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光大環境
EVERBRIGHT ENVIRONMENT

CHINA EVERBRIGHT ENVIRONMENT GROUP LIMITED

中國光大環境（集團）有限公司

(Incorporated in Hong Kong with limited liability)

(Stock code: 257)

(I) PROPOSED ISSUE OF RMB SHARES UNDER THE SPECIFIC MANDATE; AND (II) CONNECTED TRANSACTION IN RELATION TO THE UNDERWRITING COMMITMENT

Reference is made to the announcement of the Company dated 14 November 2025 (the "**Announcement**") in relation to, among other things, the Proposed Issue of RMB Shares. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

PROPOSED ISSUE OF RMB SHARES UNDER THE SPECIFIC MANDATE

The Company is pleased to announce that, on 6 November 2026, the Board has approved the Proposed Issue of RMB Shares, the Specific Mandate and related matters. As at the date of this announcement, the Proposed Issue of RMB Shares shall remain conditional upon and subject to, among other things, the Shareholders' approval at the general meeting of the Company and the necessary Regulatory Approvals.

THE UNDERWRITING COMMITMENT

The Company further announces that on 6 November 2026, the Company entered into the Everbright Securities Sponsor and Underwriting Agreement with Everbright Securities, pursuant to which the Company has, among other things, engaged Everbright Securities as one of the lead underwriters and sponsors in respect of the Proposed Issue of RMB Shares.

LISTING RULES IMPLICATIONS

As at the date of this announcement, China Everbright Group, through its wholly-owned subsidiaries, holds approximately 43.08% equity interest in the Company, and is a controlling shareholder of the Company. Therefore, China Everbright Group and its associate, Everbright Securities, are connected persons of the Company under Chapter 14A of the Listing Rules. Accordingly, the Underwriting Commitment, and the transactions contemplated thereunder, constitute connected transactions of the Company under the Listing Rules, and thus are subject to the reporting, announcement, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As at the date of this announcement, China Everbright Group and its associates, which own 2,646,233,137 Shares, representing approximately 43.08% of the existing number of Shares in issue. China Everbright Group and its associates shall abstain from voting on the resolution(s) in relation to the Underwriting Commitment and the transactions contemplated thereunder at the EGM. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, no other Shareholders are required to abstain from voting at the EGM in respect of the Underwriting Commitment and the transactions contemplated thereunder.

None of the Directors has any material interest in the Proposed Issue of RMB Shares, the Underwriting Commitment and the transactions contemplated thereunder. However, in view of good corporate governance practices, each of Mr. Kang Guoming and Ms. Qu Li, both being non-executive Directors who are also employees of China Everbright Group, had abstained from voting on the relevant Board resolution(s) approving the Underwriting Commitment and the transactions contemplated thereunder.

GENERAL

The EGM will be convened for the purpose of, among other things, obtaining Shareholders' approval for the Proposed Issue of RMB Shares, the Specific Mandate and related matters, and obtaining Independent Shareholders' approval for the Underwriting Commitment and the transactions contemplated thereunder.

The Independent Board Committee has been established to make recommendations to the Independent Shareholders in relation to the fairness and reasonableness of the Underwriting Commitment and the transactions contemplated thereunder.

Gransing Securities has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders.

A circular containing, among other things, (i) further details of the Proposed Issue of RMB Shares, the Specific Mandate and related matters, and the Underwriting Commitment; (ii) a letter of recommendation from the Independent Board Committee in relation to the Underwriting Commitment and the transactions contemplated thereunder; (iii) a letter of advice from Gransing Securities in relation to the Underwriting Commitment and the transactions contemplated thereunder; (iv) a notice of the EGM; and (v) other information as required under the Listing Rules, is expected to be despatched to the Shareholders on or before 16 November 2026.

Shareholders and potential investors of the Company should note that the Proposed Issue of RMB Shares shall be subject to the Shareholders' approval at the EGM and the Regulatory Approvals, and thus may or may not be implemented. Shareholders and potential investors of the Company should be cautious that there is no assurance that the Proposed Issue of RMB Shares will materialise or as to when it may materialise. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Share(s).

Further announcement(s) will be made by the Company in accordance with the Listing Rules and other applicable laws and regulations on any material updates and progress in connection with the Proposed Issue of RMB Shares as and when appropriate. This announcement is for information purposes only and does not constitute any invitation or offer to acquire, purchase or subscribe for the Share(s).

INTRODUCTION

Reference is made to the Announcement in relation to, among other things, the Proposed Issue of RMB Shares. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

PROPOSED ISSUE OF RMB SHARES UNDER THE SPECIFIC MANDATE

The Company is pleased to announce that, on 6 November 2026, the Board has approved the Proposed Issue of RMB Shares, the Specific Mandate and related matters. As at the date of this announcement, the Proposed Issue of RMB Shares shall remain conditional upon and subject to, among other things, the Shareholders' approval at the general meeting of the Company and the necessary Regulatory Approvals.

(i) The Proposed Issue of RMB Shares and the Specific Mandate

Details of the Proposed Issue of RMB Shares are set out as follows:

(a)	Class of RMB Shares	:	The RMB Shares shall be ordinary shares of the Company, which belong to the same class as the Hong Kong Shares. The RMB Shares shall be subscribed for in RMB by the target subscribers (as stated below), and are expected to be listed on the main board of the Shenzhen Stock Exchange and traded in RMB. The RMB Shares do not have a nominal value pursuant to section 135 of the Companies Ordinance (Cap. 622 of the Laws of Hong Kong).
(b)	Status of RMB Shares	:	The RMB Shares will rank *pari passu* with the existing Hong Kong Shares with the same rights to voting, dividend and return of assets.

(c) Number of RMB Shares to be issued : The Proposed Issue of RMB Shares only involves issue of new Shares and will not involve sale of Shares by existing Shareholders. The Company proposes to initially issue no more than 800,000,000 RMB Shares, representing approximately 13.02% of the issued share capital of the Company as of the date of this announcement, and approximately 11.52% of the enlarged issued share capital of the Company upon completion of the Proposed Issue of RMB Shares. The Company and the lead underwriter(s) can exercise the Over-allotment Option to over-allot RMB Shares up to 15% of the initial size of the Proposed Issue of RMB Shares.

