

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



綠色動力
DYNAGREEN

綠色動力環保集團股份有限公司
Dynagreen Environmental Protection Group Co., Ltd.*
(a joint stock limited liability company incorporated in the People's Republic of China)
(Stock Code: 1330)

**REALLOCATION OF THE SURPLUS PROCEEDS OF
A SHARE CONVERTIBLE BONDS TO WORKING CAPITAL**

References are made to the announcement of Dynagreen Environmental Protection Group Co., Ltd.* (綠色動力環保集團股份有限公司) (the “**Company**”) dated 23 July 2021, the circular dated 6 August 2021, the announcement on the poll results of the extraordinary general meeting dated 24 August 2021, and the announcement dated 22 February 2022 in relation to the proposed issuance of A share convertible corporate bonds (the “**A Share Convertible Bonds**”).

I. BASIC INFORMATION ON PROCEEDS

As approved by the Approval for the Public Issuance of A Share Convertible Corporate Bonds of Dynagreen Environmental Protection Group Co., Ltd.* (綠色動力環保集團股份有限公司)” (Zheng Jian Xu Ke [2022] No. 132) issued by China Securities Regulatory Commission, the Company publicly issued A Share Convertible Bonds with a total par value of RMB2.36 billion on 25 February 2022. The net proceeds after deducting issuance expenses amounted to approximately RMB2.345 billion. KPMG Huazhen LLP verified the receipt of the abovementioned proceeds and issued KPMG Huazhen Yan Zi No. 2200627 capital verification report.

II. USE OF PROCEEDS

As at the end of February 2025, the Company has accumulatively used RMB2,251,674,500 of proceeds, and the use of proceeds for each proceeds funded project is as follows:

No.	Name of project	Proposed investment of proceeds (RMB'0,000)	Actual investment amount of proceeds accumulatively used (RMB'0,000)	Unused amount (RMB'0,000)	Date of project ready for the intended use
1	Dengfeng Project	15,000.00	15,000.00	0	December 2021
2	Enshi Project	35,866.30	35,832.64	33.66	September 2022
3	Shuozhou Project	34,321.56	32,338.12	1,983.44	March 2023
4	Wuhan Phase II Project	58,184.15	57,463.99	720.16	June 2023
5	Huludao Waste-to-energy Project	35,627.99	29,056.06	6,571.93	May 2023
6	Replenishment of working capital and repayment of bank loans	55,476.64	55,476.64	0	N/A
	Total	<u>234,476.64</u>	<u>225,167.45</u>	<u>9,309.19</u>	

III. SURPLUS OF PROCEEDS AND REASONS THEREFOR

(I) Deposit of proceeds

As at the end of February 2025, the balance of proceeds raised by the Company's public issuance of convertible bonds was RMB117,300,800 (including interests), which was deposited in the special proceeds accounts. The Company and its subsidiaries have signed tripartite supervision agreements with the sponsor China Securities Co., Ltd. ("China Securities") and the deposit banks. Details are as follows:

Unit: RMB'0,000

No.	Bank account name	Bank	Bank account number	Balance	Note
1	Dynagreen Environmental Protection Group Co., Ltd.*	Shenzhen Branch of China Merchants Bank Co., Ltd.	755903860310566	8,004.06	
2	Dengfeng Dynagreen Renewable Energy Co., Ltd.	Qianhai Branch of Postal Savings Bank of China Co., Ltd.	944032010001238974	-	Cancelled in 2022
3	Enshi Green Power Renewable Energy Co., Ltd.	Qianhai Branch of Postal Savings Bank of China Co., Ltd.	944035010001238989	42.16	
4	Shuozhou Dynagreen Nanshan Environmental Energy Co., Ltd.	Shenzhen Branch of HSBC Bank (China) Company Limited	622614295050	1,995.26	
5	Wuhan Dynagreen Renewable Energy Co., Ltd.	Shenzhen Branch of China Merchants Bank Co., Ltd.	755917444410104	736.30	
6	Huludao Dynagreen Environment Co., Ltd.	Liaoning Branch of China Development Bank	21101560017926480000	952.30	
	Total			<u>11,730.08</u>	

(II) Main reasons for surplus of proceeds

1. In the implementation of the proceeds funded projects, the Company has strictly complied with the relevant regulations on the use of the proceeds. On the premise of safeguarding the progress and quality of the project construction and adhering to the principle of reasonableness, effectiveness and economy, the Company reasonably allocated resources, strengthened the management of expenses, continued optimizing the procurement methods and centralized the procurement of equipment, saving the project expenditures.
2. Some construction contracts contained installment payment terms, which resulted in the outstanding warranty deposits taking a certain period of time to be disbursed.
3. On the basis of ensuring the normal implementation of proceeds funded projects and the safety of the proceeds, the proceeds also generated a certain amount of interest income during the deposit period.

