposed annual cap and hence no other Director has abstained from voting on such Board resolutions.

LETTER FROM THE BOARD

INTERNAL CONTROL PROCEDURES

To ensure that the considerations for the continuing connected transactions of the Group are on normal commercial terms and that relevant terms (in particular, the pricing terms (having taken into account reasonable costs and reasonable profits in determining the appropriate price)) thereunder are complied with, the Company has adopted the following supervision and internal control procedures:

- (1) the Company has adopted and implemented a set of connected transactions administration rules. Countersignature from the finance department, the internal control and audit department, the enterprise management department and the department of securities financing and legal affairs at subsidiary level is compulsory during the process of entering into of the relevant connected transaction agreements. The aforesaid departments, are jointly responsible for evaluating the terms, in particular, the fairness of the pricing terms, of each connected transaction agreement. In particular, the department of securities and legal affairs of the Company is responsible for examining connected transaction agreements and continuing connected transaction agreements for compliance with the applicable laws and regulations, company policies and the Listing Rules, establishing and overseeing the internal control systems for the continuing connected transactions; the internal control and audit department is responsible for examining whether the connected transaction agreements and the continuing connected transaction agreements are in compliance with relevant regulations; the finance department is responsible for reviewing the pricing strategies, rules and procedures, and regularly monitoring and reviewing the connected transactions (including but not limited to the implementation of pricing policies and transaction amounts, etc.); the enterprise management department (risk control management department) is responsible for controlling the risk of the connected transaction agreements and the continuing connected transaction agreements. Moreover, the sales and marketing department and the finance department are responsible for calculating and analyzing annual caps of sales, and the sales and marketing department of the subsidiaries of the Company shall participate in the process of the tender of connected transactions and reviewing previous quotations and profit margins to ensure that the Group's pricing policies to be adopted in the transactions contemplated under the Framework Agreement are not more favorable than the prices offered to Independent Third Parties;
- (2) the sales and marketing department at the subsidiary level of the Company will consistently, especially prior to the submission of each tender, conduct market research and collate the relevant information, including tender documents and tender price of public tender projects in the past one month or one year (depending on the nature and time span of the products or services involved), tender information from tender announcements published on public tender platforms (such as the tender platform of CRC (<http://szecp.crc.com.cn/>) and similar tender platforms of other enterprises) and tender information available on websites of industry associations and organisations (such as the website of Beijixing Electricity Net* (北極星電力網) (<https://m.bjx.com.cn/fd/>) and similar websites) to analyse the price trend of the products/services requested in the tenders for the purpose of evaluating the tender price to be proposed by the Group, as well as the estimated tender price that will likely be proposed by its competitors, in order to ensure that the tender price of the Group is in line with the prevailing market price and is competitive. The Company shall comply with the same price comparison procedures in the tenders convened by its connected persons. In addition, before the submission of each tender to its connected persons, depending on the nature and the time

LETTER FROM THE BOARD

span of the products or services involved in the project, the Company shall compare the tender price with the historical price for similar tenders in the past one month or one year to ensure that the tender price to be proposed by the Company is not better than the price provided by the Company to Independent Third Parties; and

- (3) under the Listing Rules, the Company's independent non-executive Directors have reviewed and will continue to review the Company's connected transaction agreements or continuing connected transaction agreements to confirm that they are on normal commercial terms and in accordance with relevant agreements governing the relevant transactions. The auditors of the Company shall also conduct annual review on certain continuing connected transactions of the Group, to ascertain that such transactions are conducted in accordance with the pricing policies of the Group stipulated under the relevant agreements governing such transactions, and that they have been entered into in accordance with the relevant agreements governing such transactions.

INFORMATION ON THE PARTIES

The Group

The Group is primarily engaged in the provision of integrated clean technology solutions and services within the PRC with established market leading or dominant positions in the environmental protection and energy conservation solution industries in the PRC.

Wangkui New Energy

Wangkui New Energy is a company incorporated in the PRC with limited liability, and is 65% owned by the Company and 35% owned by Longyuan Technology. Wangkui New Energy is principally engaged in the construction and operation of wind and photovoltaic power generation, the inspection, design and construction of wind and photovoltaic power stations, as well as the installation, testing and maintenance of wind and photovoltaic power generation equipment.

LISTING RULES IMPLICATIONS

As of the Latest Practicable Date, Wangkui New Energy is 65% owned by the Company and 35% owned by Longyuan Technology. China Energy is the controlling shareholder of the Company, directly or indirectly holding approximately 78.40% of the issued share capital of the Company, and the Company directly holds approximately 22.83% of the issued share capital of Longyuan Technology. In addition, as of the Latest Practicable Date, Hero Asia (BVI) Company Limited, a wholly-owned subsidiary of Longyuan Power, owns approximately 18.75% equity interests in Longyuan Technology. Since Longyuan Power is a subsidiary of China Energy and Longyuan Technology is a connected person of the Company, Wangkui New Energy is a connected person of the Company. Accordingly, the Framework Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. Since the highest applicable percentage ratio in respect of the

LETTER FROM THE BOARD

proposed annual cap for the transactions contemplated under the Framework Agreement is more than 5%, the transactions contemplated under the Framework Agreement and the proposed annual cap are subject to the reporting, annual review, announcement, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The EGM will be convened and held to seek the approval of the Independent Shareholders on the entering into of the Framework Agreement and the transactions contemplated thereunder, and the proposed annual cap.

As of the Latest Practicable Date, China Energy directly held 2,377,500,000 Domestic Shares of the Company, accounting for 39.21% of the total issued share capital of the Company, and through its associate, Guodian Power, held 2,376,500,000 Domestic Shares of the Company, accounting for 39.19% of the total issued share capital of the Company. Therefore, China Energy directly or indirectly held 4,754,000,000 Domestic Shares of the Company, accounting for approximately 78.40% of the total issued share capital of the Company, and is the controlling shareholder of the Company. In accordance with the Listing Rules, China Energy and its associate, Guodian Power, have a material interest in the Framework Agreement. Therefore, China Energy and Guodian Power shall abstain from voting at the EGM on the resolution(s) to approve the entering into of the Framework Agreement and the transactions contemplated thereunder, and the proposed annual cap. As of the Latest Practicable Date, each of China Energy and Guodian Power controlled over the voting right in respect of its shareholding in the Company.