The final issue size of the Proposed Issue of RMB Shares shall be negotiated and determined by the Board as authorised by the EGM, together with the sponsor(s) and the underwriter(s), subject to the issue size registered with the relevant regulatory authorities, the Company's needs and market conditions.

(d) Target subscribers : Target subscribers of the Proposed Issue of RMB Shares are natural persons and institutional investors (except for investors prohibited by applicable laws, regulations, rules and regulatory requirements from participating in the Proposed Issue of RMB Shares). If any of the aforementioned target subscribers of the Proposed Issue of RMB Shares are connected persons of the Company, the Company will take all reasonable measures to comply with the requirements under the Listing Rules, including but not limited to the requirements under Chapter 14A thereof.

(e) Method of issuance : The Company will adopt a combination of offline investors enquiry placing and online application for purchasing RMB Shares by qualified public investors, or such other methods of issuance as approved by the CSRC and the Shenzhen Stock Exchange (including but not limited to placing to strategic investors).

(f) Method of pricing : It is expected that the Proposed Issue of RMB Shares will include an offline placement to qualified investors and an online offer to the general public. Preliminary pricing will be determined by the Company and the lead underwriter(s) after taking into account domestic and overseas capital market conditions prevailing at the time of the Proposed Issue of RMB Shares, the then business performance of the Company, and the interests of the Shareholders as a whole. The final offer price will be determined by the Company and the lead underwriter(s) based on the results of a book-building process that involves preliminary offline price enquiries among qualified investors made in accordance with relevant laws, regulations, rules and regulatory requirements.

Pursuant to the Administrative Measures on Issue and Underwriting of Securities (《證券發行與承銷管理辦法》) and other relevant requirements of the CSRC, where the price in an initial public offering of RMB shares is determined by way of offline price enquiries, after offline investors make offers, the issuer and the lead underwriter(s) shall disregard a portion of the highest offer price(s) among the total number of RMB shares intended to be subscribed for, upon which the issue price shall be determined after discussions with reference to the remaining offers and the number of RMB shares intended to be subscribed for.

(g)	Lead underwriters and sponsors	:	CITIC Securities Co., Ltd. （中信證券股份有限公司） and Everbright Securities
(h)	Method of underwriting	:	The method of underwriting for the Proposed Issue of RMB Shares will be standby underwriting by the lead underwriters.
(i)	Use of proceeds	:	The proceeds raised from the Proposed Issue of RMB Shares after deducting the issuance expenses will be used for the Company's development of principal businesses and replenishment of general working capital. For further details, please refer to the subparagraph headed "Proposed use of proceeds from the Proposed Issue of RMB Shares" in this announcement.
(j)	Distribution plan of profits accumulated before the Proposed Issue of RMB Shares	:	The undistributed profits accumulated before the Proposed Issue of RMB Shares will be shared by existing and new Shareholders on a *pro rata* basis and in proportion to shareholding percentages after the Proposed Issue of RMB Shares.
(k)	Place and board of listing of RMB Shares	:	The RMB Shares will be listed on the main board of the Shenzhen Stock Exchange.
(l)	Share registers	:	The RMB Shares will be registered on a separate register of members managed by CSDC (the "**PRC Share Register**"). The RMB Shares will not be registered on the existing register of members of the Company maintained in Hong Kong (the "**Hong Kong Share Register**"). Tricor Investor Services Limited will continue to serve as the Hong Kong share registrar for the Hong Kong Shares traded on the Stock Exchange.

Given there is no established mechanism for the transfer of registration of Shares between the Hong Kong Share Register and the PRC Share Register, no movement of Shares will be allowed between the Hong Kong Share Register and the PRC Share Register due to the current restrictions under PRC laws.

The RMB Shares will not be able to be moved for trading in Hong Kong or to the Hong Kong Share Register.

(m) Share depositories : The RMB Shares will be deposited with CSDC.

Hong Kong Securities Clearing Company Limited (or its nominee or appointee) will continue to serve as the depository of the Hong Kong Shares traded on the Stock Exchange.

(n) Non-fungibility between the RMB Shares and the Hong Kong Shares : The RMB Shares and the Hong Kong Shares will not be fungible.

(o) Dividends : Dividends distributed by the Company in currencies other than RMB will be deposited into a designated account, converted into RMB and paid to the holders of RMB Shares.

(p) Timing : The Proposed Issue of RMB Shares will be conducted, inter alia, upon approvals of the Shenzhen Stock Exchange and the CSRC. The specific issue date shall be determined by the Board or its authorised person(s) under the authorisation of the Shareholders at the EGM upon, inter alia, approvals of the Shenzhen Stock Exchange and the CSRC.

(q) Valid period of the resolution : The resolution on the Proposed Issue of RMB Shares will be valid for 12 months from the date of approval at the EGM.

The proposed valid period of the resolutions is consistent with the approach of other listed issuers seeking a PRC listing, which involves time consuming vetting processes with multiple regulatory authorities in the PRC. Therefore, the Board considers that it is necessary, fair and reasonable and in the interest of the Company and its Shareholders as a whole to propose the said valid period.

There is no statutory upper limit on the offer price for the Proposed Issue of RMB Shares. As of the date of this announcement, according to State-owned assets related regulatory requirements, the offer price for the RMB Shares shall, in principle, be no less than the net asset value per Share based on the Company's most recent audited consolidated financial statements prepared based on the China Accounting Standards for Business Enterprises, and denominated in Renminbi. For illustration purpose, based on the audited consolidated financial statements of the Company for the year ended 31 December 2025 prepared in accordance with Hong Kong Financial Reporting Standards, the Company's net asset value per Share as at 31 December 2025 was HK$8.501. The lower limit of the final offer price for the RMB Share may differ materially from such price depending on the net asset value per Share based on any further consolidated financial statements of the Company that may be prepared in accordance with the China Accounting Standards for Business Enterprises and published prior to the launch of the Proposed Issue of RMB Shares.