IV. PLAN ON REPLENISHMENT OF WORKING CAPITAL

As the abovementioned proceeds funded projects have reached the predetermined status and are ready for use, in order to improve the efficiency of the use of proceeds, the Company proposed to reallocated the surplus proceeds of RMB117,300,800 (the actual amount is subject to the balance of the special account on the date of the transfer of proceeds) to permanently supplement working capital. The remaining quality guarantee deposit of each proceeds funded project will be paid by the Company with its own funds.

After the surplus proceeds are transferred out, the abovementioned special proceeds accounts will no longer be used, and the Company will proceed with the account cancellation procedures. After the cancellation of the special proceeds accounts, the relevant supervision agreements signed by the Company and its subsidiaries with the sponsor and the deposit banks will be terminated.

V. DECISION-MAKING PROCEDURES PERFORMED BY THE COMPANY

(I) Convening and consideration of the meeting of the board of directors

On 28 March 2025, the Company held the seventh meeting of the fifth session of the board (the “**Board**”) of directors (the “**Director(s)**”), at which the Proposal on the Reallocation of Surplus Proceeds to Supplement Working Capital was considered and approved, pursuant to which the Company was approved to reallocate the surplus proceeds from A Share Convertible Bonds to permanently supplement working capital.

(II) Opinions of the supervisory committee

On 28 March 2025, the Company held the fourth meeting of the fifth session of the supervisory committee (the “**Supervisory Committee**”), at which the Proposal on the Reallocation of Surplus Proceeds to Supplement Working Capital was considered and approved. The supervisors attending the meeting were of the view that the contents and procedures of the reallocation of surplus proceeds from A Share Convertible Bonds by the Company to permanently supplement working capital were in line with relevant laws and regulations, the Company’s proceeds management system and other relevant provisions, as well as the actual use of the proceeds, without change or disguised change of use of proceeds or harming the interests of shareholders, especially the interests of minority shareholders. The Supervisory Committee unanimously agreed with the Company’s reallocation of surplus proceeds from A Share Convertible Bonds to permanently supplement working capital.

The surplus of proceeds (including interest) accounts for 5% of the net proceeds, not reaching 10% of the net proceeds. Pursuant to the Guidelines for the Self-discipline Supervision of Listed Companies on the Shanghai Stock Exchange No. 1 – Standardized Operation (《上海證券交易所上市公司自律監管指引第1號–規範運作》), this matter is not required the approval at the general meeting of the Company.

(III) Opinions of the sponsor

After verification, China Securities is of the view that the reallocation of surplus proceeds from A Share Convertible Bonds by the Company to permanently supplement working capital has been considered and approved by the Board and the Supervisory Committee, and is in line with the Regulatory Guidelines for Listed Companies No.2 – Regulatory Requirements for the Management and Use of Funds Raised by Listed Companies (《上市公司監管指引第2號–上市公司募集資金管理和使用的監管要求》), the Guidelines for the Self-discipline Supervision of Listed Companies on the Shanghai Stock Exchange No. 1 – Standardized Operation (《上海證券交易所上市公司自律監管指引第1號–規範運作》) and other laws and regulations.

In summary, the sponsor has no objection to the reallocation of surplus proceeds by the Company to permanently supplement working capital.

By Order of the Board
Dynagreen Environmental Protection Group Co., Ltd.*
Qiao Dewei
Chairman

Shenzhen, the PRC
28 March 2025

As of the date of this announcement, the executive directors of the Company are Mr. Qiao Dewei and Mr. Hu Shengyong; the non-executive directors of the Company are Mr. Liu Shuguang, Mr. Zhao Zhixiong, Mr. Hu Tianhe and Mr. Yan Chunxu; and the independent non-executive directors of the Company are Ms. Ouyang Jiejiao, Mr. Zheng Zhiming and Mr. Zhou Beihai.

* For identification purposes only