INDEPENDENT BOARD COMMITTEE

The Independent Board Committee comprising all the independent non-executive Directors has been established to advise the Independent Shareholders on the Framework Agreement and the transactions contemplated thereunder, as well as the fairness and reasonableness of the proposed annual cap, taking into account the recommendations concerning the same provided by Gram Capital, the Independent Financial Adviser appointed by the Company to make recommendations to the Independent Board Committee and the Independent Shareholders in this regard.

INDEPENDENT FINANCIAL ADVISER

Gram Capital has been appointed as the Independent Financial Adviser by the Company to make recommendations to the Independent Board Committee and the Independent Shareholders in relation to the Framework Agreement and the transactions contemplated thereunder, as well as the proposed annual cap. The letter from Gram Capital is set out in this circular.

LETTER FROM THE BOARD

EGM

The EGM will be convened by the Company at the Conference Room, 12th Floor, Building 1, Yard 16, W. 4th Ring Middle Road, Haidian District, Beijing, the PRC on Tuesday, 19 October 2021 at 3:00 p.m. at which resolutions will be proposed to consider and, if thought fit, approve (1) the proposed appointment of executive Director; and (2) the Framework Agreement and the transactions contemplated thereunder, as well as the proposed annual cap. Notice convening the EGM has been despatched to the Shareholders on the date of this circular, a copy of which is set out on pages EGM-1 to EGM-2 of this circular.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 18 October 2021 to Tuesday, 19 October 2021, both days inclusive, during which period no transfer of shares will be registered. In order to qualify to attend and vote at the EGM, all transfers, together with relevant share certificates, must be lodged with the H Share registrar of the Company, namely Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong (for holders of H Shares) or the head office of the Company (for holders of Domestic Shares) at Building 1, Yard 16, W. 4th Ring Middle Road, Haidian District, Beijing, the PRC no later than 4:30 p.m. on Friday, 15 October 2021.

REPLY SLIP AND PROXY FORM

If you are eligible and intend to attend the EGM, please complete and return the reply slip dated 30 September 2021 in accordance with the instructions printed thereon as soon as possible and in any event not later than 7 days before the date appointed for holding such meeting or any adjournment thereof. Shareholders who intend to appoint a proxy to attend the EGM is required to complete and return the proxy form, in accordance with the instructions printed thereon as soon as possible and in any event no later than 24 hours before the time appointed for holding of the EGM or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you wish.

VOTING BY POLL AT THE EGM

Pursuant to Rule 13.39(4) of the Listing Rules, all votes for the resolutions to be proposed at the general meetings must be taken by poll, except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. The chairman of the EGM will therefore demand a poll for every such resolution put to the vote at the EGM. On a poll, every Shareholder present in person or by proxy or (being a corporation) by its duly authorised representative shall have one vote for each Share of the Company registered in his or her name in the register of Shareholders. A Shareholder entitled to more than one vote need not use all his or her votes or cast all the votes he or she uses in the same way.

LETTER FROM THE BOARD

RECOMMENDATION

The Board considers that all the resolutions set out in the notice of the EGM for the Shareholders' consideration and approval are in the best interests of the Company and its Shareholders. As such, the Board recommends the Shareholders to vote in favour of the resolutions set out in the notice of the EGM.

FURTHER RECOMMENDATION

Your attention is drawn to the letter from the Independent Board Committee to the Independent Shareholders set out on pages 11 to 12 of this circular, and the letter from Gram Capital to the Independent Board Committee and Independent Shareholders in respect of the Framework Agreement and the transactions contemplated thereunder, as well as the proposed annual cap set out on pages 13 to 21 of this circular.

Yours faithfully,

By Order of the Board

Guodian Technology & Environment Group Corporation Limited*

Mr. CHEN Dongqing

Chairman



國電科技環保集團股份有限公司

GUODIAN TECHNOLOGY & ENVIRONMENT GROUP CORPORATION LIMITED*

(a joint stock company incorporated in the People's Republic of China with limited liability)

(Stock code: 01296)

30 September 2021

To the Independent Shareholders

Dear Sir or Madam,

**CONTINUING CONNECTED TRANSACTIONS
FRAMEWORK AGREEMENT OF SALE OF
COMPREHENSIVE PRODUCTS AND SERVICES**

Reference is made to the circular of the Company to the Shareholders dated 30 September 2021 (the “Circular”), of which this letter forms a part. Terms used in this letter shall have the same meanings as defined in the sections headed “Definitions” of the Circular unless the context requires otherwise.

We have been appointed by the Board as the Independent Board Committee to advise the Independent Shareholders on whether the Framework Agreement and the transactions contemplated thereunder, as well as the proposed annual cap are (i) conducted in the ordinary and usual course of business of the Company; (ii) conducted on normal commercial terms or better; and (iii) fair and reasonable so far as the Independent Shareholders are concerned and are in the interest of the Company and the Shareholders as a whole. Gram Capital has been appointed as the Independent Financial Adviser to make recommendations to the Independent Board Committee and the Independent Shareholders in relation to the Framework Agreement and the transactions contemplated thereunder, as well as the proposed annual cap.

We wish to draw your attention to the “Letter from Gram Capital” as set out on pages 13 to 21 of the Circular and the section headed “Letter from the Board” as set out on pages 1 to 10 of the Circular.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Having considered the Framework Agreement and the transactions contemplated thereunder, as well as the proposed annual cap and the opinion of Gram Capital as stated in its letter of advice, we consider that the Framework Agreement and the transactions contemplated thereunder, as well as the proposed annual cap are (i) conducted in the ordinary and usual course of business of the Company; (ii) conducted on normal commercial terms or better; and (iii) fair and reasonable so far as the Independent Shareholders are concerned and are in the interest of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favor of the ordinary resolutions to approve, among others, the Framework Agreement and the transactions contemplated thereunder, as well as the proposed annual cap to be proposed at the EGM.

Yours faithfully,
Independent Board Committee

Mr. Shen Xiaoliu
*Independent non-
executive Director*

Mr. Qu Jiuhui
*Independent non-
executive Director*

Mr. Xie Qiuye
*Independent non-
executive Director*

Mr. Yeung Chi Tat
*Independent non-
executive Director*

* *for identification only*

LETTER FROM GRAM CAPITAL

Set out below is the text of a letter received from Gram Capital, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Transactions for the purpose of inclusion in this circular.