The issue of the RMB Shares pursuant to the Proposed Issue of RMB Shares is conditional upon: (1) the grant of the Specific Mandate by the Shareholders to the Board having been obtained at the EGM; and (2) the necessary Regulatory Approvals for the Proposed Issue of RMB Shares having been obtained.

The Board may or may not proceed with the Proposed Issue of RMB Shares, depending on a number of factors, such as market conditions. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

After the Proposed Issue of RMB Shares, subject to the Articles of Association and exemptions from competent authorities, the Company will need to comply with applicable laws, rules and regulations of the PRC including but not limited to the Securities Law of the People's Republic of China (《中華人民共和國證券法》), the Measures on Administration of Share Registration for Initial Public Offering (《首次公開發行股票註冊管理辦法》), the Rules Governing the Listing of Securities on the Shenzhen Stock Exchange (《深圳證券交易所股票上市規則》), the Measures on Ongoing Supervision over the Innovative Enterprises after Issuance of Shares or Depository Receipts (Trial Implementation) (《創新企業境內發行股票或存託憑證上市後持續監管實施辦法(試行)》), the Opinions on the Pilot Programmes of Innovative Enterprises Issuing Stocks or Depositary Receipts in the Chinese Mainland (《關於開展創新企業境內發行股票或存託憑證試點的若干意見》) and other applicable securities regulations of the PRC. The Company's PRC legal adviser and Hong Kong legal adviser are of the opinion that the Proposed Issue of RMB Shares would not contravene relevant laws, regulations and rules of the PRC (including Hong Kong), respectively.

(ii) Proposed authorisation to be granted at the EGM to the Board and its authorised person to exercise full powers to deal with all matters relating to the Proposed Issue of RMB Shares

It is proposed that authorisation will be granted at the EGM to the Board and its authorised person, being the chairman of the Board, to exercise full powers to deal with all matters relating to the Proposed Issue of RMB Shares, including but not limited to the below matters and the use of the Company's corporate seal with any other Director, without having to seek further approval from the Board:

(1) within the scope of the issue and listing plan as considered and approved at the EGM, pursuant to PRC laws and regulations and the provisions of the securities supervision and administration institution concerned and the Shenzhen Stock Exchange, to exercise full powers to adjust and implement the proposal. On the basis of throughout negotiation with the sponsors (the lead underwriters), the specific matters related to the issue and listing will be determined, including but not limited to the specific matters such as the time of issuance, issue size (including the specific plan for the Over-Allotment Option), issue structure, target subscribers, method of issuance, pricing method, issue price (including price range and final pricing), place of listing, possible strategic placing (including the size, proportion and target investors thereof) and other matters related to the issue and listing; approving the payment of necessary listing fees; approving the listing cost estimation, publishing the announcements and pre-disclosure documents related to the issue and listing;

(2) to handle the declaration of the issue and listing, including but not limited to the application, examination, enrolling, filing, approval, consent, registration and other procedures with the relevant government authorities, regulatory agencies, stock exchanges and securities registration and settlement institutions for the issue and listing; to draft, modify, approve, sign, submit, publish, execute and complete any application, report, statement, commitment, confirmation, agreement, contract or necessary documents (including but not limited to the letter of intent, prospectus, other declaration documents, sponsorship agreements, underwriting agreements, listing agreements, strategic investment agreements, placing agreements, relevant announcements, Shareholders' notices, related party (or connected) transaction agreements and intermediary service agreements), and take all other necessary, proper or appropriate actions related to the issue and listing and the investment projects funded by proceeds raised according to the opinions of relevant government authorities or the actual application, so as to complete the issue and listing;

(3) to draft, modify, approve and sign the service agreements or employment agreements between the Company and the Directors or senior management, and to deal in matters related to liability insurance for the Directors and senior management;

(4) according to the implementation of the issue and listing proposal, market conditions, policy adjustments and the opinions of the regulatory authorities, the specific terms of the issue and listing proposal and the investment projects and the investment amounts to be funded by proceeds raised shall be adjusted, and the investment schedule of the investment projects funded by proceeds raised shall be determined; prior to the availability of the proceeds raised, investments may be made using proprietary funds or legally self-raised funds, with the proceeds raised subsequently replacing such advance investments based on the actual amount utilized; to approve and execute the material contracts in the course of the investment projects funded by proceeds raised;

(5) to make relevant commitments, statements and confirmations in accordance with PRC laws and regulations, relevant provisions of the securities supervision and administration institution and the actual needs of the issue and listing;

(6) to amend relevant systems, commitments, reports, plans and other documents as considered and passed at the general meeting in accordance with PRC laws and regulations, relevant provisions of the securities supervision and administration institution and the actual needs of the issue and listing;

(7) to determine the special account for the deposit of proceeds raised before the issue as required, and to sign the agreement on the supervision of proceeds raised;

(8) after the completion of the Proposed Issue of RMB Shares, the Company shall, in accordance with the laws of Hong Kong, effect the approval, alteration and filing of the Articles of Association and any other relevant internal management measures, that need to become effective from the date of the listing of the RMB Shares on the main board of the Shenzhen Stock Exchange, with the Companies Registry and applicable government departments (if any);

(9) to engage and appoint relevant intermediaries for the issue and listing, determine their service fees, and execute engagement and appointment agreements;

(10) to handle the matters related to the issue and listing on the main board of the Shenzhen Stock Exchange upon the completion of the issue, including but not limited to making information disclosures according to listing related laws and regulations as well as the rules and regulations of the Shenzhen Stock Exchange; and

(11) to authorise the Board to deal with other matters not listed above but considered by the Board to be related to the Proposed Issue of RMB Shares.

The authorisation will be valid for 12 months from the date of approval at the EGM.

(iii) Proposed use of proceeds from the Proposed Issue of RMB Shares

In relation to the use of proceeds from the Proposed Issue of RMB Shares, it is proposed to be approved by the Shareholders at the EGM for the use of all proceeds from the Proposed Issue of RMB Shares in the following manner after deducting the issuance expenses:

No.	Project name	Total investment amount* *(RMB million)*	Proposed amount of proceeds to be contributed# *(RMB million)*
1	Dongguan southeast environmental protection thermal power plant project	2,236	2,098
2	Municipal solid waste-to-energy project (phase V) in Sanya	617	545
3	Projects in the Republic of Uzbekistan	2,160	1,852
4	Projects in Vietnam	1,252	1,200
5	35,000-ton per year municipal solid waste incineration fly ash utilization project	93	93
6	Research and development of AI-based digital intelligence and low emission analysis platform	440	400
7	Replenishment of working capital and repayment of bank loan	1,812	1,812
	Total	8,610	8,000

* The total investment amount represents the estimated aggregate expenditures required for the completion of the entire project, including, without limitation, the proceeds proposed to be contributed, the Company's proprietary and self-raised funds, and the capital contributions made by the partners to the cooperation project in proportion to their equity interests, where applicable.

The amount of proceeds to be contributed to each project is estimated based on the investment amount required for each project, which excludes any amount already incurred, and the investment funds required to be contributed by the partners investing in such projects as agreed, where applicable. Such aggregate amount of proceeds is estimated on a best effort basis, and the offer price and offer size of the Proposed Issue of RMB Shares is still subject to further determination.

If the net proceeds actually raised from the Proposed Issue of RMB Shares (including the proceeds from the Over-allotment Option) are less than the capital requirements of the relevant projects, the shortfall shall be covered by the Company with its self-raised or proprietary funds.

In the event that the Over-allotment Option is exercised, the proceeds to be raised from the allotment and issuance of the additional RMB Shares pursuant to the exercise of the Over-allotment Option will be used for replenishing the Company's working capital and other purposes permitted by applicable laws and regulations and the requirements of relevant securities regulatory authorities.

Before the proceeds to be raised from the Proposed Issue of RMB Shares are in place, the Company may make initial investments with self-raised funds according to the progress of the projects. After the proceeds are in place, the Company will first replace the initial investment funds and use the remaining proceeds to pay the outstanding investment amount of the projects.

(iv) Proposed plan for distribution of profits accumulated before the Proposed Issue of RMB Shares

It is proposed to be approved by the Shareholders at the EGM that the profits of the Company accumulated before the Proposed Issue of RMB Shares will be shared by existing and new Shareholders on a *pro rata* basis and in proportional to shareholding percentages after the Proposed Issue of RMB Shares.

(v) Proposed dividend return plan for the next three years after the Proposed Issue of RMB Shares

A dividend return plan for the next three years after the Proposed Issue of RMB Shares is proposed to be approved by the Shareholders at the EGM, in accordance with the Guidelines No. 3 on the Supervision and Administration of Listed Companies – Cash Dividend Distribution of Listed Companies (《上市公司監管指引第3號－－上市公司現金分紅》) and other relevant laws, regulations and regulatory documents. Such dividend return plan will, upon approval by the Shareholders at the EGM, take effect from the date of the listing of the RMB Shares on the main board of the Shenzhen Stock Exchange. The relevant details will be set out in the circular to be despatched to the Shareholders.

(vi) Proposed plan for stabilisation of the price of the RMB Shares for the three years after the Proposed Issue of RMB Shares

A plan for stabilisation of the price of the RMB Shares for the three years after the Proposed Issue of RMB Shares is proposed to be approved by the Shareholders at the EGM, in accordance with relevant laws, regulations and regulatory documents. The relevant details will be set out in the circular to be despatched to the Shareholders.

(vii) Proposed plan for measures for the dilution of immediate returns after the Proposed Issue of RMB Shares

For the purpose of the Proposed Issue of RMB Shares, proposed plan for measures for the dilution of immediate returns after the Proposed Issue of RMB Shares are proposed to be approved by the Shareholders at the EGM. The proposed plan for measures for the dilution of immediate returns after the Proposed Issue of RMB Shares will, upon approval by the Shareholders at the EGM, take effect from the date of the listing of the RMB Shares on the main board of the Shenzhen Stock Exchange. The relevant details will be set out in the circular to be despatched to the Shareholders.

(viii) Proposed undertakings with respect to the Proposed Issue of RMB Shares and the corresponding constraint measures

To better protect the interests of the Shareholders of the RMB Shares, the Company will provide undertakings with respect to the Proposed Issue of RMB Shares in accordance with applicable laws, regulations and regulatory requirements, including the requirements of the CSRC and other relevant authorities, and propose corresponding constraint measures in the event of failure to perform the relevant undertakings, which are proposed to be approved by the Shareholders at the EGM. The relevant details will be set out in the circular to be despatched to the Shareholders.

(ix) Proposed adoption of the policy governing the procedures of general meetings of the Company

To satisfy the relevant requirements of laws, regulations and regulatory requirements in respect of the Proposed Issue of RMB Shares, the adoption of a policy governing the procedures of general meetings of the Company is proposed to be approved by the Shareholders at the EGM. Such policy will take effect upon the listing of the RMB Shares on the main board of the Shenzhen Stock Exchange. The relevant details will be set out in the circular to be despatched to the Shareholders.

(x) Proposed adoption of the policy governing the procedures of Board meetings of the Company

To satisfy the relevant requirements of laws, regulations and regulatory requirements in respect of the Proposed Issue of RMB Shares, the adoption of a policy governing the procedures of Board meetings of the Company is proposed to be approved by the Shareholders at the EGM. Such policy will take effect upon the listing of the RMB Shares on the main board of the Shenzhen Stock Exchange. The relevant details will be set out in the circular to be despatched to the Shareholders.

(xi) Proposed engagement of auditor for the Proposed Issue of RMB Shares and internal control

The engagement of KPMG Huazhen LLP as the auditor for the Proposed Issue of RMB Shares and internal control is proposed to be approved by the Shareholders at the EGM.

THE UNDERWRITING COMMITMENT

The Company further announces that on 6 November 2026, the Company entered into the Everbright Securities Sponsor and Underwriting Agreement with Everbright Securities, pursuant to which the Company has, among other things, engaged Everbright Securities as one of the lead underwriters and sponsors in respect of the Proposed Issue of RMB Shares.