Room 1209, 12/F
Nan Fung Tower
88 Connaught Road Central/
173 Des Voeux Road Central
Hong Kong

30 September 2021

*To: The independent board committee and the independent shareholders
of Guodian Technology & Environment Group Corporation Limited**

Dear Sirs,

CONTINUING CONNECTED TRANSACTIONS FRAMEWORK AGREEMENT OF SALE OF COMPREHENSIVE PRODUCTS AND SERVICES

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the transactions contemplated under the Framework Agreement (the “**Transactions**”), details of which are set out in the letter from the Board (the “**Board Letter**”) contained in the circular dated 30 September 2021 issued by the Company to the Shareholders (the “**Circular**”), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

On 13 August 2021 (after trading hours), the Company entered into the Framework Agreement with Wangkui New Energy, pursuant to which the Company agrees to provide comprehensive products and services to Wangkui New Energy and its subsidiaries. The term of the Framework Agreement shall be effective from the date on which the Framework Agreement and the proposed annual cap for the transactions under the Framework Agreement are approved by the Independent Shareholders and end on 31 December 2021 (both days inclusive).

With reference to the Board Letter, the Transactions constitute continuing connected transactions of the Company and are subject to the reporting, annual review, announcement, circular and Independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

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The Independent Board Committee comprising Mr. Shen Xiaoliu, Mr. Qu Jiuhui, Mr. Xie Qiuye and Mr. Yeung Chi Tat (all being independent non-executive Directors) has been established to advise the Independent Shareholders on (i) whether the Transactions are entered into in the ordinary and usual course of business of the Group and on normal commercial terms; (ii) whether the terms of the Transactions are fair and reasonable and in the interests of the Company and the Shareholders as a whole; and (iii) how the Independent Shareholders should vote in respect of the resolution to approve the Transactions at the EGM. We, Gram Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

INDEPENDENCE

During the past two years immediately preceding the Latest Practicable Date, Gram Capital was engaged as an independent financial adviser in respect of (i) the continuing connected transactions of the Company as set out in the Company's circular dated 3 December 2019; (ii) the major and continuing connected transactions of the Company as set out in the Company's circular dated 23 October 2020; and (iii) the very substantial disposal and connected transactions of the Company as set out in the Company's circular dated 30 June 2021.

Notwithstanding the aforesaid past engagements, as at the Latest Practicable Date, we were not aware of any relationships or interests between Gram Capital and the Company, or any other parties that could be reasonably regarded as a hindrance to Gram Capital's independence to act as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders.

Besides that, apart from the advisory fee payable to us in connection with our appointment as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, no arrangement exists whereby we shall receive any other fees or benefits from the Company.

Having considered the above, in particular (i) none of the circumstances as set out under the Rule 13.84 of the Listing Rules existed as at the Latest Practicable Date; and (ii) the aforesaid past engagements were only independent financial adviser engagements, we are of the view that we are independent to act as the Independent Financial Adviser.

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BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinions and representations contained or referred to in the Circular and the information and representations as provided to us by the Directors. We have assumed that all information and representations that have been provided by the Directors, for which they are solely and wholly responsible, are true and accurate at the time when they were made and continue to be so as at the Latest Practicable Date. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its advisers and/or the Directors, which have been provided to us. Our opinion is based on the Directors' representation and confirmation that there is no undisclosed private agreement/arrangement or implied understanding with anyone concerning the Transactions. We consider that we have taken sufficient and necessary steps on which to form a reasonable basis and an informed view for our opinion in compliance with Rule 13.80 of the Listing Rules.

The Circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in the Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement therein or the Circular misleading. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Circular, save and except for this letter of advice.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent in-depth investigation into the business and affairs of the Company, Wangkui New Energy, their respective subsidiaries or associates, nor have we considered the taxation implication on the Group or the Shareholders as a result of the Transactions. Our opinion is necessarily based on the financial, economic, market and other conditions in effect and the information made available to us as at the Latest Practicable Date. Shareholders should note that subsequent developments (including any material change in market and economic conditions) may affect and/or change our opinion and we have no obligation to update this opinion to take into account events occurring after the Latest Practicable Date or to update, revise or reaffirm our opinion. In addition, nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

Lastly, where information in this letter has been extracted from published or otherwise publicly available sources, it is the responsibility of Gram Capital to ensure that such information has been correctly extracted from the relevant sources while we are not obligated to conduct any independent in-depth investigation into the accuracy and completeness of those information.

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PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the Transactions, we have taken into consideration the following principal factors and reasons:

1. Background of and reasons for the Transactions

Information on the Group

With reference to the Board Letter, the Group is primarily engaged in the provision of integrated clean technology solutions and services within the PRC with established market leading or dominant positions in the environmental protection, energy conservation solution industries in the PRC.

Information on Wangkui New Energy

With reference to the Board Letter, Wangkui New Energy is a company incorporated in the PRC with limited liability, and is owned as to 65% equity interests by the Company and as to 35% equity interests by Longyuan Technology. Wangkui New Energy is principally engaged in the construction and operation of wind and photovoltaic power generation, the inspection, design and construction of wind and photovoltaic power stations, as well as the installation, testing and maintenance of wind and photovoltaic power generation equipment.

Reasons for and benefits for the Transactions

With reference to the Board Letter, Wangkui New Energy is an important customer of the Group (excluding Wangkui New Energy and its subsidiaries). The self-constructed wind power projects of Wangkui New Energy require the procurement of the power station EPC services provided by the subsidiaries of the Group. Wangkui New Energy also needs to procure the centralized control data access and intelligent station construction, intelligent online or remote monitoring and monitoring system, relevant commissioning, management and operation services from the various subsidiaries of the Group.

Pursuant to the Framework Agreement, Wangkui New Energy agrees to prioritise the use of the Company's products and services, in the event that conditions and fees payable for the products and services to be provided by third parties are comparable with those of the products and services to be provided by the Company.

In addition, the Transactions are revenue transactions in nature and will have positive impact on the Group's revenue.

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Having considered that (i) the Transactions are conducted under the Group's principal business; and (ii) the Transactions are revenue transactions in nature and will have positive impact on the Group's revenue, we concur with the Directors that the Transactions are conducted in the ordinary and usual course of business of the Group and are in the interests of the Company and the Shareholders as a whole.