The principal terms of the Everbright Securities Sponsor and Underwriting Agreement are as follows:

Date:	6 November 2026
Parties:	(i) the Company, as the issuer; and (ii) Everbright Securities, as one of the lead underwriters and sponsors.
Obligations of Everbright Securities:	To act as one of the lead underwriters and sponsors in respect of the Proposed Issue of RMB Shares.

Maximum number of RMB Shares that may be subscribed by Everbright Securities under the Underwriting Commitment:	According to the Detailed Rules for the Implementation of Issuance and Underwriting of Securities in Initial Public Offering on the Shenzhen Stock Exchange (《深圳證券交易所首次公開發行證券發行與承銷業務實施細則》), the Company and Everbright Securities have agreed that if the total number of securities validly subscribed for and paid by offline and online investors is less than 70% of the number of RMB Shares to be offered, the offering shall be suspended and relaunched upon satisfaction of the relevant conditions. Accordingly, the maximum number of RMB Shares that may be subscribed by Everbright Securities under the Underwriting Commitment will not exceed 240,000,000 RMB Shares, being 30% of the RMB Shares to be offered under the Proposed Issue of RMB Shares, assuming the initial issue size of the Proposed Issue of RMB Shares is 800,000,000 RMB Shares. The subscription price will be the offer price of the RMB Shares under the Proposed Issue of RMB Shares, and the pricing mechanism for the Proposed Issue of RMB Shares is subject to further determination by the Company.
Fees and commission:	In consideration of the performance of the sponsor services and other related obligations under the Everbright Securities Sponsor and Underwriting Agreement, the Company shall pay a total sponsor fee of RMB1.9 million (tax-inclusive) to Everbright Securities. The sponsor fees are payable in four milestone-based installments. Fees already paid or accrued for completed milestones are non-refundable. The Company shall additionally pay Everbright Securities an annual ongoing supervision fee equal to 10% of the total sponsor fees (i.e., RMB190,000 annually), prorated for partial years and payable within ten business days after completion of the relevant annual ongoing supervision period.

In consideration of the Underwriting Commitment, the Company shall pay underwriting fees calculated as the issue price times the number of RMB Shares actually issued and underwritten by Everbright Securities times 0.95%. The allocation of the RMB Shares to be underwritten between lead underwriters shall be determined by the parties separately.

The procurement of sponsor and underwriting services from Everbright Securities under the Everbright Securities Sponsor and Underwriting Agreement (other than with respect to the Underwriting Commitment) form part of the transactions under the "2025 Underwriting and Advisory Services Master Agreement" entered into between the Company and China Everbright Group on 11 December 2025 and announced on the same date in accordance with Chapter 14A of the Listing Rules. Pursuant to the 2025 Underwriting and Advisory Services Master Agreement, China Everbright Group shall procure its associates, including but not limited to Everbright Securities and its associates, to provide underwriting and advisory services with respect to the issuance and/or listing of the Shares and/or other securities to the Group in accordance with the relevant laws, rules and regulations. The fees and commission payable for such services are expected to fall within the annual caps for the 2025 Underwriting and Advisory Services Master Agreement for each of the two years ending 31 December 2026 and 2027. The Company will comply with the applicable requirements under the Listing Rules before any relevant annual cap is exceeded.

Conditions precedent:

The Everbright Securities Sponsor and Underwriting Agreement is conditional upon the fulfillment or waiver, where permitted, of the following conditions:

(i) in relation to the sponsor services under the Everbright Securities Sponsor and Underwriting Agreement:

(a) the Company satisfies all statutory prerequisites for the Proposed Issue of RMB Shares, including valid incorporation and operation history, completion of the CSRC tutoring, the regulatory compliance, absence of material disputes or adverse events, and possession of all required approvals and qualifications;

(b) the Company maintains effective governance and internal controls; ensures independence from controlling shareholders and related parties; avoids unfair related-party transactions or competitive conflicts; and provides financial statements and internal control reports that are accurate, compliant, and supported by unqualified audit opinions;

(c) the Company's principal business, senior management, shareholding structure, and actual control remain stable and free of material adverse changes or legal/regulatory violations over the past three years; and

(d) all representations, application materials, and disclosures remain true, accurate, and complete; all offering-related documents remain valid; and the sponsors complete due diligence, satisfy internal approval procedures, and determine that market conditions and regulatory requirements permit proceeding.

(ii) in relation to the Underwriting Commitment:

(a) all professional institutions engaged by the Company (including legal counsel, auditors, and appraisers) having issued legally valid opinions, reports, and filings which are acceptable to the CSRC and the Shenzhen Stock Exchange, and the relevant offering documents having been approved and signed by all relevant parties;

(b) the Shareholders and the Board having approved the Proposed Issue of RMB Shares, all internal and external authorizations required by law having been obtained, and the offering having received approvals from the Shenzhen Stock Exchange and having registered with the CSRC;

(c) the lead underwriter having completed internal review and approval procedures, having identified no circumstances that would reasonably impede or prevent the Proposed Issue of RMB Shares, and having confirmed that all offering documents remain effective and compliant at all material times; and

(d) the Underwriting Commitment having been approved by the Independent Shareholders at the EGM.

Termination of the Everbright Securities Sponsor and Underwriting Agreement:

The terms relating to the termination of the Everbright Securities Sponsor and Underwriting Agreement are summarised as follows:

(i) in relation to the sponsor services under the Everbright Securities Sponsor and Underwriting Agreement, unless otherwise agreed therein, neither party may unilaterally terminate the sponsor services. Prior to publication of the relevant offering documents, the sponsor services may be terminated by mutual agreement, or unilaterally by the sponsors if the Company materially breaches its obligations, provides false or misleading disclosures, fails to address material discrepancies identified by the sponsors, or encounters events that materially impede the issuance or expose the sponsors to regulatory or legal risk. The sponsor services provided by Everbright Securities may also be terminated if the Shenzhen Stock Exchange or the CSRC issues a negative opinion or the Proposed Issue of RMB Shares fails to obtain the required approvals. The Company may terminate if Everbright Securities fails to perform or materially breaches its obligations. After publication of the relevant offering documents, termination may occur only as permitted under the rules of CSRC and the Shenzhen Stock Exchange, or when a new sponsor is engaged; and

(ii) in relation to the Underwriting Commitment, the underwriting services may be terminated either by mutual agreement or, before the transfer date as stipulated under the Everbright Securities Sponsor and Underwriting Agreement, unilaterally by Everbright Securities if material breaches arise, disclosures are inaccurate or misleading, underwriting preconditions are not met, material adverse changes occur in the Company or the market, regulatory or legal developments impede the issuance, or the parties cannot agree on final pricing and share quantity. The Underwriting Commitment may also be terminated automatically if the Proposed Issue of RMB Shares fails to obtain required Regulatory Approvals or registration. Upon termination, both parties are released from further underwriting obligations except for accrued rights and liabilities; the Company shall reimburse Everbright Securities for reasonable expenses if termination is not attributable to Everbright Securities, and notify regulators jointly, withdraw or adjust the issuance plan, and refund investor funds with interest.

OTHER INFORMATION RELATED TO THE PROPOSED ISSUE OF RMB SHARES

(i) Impact on the shareholding structure of the Company

For reference and illustration purposes only, assuming that (i) the initial issue size of the Proposed Issue of RMB Shares is 800,000,000 RMB Shares, (ii) the Over-allotment Option is 15% of the initial issue size (i.e., 120,000,000 RMB Shares), and (iii) there are no changes in the share capital of the Company after the date of this announcement and prior to the completion of the Proposed Issue of RMB Shares, and to the best knowledge of the Directors after reasonable enquiry, the shareholding structure of the Company both as of the date of this announcement and immediately after the completion of the Proposed Issue of RMB Shares is set out as follows:

	As of the date of this announcement		Immediately after the completion of the Proposed Issue of RMB Shares (assuming no Over-allotment Option is exercised)				Immediately after the completion of the Proposed Issue of RMB Shares (assuming the Over-allotment Option is exercised in full, with no RMB share is subscribed by Everbright Securities under the Underwriting Commitment) *(Note 2)*	
			Assuming no RMB Share is subscribed by Everbright Securities under the Underwriting Commitment		Assuming 240,000,000 RMB Shares are subscribed by Everbright Securities under the Underwriting Commitment *(Note 1)*			
	Number of Shares	Approximate percentage of the Company's issued share capital *(%)*	Number of Shares	Approximate percentage of the Company's issued share capital *(%)*	Number of Shares	Approximate percentage of the Company's issued share capital *(%)*	Number of Shares	Approximate percentage of the Company's issued share capital *(%)*
RMB Shares to be issued under the Proposed Issue of RMB Shares								
– China Everbright Group and its associates, including Everbright Securities	–	–	–	–	240,000,000	3.46	–	–
– Public investors	–	–	800,000,000	11.52	560,000,000	8.07	920,000,000	13.03
Hong Kong Shares								
– China Everbright Group and its associates, including Everbright Securities	2,646,233,137	43.08	2,646,233,137	38.11	2,646,233,137	38.11	2,646,233,137	37.47
– Mr. Fan Yan Hok, Philip *(Note 3)*	11,154,810	0.18	11,154,810	0.16	11,154,810	0.16	11,154,810	0.16
– Public investors	3,485,587,345	56.74	3,485,587,345	50.20	3,485,587,345	50.20	3,485,587,345	49.35
Total	**6,142,975,292**	**100.00**	**6,942,975,292**	**100.00**	**6,942,975,292**	**100.00**	**7,062,975,292**	**100.00**

Notes:

1. According to the Detailed Rules for the Implementation of Issuance and Underwriting of Securities in Initial Public Offering on the Shenzhen Stock Exchange (《深圳證券交易所首次公開發行證券發行與承銷業務實施細則》), the Company and Everbright Securities have agreed that if the total number of securities validly subscribed for and paid by offline and online investors is less than 70% of the number of RMB Shares to be offered, the offering shall be suspended and relaunched upon satisfaction of the relevant conditions. Accordingly, the maximum number of RMB Shares that may be subscribed by Everbright Securities under the Underwriting Commitment will not exceed 240,000,000 RMB Shares, being 30% of the RMB Shares to be offered under the Proposed Issue of RMB Shares, assuming the initial issue size of the Proposed Issue of RMB Shares is 800,000,000 RMB Shares.

2. The assumption that no RMB Shares be issued to Everbright Securities in this scenario where the Over-allotment Option is exercised in full is for illustration purpose only. Even if the Proposed Issue of RMB Shares is not under-subscribed, Everbright Securities may, as one of the underwriters, be required to subscribe for those RMB Shares that are allocated to public investors at the time of the offer, but are not finally issued to them due to settlement failures on the date of completion. The percentage of RMB Shares that could be subscribed by Everbright Securities as a result of settlement failures of public investors are expected to be (i) less than 10% of the total number of RMB Shares to be offered under the Proposed Issue of RMB Shares, and (ii) less than 1.13% of the total number of issued Shares immediately upon completion of the Proposed Issue of RMB Shares, assuming the Over-allotment Option is exercised in full.

3. Mr. Fan Yan Hok, Philip is an independent non-executive Director.

As of the date of this announcement, according to the information available to the Company, public investors held no less than approximately 56.74% of the Shares issued by the Company. Assuming that the issue of all 800,000,000 RMB Shares under the Proposed Issue of RMB Shares is approved, no Over-allotment Option is exercised, and all RMB Shares are issued to persons who are not connected persons of the Company, the percentage of RMB Shares held by public investors with respect to the total number of Shares after the Proposed Issue of RMB Shares is expected to be approximately 11.52%, the percentage of Hong Kong Shares held by public investors with respect to the total number of Shares after the Proposed Issue of RMB Shares is expected to be approximately 50.20%, and the percentage of Shares (both RMB Shares and Hong Kong Shares in aggregate) held by public investors with respect to the total number of Shares after the Proposed Issue of RMB Shares is expected to be approximately 61.73%.