2. Principal terms of the Framework Agreement

The tables below summarise the major terms of the Framework Agreement:

Date:	13 August 2021
Parties:	(i) the Company; and (ii) Wangkui New Energy
Term:	The term of the Framework Agreement shall commence on the date on which the Framework Agreement and the proposed annual cap for the transactions under the Framework Agreement are approved by the Independent Shareholders and end on 31 December 2021 (both days inclusive).
Scope of products and services:	Pursuant to the Framework Agreement, the products or services that the Company shall provide to Wangkui New Energy and its subsidiaries include power station EPC, centralized control data access and intelligent station construction, intelligent online or remote monitoring and monitoring system, relevant commissioning, management and operation services.

Pricing policy

With reference to the Board Letter, the pricing of the products and services in relation to the Framework Agreement shall be determined in accordance with the following principles and sequence, but shall not be lower than the price offered by the Group to independent third parties for the same products or services: (1) where there is a government-prescribed price, the government-prescribed price; (2) where there is no government-prescribed price but there is a government-guidance price, the government-guidance price; (3) where there is neither government-prescribed price nor government-guidance price, the historical transaction price of prevailing market price; or (4) where none of the aforesaid is available, the principle of reasonable cost plus reasonable profit shall be adopted in determining the appropriate price.

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At present, the products and services to be provided to Wangkui New Energy are not subject to any government-prescribed price or government-guidance price. In this connection, the transactions contemplated under the Framework Agreement are expected to be conducted through bidding by reference to the historical price and quantity of the equipment and materials of similar specifications provided by the Group and on case-by-case basis, therefore, only the general principle (3) and (4) above are applicable.

Depending on the nature of project, the gross profit margin generally ranges from 5% to 25% (the “**Expected GP Range**”) according to the Board Letter. As confirmed by the Directors, the Transactions involve the Group’s provision of general contracting services for power station construction, and wind power products and services. We noted from the Company’s annual report for the year ended 31 December 2020 that the Group recorded gross profit margins of (i) approximately 20.0% for wind power products and services (2019: 24.8%); and (ii) approximately 3.9% for general contracting for power stations (2019: 13.1%). The Expected GP Range of 5% to 25% is comparable with the gross profit margins of the Group’s relevant segment/business line for the two years ended 31 December 2020.

With reference to the Board Letter, to ensure that the considerations for the continuing connected transactions of the Group are on normal commercial terms and that relevant terms (in particular, pricing terms, having taken into account reasonable costs and reasonable profits in determining the appropriate price) thereunder are complied with, the Company has adopted the supervision and internal control procedures, details of which are set out under the section headed “INTERNAL CONTROL PROCEDURES” of the Board Letter. Having considered that (i) various departments will be jointly responsible for evaluating terms (in particular the fairness of the pricing terms), including the finance and property department being responsible for reviewing the pricing strategies, rules and procedures, and regularly monitoring and reviewing the connected transactions (including but not limited to the implementation of pricing policies and transaction amounts, etc.); and (ii) prior to submission of each tender, there will be price research, analyses and evaluation procedures to ensure the tender price of the Group being in line with the prevailing market price and competitive, we are of the view that the effectiveness of implementation of the supervision and internal control procedures will ensure the fair pricing of the Transactions.

The Annual Cap

With reference to the Board Letter, the proposed annual cap (the “**Annual Cap**”) of the products and services to be provided by the Company to Wangkui New Energy under the Framework Agreement is RMB700.0 million.

The basis for determining the Annual Cap for the year ending 31 December 2021 are set out under the sub-section headed “Proposed Annual Cap and Basis of Determination” of the Board Letter.

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For our due diligence purpose, we obtained the calculation (the “**Calculation**”) of the Group’s estimated demand of the Transactions for the year ending 31 December 2021 (the “**Total Estimated Demands**”), which is close to the Annual Cap. According to the Calculation, the Total Estimated Demands were the aggregate of (i) the estimated demand for the Group’s (excluding Wangkui New Energy and its subsidiaries) power station EPC services (the “**EPC Demand**”) according to the engineering procurement and construction contract entered into between Guoneng Longyuan Power Technology and Engineering Co., Ltd. (i.e. a wholly-owned subsidiary of the Company) and Wangkui New Energy (a then wholly-owned subsidiary of the Company) in June 2021 (the “**EPC Contract**”); and (ii) the estimated demand for the Group’s centralized control data access and intelligent station construction, intelligent online or remote monitoring and monitoring system with relevant commissioning services and the estimated amount of expenses (including preliminary start-up expenses) paid by the Group on behalf of Wangkui New Energy (a then wholly-owned subsidiary of the Company) (the “**Other Demand**”).

According to the Calculation, the estimated demand of the Transactions for the year ending 31 December 2021 was calculated by the aggregate of (i) the EPC Demand (over 90% of the Total Estimated Demands); and (ii) the Other Demand.

EPC Demand

Upon our request, we obtained the EPC Contract. We noted that the EPC Demand as shown in the Calculation was consistent with the value of EPC Contract. In addition, based on the key timelines as shown in the EPC Contract, all wind turbine contemplated under the EPC projects were expected to connect to the grid (which indicated the completion of construction, as advised by the Directors) in 2021. Accordingly, we consider the EPC Demand for the year ending 31 December 2021 to be justifiable.

Other Demand

As advised by the Directors, the Other Demand was the aggregate of (i) the estimated demand for the Group’s centralized control data access and intelligent station construction, intelligent online or remote monitoring and monitoring system with relevant commissioning services (the “**Products Demand**”), which was determined with reference to cost of similar services for a recent wind power project with similar installed capacity; and (ii) the estimated amount of expenses (including preliminary start-up expenses) paid by the Group on behalf of Wangkui New Energy (a then wholly-owned subsidiary of the Company).

As advised by the Company, the Group’s centralized control data access and intelligent station construction, intelligent online or remote monitoring and monitoring system will be used for construction of wind farm.

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Upon our request, the Directors provided us the breakdown for the Products Demand with supporting agreements. We noted that (i) the installed capacity of the referencing wind power project is 99MW (installed capacity of the project under the EPC Contract is 100MW); (ii) the Products Demand was in line with the aggregate values of the agreements. Accordingly, we consider the Products Demand to be justifiable.

The Directors further provided us the estimated amount of expenses (including preliminary start-up expenses) paid by the Group on behalf of Wangkui New Energy, which was determined with reference to the actual amount of expenses with relevant estimated value-added-tax.

Based on the above factors, we consider the Other Demand for the year ending 31 December 2021 to be justifiable.

Having considered the above, we are of the view that the Annual Cap (which was close to the Total Estimated Demands) for the year ending 31 December 2021 are fair and reasonable.

Shareholders should note that as the Annual Cap for the year ending 31 December 2021 are relating to future events and were estimated based on assumptions which may or may not remain valid for the entire period up to 31 December 2021, and they do not represent forecasts of revenue/income to be generated from the Transactions. Consequently, we express no opinion as to how closely the actual revenue/income to be generated from the Transactions will correspond with the Annual Cap.

3. Listing Rules implication

The Directors confirmed that the Company shall comply with the requirements of Rules 14A.53 to 14A.59 of the Listing Rules pursuant to which (i) the value of the Transactions must be restricted by the Annual Cap for the period concerned under the Framework Agreement; (ii) the terms of the Transactions must be reviewed by the independent non-executive Directors annually; (iii) details of independent non-executive Directors' annual review on the terms of the Framework Agreement must be included in the Company's subsequent published annual reports.

Furthermore, it is also required by the Listing Rules that the auditors of the Company must provide a letter to the Board confirming, among other things, whether anything has come to their attention that causes them to believe that the Transactions (i) have not been approved by the Board; (ii) were not, in all material respects, in accordance with the pricing policies of the Group if the transactions involve the provision of goods or services by the Group; (iii) were not entered into, in all material respects, in accordance with the relevant agreement governing the transactions; and (iv) has exceeded the Annual Cap.

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In the event that the total amounts of the Transactions are anticipated to exceed the Annual Cap, or that there is any proposed material amendment to the terms of the Framework Agreement, as confirmed by the Directors, the Company shall comply with the applicable provisions of the Listing Rules governing continuing connected transactions.

Given the above stipulated requirements for continuing connected transactions pursuant to the Listing Rules, we are of the view that there are adequate measures in place to monitor the Transactions and thus the interest of the Independent Shareholders would be safeguarded.

RECOMMENDATION

Having taken into consideration the factors and reasons as stated above, we are of the opinion that (i) the terms of the Transactions are on normal commercial terms and are fair and reasonable; and (ii) the Transactions are conducted in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the resolution to be proposed at the EGM to approve the Transactions and we recommend the Independent Shareholders to vote in favour of the resolution in this regard.

Yours faithfully,
For and on behalf of
Gram Capital Limited
David Kwan
Director

Note:

Mr. David Kwan is a licensed person registered with the Securities and Futures Commission and a responsible officer of Gram Capital Limited to carry out Type 6 (advising on corporate finance) regulated activity under the SFO. He has around 15 years of experience in investment banking industry.

* *for identification purpose only*

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS**Directors', Supervisors' and Chief Executive's Interests**

As at the Latest Practicable Date, other than as disclosed herein, none of the Directors, supervisors or chief executive of the Company had an interest or short position in any shares, underlying shares or debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she was taken or deemed to have under such provisions of the SFO) or which was required, pursuant to section 352 of the SFO, to be entered in the register to therein, or pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers in the Listing Rules to be notified to the Company and the Stock Exchange.

Except for the positions held by Mr. Song Chang and Mr. Zhang Wenjian at China Energy, and Mr. Gu Yuchun at Guodian Power, as at the Latest Practicable Date, none of the Directors was a director or employee of a company that had an interest or short position in the shares and underlying shares that would need to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

Substantial Shareholder's Interest and Short Positions in the Shares and Underlying Shares of the Company

As at the Latest Practicable Date, so far as known to the Directors, the following persons (other than directors, supervisors and senior management of the Company) had interests or short positions in the Shares or underlying Shares of the Company that would need to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO:

Name of Shareholders	Class of Share	Capacity	Number of Shares/ underlying shares held (shares)	Percentage in the relevant class of share capital ⁽¹⁾	Percentage in the total share capital ⁽¹⁾
China Energy	Domestic Shares	Interests of beneficial owner and controlled corporation	4,754,000,000 ⁽²⁾ (Long position)	100.00	78.40
Guodian Power	Domestic Shares	Interests of beneficial owner and controlled corporation	2,376,500,000 ⁽²⁾ (Long position)	49.99	39.19
Mr. Yan Andrew Y.	H Shares	Interests of controlled corporation	288,200,000 ⁽³⁾ (Long position)	22.00	4.75
SAIF IV GP Capital Ltd.	H Shares	Interests of controlled corporation	288,200,000 ⁽³⁾ (Long position)	22.00	4.75
SAIF IV GP, L.P.	H Shares	Interests of controlled corporation	288,200,000 ⁽³⁾ (Long position)	22.00	4.75
SAIF Partners IV L.P.	H Shares	Interests of beneficial owner	288,200,000 ⁽³⁾ (Long position)	22.00	4.75

Notes:

- (1) This percentage is calculated based on the number of relevant shares/total shares issued by the Company as at the Latest Practicable Date. As at the Latest Practicable Date, the total number of shares of the Company is 6,063,770,000, of which 4,754,000,000 shares are Domestic Shares and 1,309,770,000 shares are H Shares.
- (2) As at the Latest Practicable Date, China Energy owned 46.00% of the total shares of Guodian Power, and Guodian Power owned 49.99% of the Company's Domestic Shares. Hence, China Energy holds an aggregate of 4,754,000,000 Domestic Shares in the Company directly or indirectly, which represents approximately 78.40% of the Company's total issued share capital, and is the controlling shareholder of the Company.
- (3) Mr. YAN Andrew Y. indirectly held 22.00% interest in the H Shares of the Company via SAIF Partners IV L. P. through SAIF IV GP Capital Ltd. and SAIF IV GP, L.P. Mr. YAN Andrew Y. is the controlling shareholder of SAIF IV GP Capital Ltd., SAIF IV GP LP, and SAIF Partners IV L.P. SAIF IV GP Capital Ltd. is the controlling shareholder of SAIF IV GP, L.P., which is the controlling shareholder of SAIF Partners IV L.P.. SAIF Partners IV L.P. held 22.00% interest in the H Shares of the Company. Therefore, Mr. YAN Andrew Y., SAIF IV GP Capital Ltd. and SAIF IV GP, L.P. are deemed to be interested in the H Shares of the Company held by SAIF Partners IV L.P.