Assuming that the issue of all the 800,000,000 RMB Shares under the Proposed Issue of RMB Shares is approved, no Over-allotment Option is exercised, the maximum number of RMB Shares that can be allocated to Everbright Securities under the Underwriting Commitment is allocated to it pursuant to the terms thereof and the remaining RMB Shares are issued to persons who are not connected persons of the Company, the percentage of RMB Shares held by public investors with respect to the total number of Shares after the Proposed Issue of RMB Shares is expected to be approximately 8.07%, the percentage of Hong Kong Shares held by public investors with respect to the total number of Shares after the Proposed Issue of RMB Shares is expected to be approximately 50.20%, and the percentage of Shares (both RMB Shares and Hong Kong Shares in aggregate) held by public investors with respect to the total number of Shares after the Proposed Issue of RMB Shares is expected to be approximately 58.27%.

Assuming the issue of all the 800,000,000 RMB Shares under the Proposed Issue of RMB Shares is approved, the Proposed Issue of RMB Shares is not under-subscribed, the Over-allotment Option is exercised in full and all RMB Shares are issued to persons who are not connected persons of the Company, and no RMB Share is subscribed by Everbright Securities under the Underwriting Commitment, the percentage of RMB Shares held by public investors with respect to the total number of Shares after the Proposed Issue of RMB Shares is expected to be approximately 13.03%, the percentage of Hong Kong Shares held by public investors with respect to the total number of Shares after the Proposed Issue of RMB Shares is expected to be approximately 49.35%, and the percentage of Shares (both RMB Shares and Hong Kong Shares in aggregate) held by public investors with respect to the total number of Shares after the Proposed Issue of RMB Shares is expected to be approximately 62.38%.

As at the date of this announcement and prior to the completion of the Proposed Issue of RMB Shares, the Hong Kong Shares held by the public amounts to 56.74% of the total issued Shares in the same class of the Hong Kong Shares (excluding treasury shares). Accordingly, the Company currently satisfies and is expected to continue to satisfy the public float requirement under Rule 13.32B of the Listing Rules prior to the completion of the Proposed Issue of RMB Shares.

Following the completion of the Proposed Issue of RMB Shares, the Hong Kong Shares held by the public will not, in any event, be less than 49.35% of the total issued Shares in the class to which the Hong Kong Shares belong (excluding treasury shares). Accordingly, the Company is expected to satisfy the public float requirements under Rule 19A.28B(2)(b) of the Listing Rules.

Accordingly, the Company is expected to satisfy the public float requirements under the Listing Rules at all times. In any event, the Company undertakes to, where necessary, take appropriate steps to ensure compliance with Rule 19A.28B(2) of the Listing Rules upon completion of the Proposed Issue of RMB Shares.

(ii) Fund raising activities in the past twelve months

The Company has not conducted any fund-raising activities involving the issue of equity securities in the past twelve months immediately preceding the date of this announcement.

(iii) Application for listing

Conditional upon the grant of the proposed Specific Mandate by the Shareholders to the Board having been obtained at the EGM, the Company will make an application for the Proposed Issue of RMB Shares to the CSRC. The Company will make another application to the Shenzhen Stock Exchange for the listing of, and permission to deal in, the RMB Shares on the main board of the Shenzhen Stock Exchange after the CSRC approves the public offering of the RMB Shares. Pursuant to the waivers from strict compliance with the relevant provisions of the Listing Rules granted by the Stock Exchange, which are detailed in this announcement, the RMB Shares will not be listed on the Stock Exchange.

(iv) Grant of waivers from strict compliance with and modifications of certain provisions of the Listing Rules

For the purpose of the Proposed Issue of RMB Shares, the Company has applied for, and the Stock Exchange has granted, the following waivers from strict compliance with, and modifications of, the relevant provisions of the Listing Rules:

(1) One-off waiver from strict compliance with Rules 8.20 and 13.26(1), and modification of Rules 6.11, 6.12, 6.15 and 13.36(2)(b), of the Listing Rules, in connection with the non-listing of the RMB Shares on the Stock Exchange

Although the RMB Shares will be of the same class as the Hong Kong Shares (i.e., both are ordinary Shares carrying the same rights), the RMB Shares and the Hong Kong Shares will not be fungible as there is no established mechanism for the transfer of Shares between the Hong Kong Share Register and the PRC Share Register. As such, the RMB Shares will not be listed on the Stock Exchange. The Company has applied for, and the Stock Exchange has granted, a one-off waiver from strict compliance with Rules 8.20 and 13.26(1) of the Listing Rules so that there is no need to seek listing of the RMB Shares to be issued under the Proposed Issue of RMB Shares on the Stock Exchange, on the following conditions:

(a) Rule 6.11 of the Listing Rules is modified such that the requirements of obtaining the prior approval of shareholders and holders of any other class of listed securities (where applicable) for voluntary withdrawal of listing on the Stock Exchange shall apply to holders of the Hong Kong Shares only;

(b) Rule 6.12 of the Listing Rules is modified such that the requirements of obtaining the prior approval of shareholders for voluntary withdrawal of listing on the Stock Exchange by (i) at least 75% of the votes attaching to any class of listed securities held by holders voting either in person or by proxy at the meeting before voluntarily withdrawing its listing on the Stock Exchange; and (ii) the number of votes cast against the resolution is not more than 10% of the votes attaching to any class of listed securities held by holders permitted under Rule 6.12(1) of the Listing Rules to vote in person or by proxy at the meeting, shall apply to holders of the Hong Kong Shares only;

(c) Rule 6.15 of the Listing Rules is modified such that the requirements of fulfilling shareholders' approval requirements under the Code on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission of Hong Kong for voluntary withdrawal of listing on the Stock Exchange shall apply to holders of Hong Kong Shares only; and

(d) Rule 13.36(2)(b) of the Listing Rules is further modified such that the size limit on repurchase mandate is modified to 10% of the Hong Kong Shares (instead of the total issued shares). The 10% repurchase mandate will be used for purchasing the Hong Kong Shares only.