3. SERVICE CONTRACTS

In compliance with relevant laws and regulations and the articles of association, except for the service contract entered into by Ms. Chen Jing, a supervisor, with the Company on 30 June 2021, each of the executive Directors and the supervisors of the Company has entered into a service contract with the Company on 7 August 2020, and except for the letter of appointment entered into by Mr. Song Chang, a non-executive Director, with the Company on 30 June 2021, each of the non-executive Directors and the independent non-executive Directors has entered into a letter of appointment with the Company on 7 August 2020. Each service contract/letter of appointment is valid from the date of signing until 6 August 2023, with an one-year automatic renewal clause.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors had entered into any service agreements with any member of the Group, excluding contracts expiring or determinable by the Group within one year without payment of compensation (other than statutory compensation).

4. INTERESTS IN OTHER COMPETING BUSINESS

As at the Latest Practicable Date, except as disclosed below, none of the Directors and their close associates had any competing interests in any business that competed or was likely to compete, either directly or indirectly, with the business of the Group:

Name of Directors Position in the Company Other Interests

Mr. Song Chang	Non-executive Director	Director of the Corporate Management and Legal Affairs Department (Reform Office) of China Energy
Mr. Zhang Wenjian	Non-executive Director	First-level Business Director of Science and Technology Department of China Energy
Mr. Gu Yuchun	Non-executive Director	First-level Business Director of Guodian Power

5. INTEREST IN ASSETS

As at the Latest Practicable Date, none of the Directors, supervisors or chief executive of the Company had any direct or indirect interest in any assets which have been, since 31 December 2020, being the date to which the latest published audited consolidated accounts of the Group were made up, acquired or disposed of by or leased to any member of the Group or are proposed to be acquired or disposed of by or leased to any member of the Group.

6. INTERESTS IN CONTRACT OR ARRANGEMENT

As at the Latest Practicable Date, none of the Directors, supervisors or chief executive of the Company was materially interested, either directly or indirectly, in any subsisting contract or arrangement that is significant in relation to the business of the Group.

7. EXPERTS AND CONSENTS

Gram Capital is a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activity under the SFO. Its letter of advice to the Independent Board Committee and the Independent Shareholders dated as of the date of this circular was given for the purpose of incorporation herein.

Gram Capital has given and has not withdrawn its written consent to the issue of this circular with a copy of its letter and the reference to its name and its advice included in this circular in the form and context in which they respectively appear.

As at the Latest Practicable Date, Gram Capital did not have any shareholding, directly or indirectly, in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, Gram Capital did not possess any direct or indirect interests in any assets which had been, since 31 December 2020, being the date to which the latest published audited consolidated accounts of the Group were made up, acquired or disposed of by or leased to any member of the Group or are proposed to be acquired or disposed of by or leased to any member of the Group.

8. LITIGATIONS

As at the Latest Practicable Date, the Group was not engaged in any litigation or claims of material importance and there was no litigation or claims of material importance known to the Directors to be pending or threatened by or against the Group.

9. MATERIAL ADVERSE CHANGE

Save as disclosed in the interim report of the Company for the six months ended 30 June 2021, as at the Latest Practicable Date, the Directors confirm that there has been no material adverse change in the financial or trading positions of the Group since 31 December 2020, being the date of which the latest published audited consolidated financial statements of the Group were made up.

10. MATERIAL CONTRACTS

The following contracts (not being contracts in the ordinary course of business) have been entered into by members of the Group after the date two years immediately preceding the Latest Practicable Date and are or may be material:

- (a) on 23 September 2021, the Company entered into a capital injection and equity transfer agreement with Huajing Credit Holding (Tianjin) Equity Investment Fund Partnership (Limited Partnership)* (華景信控(天津)股權投資基金合夥企業(有限合夥)), China Internet Investment Fund (Limited Partnership)* (中國互聯網投資基金(有限合夥)), Kegai Ceyuan (Chongqing) Private Equity Investment Fund Partnership (Limited Partnership)* (科改策源(重慶)私募股權投資基金合夥企業(有限合夥)) (collectively, the “**Financial Investors**”), Shenzhen Inovance Technology Co Ltd (深圳市匯川技術股份有限公司), Chinasoft International Information Technology Limited (北京中軟國際信息技術有限公司), Hainan Xinkong Huizhi Enterprise Management Partnership (Limited Partnership)* (海南信控匯智企業管理合夥企業(有限合夥)), Hainan Xinkong Huitong Enterprise Management Partnership (Limited Partnership)* (海南信控慧通企業管理合夥企業(有限合夥)) and Guoneng I&C Interconnection Technology Co., Ltd.* (國能信控互聯技術有限公司) (“**Guoneng I&C**”) in relation to its disposal of 49% equity interests in Guoneng I&C at an aggregation consideration of RMB322.27 million;
- (b) on 23 September 2021, the Company entered into a supplemental agreement to the Capital Injection and Equity Transfer Agreement with the Financial Investors setting out the grant of put right which entitles each of the Financial Investors to require the Company to acquire its equity interests in Guoneng I&C;
- (c) on 15 September 2021, Guoneng Longyuan Environmental Co., Ltd.* (國能龍源環保有限公司) (being a non-wholly owned subsidiary of the Company) and South Huiton Co., Ltd.* (南方匯通股份有限公司) entered into a subscription agreement, pursuant to which, Guoneng Longyuan Environmental Co., Ltd.* has conditionally agreed to subscribe for, and South Huiton Co., Ltd.* has conditionally agreed to issue, 25,000,000 A shares at a total subscription amount of RMB203.75 million;
- (d) on 11 August 2021, the Company, Longyuan Technology and Wangkui New Energy entered into a second capital injection agreement, pursuant to which, the Company agreed to contribute new capital of RMB56,550,000 into Wangkui New Energy;

- (e) on 5 July 2021, the Company, Longyuan Technology and Wangkui New Energy entered into a capital injection agreement, pursuant to which, the Company agreed to contribute new capital of RMB39,950,000 into Wangkui New Energy;
- (f) on 16 June 2021, the Company and China Energy entered into a supplemental agreement to amend the non-competition agreement dated 23 November 2011, pursuant to which, the definition of the “main businesses” of the Company was amended as “the provision of environmental protection solutions (including desulfurization, denitrification, dust removal, water treatment, etc.) and energy conversation solutions (including plasma ignition, residual heat recovery, steam turbine flow modification and information system control, etc.) by the Company or its subsidiaries”;
- (g) on 16 June 2021, the Company, China Energy, Longyuan Power (being a non-wholly owned subsidiary of China Energy and a connected person of the Company) and Guodian United Power Technology Co., Ltd. (being a non-wholly owned subsidiary of the Company) entered into an equity transfer and capital injection agreement, pursuant to which, the Company conditionally agreed to dispose of approximately 15.68% equity interest in Guodian United Power to China Energy at a consideration of RMB407,681,944. Immediately upon completion of the Equity Transfer, China Energy and Longyuan Power will make capital injection of approximately RMB1,474,662,400 and RMB631,998,172 into Guodian United Power, respectively, which will result in a further dilution of the Company’s equity interest in Guodian United Power to 30%;
- (h) on 19 April 2021, Beijing Lucency Enviro-Tech Co., Ltd.* (國能朗新明環保科技有限公司) (being a wholly-owned subsidiary of the Company) as transferor and Goldwind Environmental Protection Co., Ltd.* (金風環保有限公司) (being an Independent Third Party) as transferee entered into a property rights transaction agreement (產權交易合同) in relation to the disposal of 210,000,000 shares in Guodian Galaxy Water Co., Ltd.* (國電銀河水務股份有限公司) at a consideration of RMB514,983,000;

- (i) on 18 March 2021, China Energy Group Xinjiang Energy Co., Ltd.* (國家能源集團新疆能源有限責任公司) (being a wholly-owned subsidiary of China Energy and a connected person of the Company), Xinjiang Derun Economic Construction Development Co., Ltd.* (新疆德潤經濟建設發展有限公司) (being an Independent Third Party), State Grid Xinjiang Electric Power Co., Ltd.* (國網新疆電力有限公司), Beijing Longyuan Environmental Engineering Co., Ltd.* (北京國電龍源環保工程有限公司) (being a wholly-owned subsidiary of the Company) and TBEA Xinjiang Sunoasis Co., Ltd.* (特變電工新疆新能源股份有限公司) (being an Independent Third Party) entered into a joint venture agreement, pursuant to which a joint venture company will be jointly established by the parties thereto with a registered capital of RMB200,010,000. Beijing Longyuan Environmental Engineering Co., Ltd.* will contribute RMB30,001,500 in cash to the joint venture company, accounting for 15% of the total registered capital of the joint venture company;
- (j) on 22 January 2021, the Company entered into an equity transfer agreement with China Energy Capital Holdings Co., Ltd. (國家能源集團資本控股有限公司) (being a wholly-owned subsidiary of China Energy and a connected person of the Company), pursuant to which the Company agreed to sell, and China Energy Capital Holdings Co., Ltd. (國家能源集團資本控股有限公司) agreed to acquire, 5% of the equity interest in Guodian Insurance Broker (Beijing) Co., Ltd. (國電保險經紀(北京)有限公司), at the consideration of RMB46,923,140.79;
- (k) on 30 December 2020, the Company entered into a property lease framework agreement for 2021 with Guodian New Energy Technology Research Institute Limited* (國電新能源技術研究院有限公司) (being a wholly-owned subsidiary of China Energy and a connected person of the Company), pursuant to which, Guodian New Energy Technology Research Institute Limited* agreed to lease certain properties to the Group for a period of one year from 1 January 2021 to 31 December 2021, with an annual cap of RMB42 million;
- (l) on 29 September 2020, the Company entered into a financial services framework agreement with China Energy Finance Co., Ltd.* (國家能源集團財務有限公司) (being a wholly-owned subsidiary of China Energy and a connected person of the Company), pursuant to which China Energy Finance Co., Ltd.* shall provide finance services to the Group for a term from the date of consideration and approval at the general meeting of the Company to 31 December 2022, with an annual cap of RMB45 million for each year;

- (m) on 13 August 2020, Beijing Guodian Longyuan Environmental Engineering Co., Ltd. (being a subsidiary of the Company), entered into an investment agreement with Tianshenggang Power Generation Co., Ltd. (天生港發電有限公司) (being a wholly-owned subsidiary of China Energy and a connected person of the Company) and Jin Tong Ling Technology Group Co., Ltd. (金通靈科技集團股份有限公司) (being an Independent Third Party) on the establishment of a joint venture. Beijing Guodian Longyuan Environmental Engineering Co., Ltd. will contribute RMB26 million in cash to the joint venture, accounting for 26% of the total registered capital of the joint venture;
- (n) on 10 January 2020, the Company entered into an equity transfer agreement with Beijing Huadian Tiande Assets Operation Co., Ltd. (北京華電天德資產經營有限公司) (being a connected person of the Company at the subsidiary level), pursuant to which the Company agreed to acquire and Beijing Huadian Tiande Assets Operation Co., Ltd. agreed to sell its 10% equity interest of Beijing Huadian Tianren Power Controlling Technology Co., Ltd. (北京華電天仁電力控制技術有限公司) at the consideration of RMB27,111,294; and
- (o) on 30 December 2019, the Company entered into a property lease framework agreement for 2020 with Guodian New Energy Technology Research Institute Limited*, pursuant to which, Guodian New Energy Technology Research Institute Limited* agreed to lease certain properties to the Group for a period of one year from 1 January 2020 to 31 December 2020, with an annual cap of RMB42 million.

11. GENERAL

- (a) The registered office of the Company is located at Suite 1101, 11/F, Building 1 Yard 16, W. 4th Ring Middle Road Haidian District, Beijing, PRC.
- (b) The principal place of business of the Company in Hong Kong is 31/F, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong.
- (c) The H Share registrar of the Company is Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- (d) The company secretary of the Company is Mr. Lee Kwok Fai Kenneth. Mr. Lee Kwok Fai Kenneth is an associate member of Hong Kong Certified Public Accountants, a member of the American Institute of Certified Public Accountants in the United States and a Chartered Financial Analyst.
- (e) The English text of this circular shall prevail over the Chinese text in the event of inconsistency, unless otherwise the context requires.

12. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at 31/F, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong from the date of this circular and up to and including the date which is 14 days from the date of this circular:

1. the articles of association of the Company;
2. the Framework Agreement;
3. the letter from Gram Capital, the full text of which is set out in this circular;
4. the material contracts referred to in this Appendix; and
5. the Directors' service contracts or letters of appointment (as the case may be) with the Company.

NOTICE OF EGM



國電科技環保集團股份有限公司

GUODIAN TECHNOLOGY & ENVIRONMENT GROUP CORPORATION LIMITED*

(a joint stock company incorporated in the People's Republic of China with limited liability)

(Stock code: 01296)

NOTICE OF THE SECOND EXTRAORDINARY GENERAL MEETING FOR THE YEAR 2021

NOTICE IS HEREBY GIVEN THAT the second extraordinary general meeting (the “**EGM**”) of Guodian Technology & Environment Group Corporation Limited (the “**Company**”) for the year 2021 will be held at the Conference Room, 12th Floor, Building 1, Yard 16, W. 4th Ring Middle Road, Haidian District, Beijing, the People's Republic of China (the “**PRC**”) at 3:00 p.m. on Tuesday, 19 October 2021, for the purpose of considering and, if thought fit, approving the following resolutions:

AS ORDINARY RESOLUTIONS

1. To consider and approve the appointment of Mr. Li Caiyun (“**Mr. Li**”) as an executive director of the Company, effective from the date on which this resolution is approved by the shareholders at the EGM and until the expiration of the term of the fourth session of the Board and, upon Mr. Li's appointment as a director of the Company, to authorize the remuneration and appraisal committee of the Board to determine the remuneration of Mr. Li, and to authorize any one of the executive directors of the Company to enter into a letter of appointment with Mr. Li and to handle all other relevant matters on behalf of the Company.
2.
 - (a) To consider and approve the entering into of the Framework Agreement between the Company and Guoneng Technology & Environment Wangkui New Energy Co., Ltd.* (國能科環望奎新能源有限公司) (“**Wangkui New Energy**”) (as defined in the announcement of the Company in relation to entering into continuing connected transactions dated 13 August 2021).
 - (b) To consider and approve the proposed annual cap of the products and services to be provided by the Company to Wangkui New Energy under the Framework Agreement, which is RMB700.0 million.

NOTICE OF EGM

- (c) Any one of the directors for and on behalf of the Company be and is hereby authorized, among other matters, to sign, execute, perfect and deliver or to authorize signing, executing, perfecting and delivering all such documents and deeds, to do or authorize doing all such acts, matters and things as he/she may in his/her discretion consider necessary, expedient or desirable to give effect to and implement the Framework Agreement and to waive compliance from or make and agree such amendments of a non-material nature to any of the terms of the Framework Agreement he/she may in his/her discretion consider to be desirable and in the interests of the Company and all the directors' acts as aforesaid.

By order of the Board of
Guodian Technology & Environment Group Corporation Limited*
Mr. CHEN Dongqing
Chairman

Beijing, PRC, 30 September 2021

* *For identification purposes only*

Notes:

1. Important

The Company will dispatch and publish a circular containing further details relating to the resolutions in due course. The form of proxy and the reply slip for the EGM will be dispatched and published by the Company on the same date as this notice of the EGM.

2. Closure of Register of Members

The register of members of the Company will be closed from Monday, 18 October 2021 to Tuesday, 19 October 2021, both days inclusive, during which period no transfer of shares will be registered. In order to qualify to attend and vote at the EGM, all transfers accompanied by the relevant share certificates must be lodged with the H share registrar of the Company, namely Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for holders of H shares) or the head office of the Company (for holders of domestic shares) at Building 1, Yard 16, W. 4th Ring Middle Road, Haidian District, Beijing, PRC no later than 4:30 p.m. on Friday, 15 October 2021.

3. Eligibility for Attending the EGM

Holders of H shares and domestic shares whose names appear on the register of members of the Company on Tuesday, 19 October 2021 are entitled to attend and vote at the EGM.

4. Proxy

Shareholders entitled to attend and vote at the EGM may appoint one or more proxies to attend and vote on his/her behalf. A proxy need not be a shareholder of the Company.

If the appointer is a legal person, its legal representative or any person authorized by resolutions of the board of the directors or other governing bodies may attend the EGM on behalf of the appointer.

NOTICE OF EGM

In order to be valid, the form of proxy, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power of attorney or other authority, must be deposited to the H share registrar of the Company (for holders of H shares), namely Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong or the head office of the Company (for holders of domestic shares) at Building 1, Yard 16, W. 4th Ring Middle Road, Haidian District, Beijing, PRC not less than 24 hours before the time appointed for holding the EGM or any adjournment thereof. If the appointer is a legal person, the proxy form must be either executed under its common seal or under the hand of its directors or attorney duly authorized.

5. Registration Procedures for Attending the EGM

The Company has the rights to request a proxy who attends the EGM on behalf of a shareholder to provide proof of identity. Shareholders who intend to attend the EGM should complete and return the reply slip by hand or by post to the H share registrar of the Company (for holders of H shares), namely Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong or to the head office of the Company (for holders of domestic shares) at Building 1, Yard 16, W. 4th Ring Middle Road, Haidian District, Beijing, PRC on or before Sunday, 10 October 2021.

6. Method of Voting at the EGM

Voting at the EGM will be conducted by way of poll.

7. Miscellaneous

(i) The EGM is expected to take half a day. Shareholders or their proxies attending the EGM shall be responsible for their own travel and accommodation expenses. Shareholders or their proxies shall produce their identification documents for verification when attending the EGM.

(ii) Contacts of the Company are as follows:

Address:	Building 1, Yard 16 W. 4th Ring Middle Road Haidian District Beijing, PRC
Contact Person (for Shareholders in the PRC):	Ms. Qin Xiangling Telephone: (8610) 5765 9867
Contact Person (for Shareholders outside the PRC):	Mr. Lee Kwok Fai Kenneth Telephone: (852) 2822 0158

As at the date of this notice, the executive directors of the Company is Mr. Chen Dongqing; the non-executive directors are Mr. Wang Zhongqu, Mr. Song Chang, Mr. Zhang Wenjian, Mr. Gu Yuchun and Ms. Ge Xiaojing; and the independent non-executive directors are Mr. Shen Xiaoliu, Mr. Qu Jiuhui, Mr. Xie Qiuye and Mr. Yeung Chi Tat.