Given this is a one-off waiver for the Proposed Issue of RMB Shares only, the Company would need to apply for waiver from compliance with Rules 8.20 and 13.26(1) of the Hong Kong Listing Rules for any further issue of new RMB Shares after the Proposed Issue of RMB Shares.

(2) Modification of Rule 2.07A of the Listing Rules in connection with corporate communications

Under the relevant PRC rules and regulations, (i) the publication of corporate communications, including circulars, on the websites of the Shenzhen Stock Exchange and the Company and through other prescribed communication channels such as specified PRC newspapers would constitute effective delivery to the holders of the RMB Shares; and (ii) the Company is not required to (a) seek an express and positive written confirmation from each holder of the RMB Shares that corporate communications may be made available using electronic means; and (b) physically send a circular to the holders of the RMB Shares.

Accordingly, the Company has applied for, and the Stock Exchange has granted, a modification of Rule 2.07A of the Listing Rules so that the requirements relating to corporate communications thereunder will apply only to the holders of the Hong Kong Shares.

(3) Modification of Rule 13.58 of the Listing Rules in connection with the certification of transfers

The transfers of RMB Shares on the Shenzhen Stock Exchange (the "**On-Exchange Transfers**") can be conducted by (i) centralized trading transfers (meaning transfers pursuant to transactions conducted between two parties holding Shenzhen Stock Exchange stock accounts through the paperless trading platform of the Shenzhen Stock Exchange, which does not involve any certificate, temporary documents or split renounceable documents); and (ii) non-centralized trading transfers (including but not limited to share transfers due to written agreements, inheritance, gift and property division, for which the relevant applicant must submit materials required by CSDC to complete the transfer, and CSDC, which will be the Company's share registrar of the RMB Shares and the keeper of the register of holders of the RMB Shares, will provide services of certifying transfers against certificates or temporary documents and splitting renounceable documents with respect to such non-centralized trading transfers of the RMB Shares).

Accordingly, the Company has applied for, and the Stock Exchange has granted, a modification of Rule 13.58 of the Listing Rules so that the requirements relating to certification of transfers to be completed within certain timeframes thereunder will apply only to the Hong Kong Shares and any transfer of RMB Shares other than On-Exchange Transfers.

(4) Modification of Rules 13.59 and 13.60 of the Listing Rules in connection with the provision of securities registration services

As CSDC will provide securities registration services to holders of the RMB Shares, and there is no need for certificate registration service given that the RMB Shares can be traded electronically on the Shenzhen Stock Exchange and will not require a share certificate to evidence title, the Company has applied for, and the Stock Exchange has granted, a modification of Rules 13.59 and 13.60 of the Listing Rules so that the requirements relating to securities registration services thereunder will apply only to the Hong Kong Shares. To the best knowledge of the Company, the grant of the waiver would not impose undue risk to the Shareholders given the Proposed Issue of RMB Shares is subject to Shareholders' approval at the EGM.

With respect to the Proposed Issue of RMB Shares, the Company confirmed that it will comply with all applicable requirements issued by relevant PRC regulatory authorities in relation to foreign exchange registration, withholding tax, opening of designated accounts for cross-border conversion, receipt and payment of funds, and exchange between different currencies, including but not limited to the distribution of dividends to holders of the RMB Shares.

REASONS FOR AND BENEFITS OF THE PROPOSED ISSUE OF RMB SHARES AND THE UNDERWRITING COMMITMENT

The Board considers that the Proposed Issue of RMB Shares will enable the Company to access the PRC capital market by way of equity financing and improve its capital structure while maintaining its international development strategy. The Board considers that the Proposed Issue of RMB Shares will enhance the corporate image of the Company, better facilitate the Company's capital expenditure needs, broaden the Company's fund-raising channels, improve the Company's capital structure, further strengthen the financial position of the Group and provide working capital to the Group.

The Board considers that the Proposed Issue of RMB Shares is in line with the interests of the Company and the Shareholders as a whole, and is beneficial to strengthening the sustainable development of the Company.

The Company is of the view that the engagement of Everbright Securities by the Company as one of the lead underwriters and sponsors in respect of the Proposed Issue of RMB Shares would facilitate the Proposed Issue of RMB Shares, and is fair and reasonable, considering that:

(i) there is a long-term cooperative relationship between the Company and Everbright Securities, and Everbright Securities has a track record of providing advisory and underwriting services to the Company. Such knowledge of Everbright Securities regarding the financing needs and operations of the Group would help Everbright Securities in providing tailor-made and effective services to the Group; and

(ii) the underwriting fees to be charged by Everbright Securities are within range of underwriting fees charged by comparable financial institutions for comparable transactions based on the results of the tender process conducted by the Company for selecting its lead sponsor(s) and underwriter(s) for the Proposed Issue of RMB Shares, and the fee structure of Everbright Securities will be the same as the other lead sponsor and underwriter selected based on the aforesaid tender process.

The Directors (excluding the independent non-executive Directors) are of the view that the Underwriting Commitment and the transactions contemplated thereunder (including the payment of any underwriting fees) are on normal commercial terms that are fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As at the date of this announcement, China Everbright Group, through its wholly-owned subsidiaries, holds approximately 43.08% equity interest in the Company, and is a controlling shareholder of the Company. Therefore, China Everbright Group and its associate, Everbright Securities, are connected persons of the Company under Chapter 14A of the Listing Rules. Accordingly, the Underwriting Commitment, and the transactions contemplated thereunder, constitute connected transactions of the Company under the Listing Rules, and thus are subject to the reporting, announcement, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As at the date of this announcement, China Everbright Group and its associates, which own 2,646,233,137 Shares, representing approximately 43.08% of the existing number of Shares in issue. China Everbright Group and its associates shall abstain from voting on the resolution(s) in relation to the Underwriting Commitment and the transactions contemplated thereunder at the EGM. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, no other Shareholders are required to abstain from voting at the EGM in respect of the Underwriting Commitment and the transactions contemplated thereunder.

None of the Directors has any material interest in the Proposed Issue of RMB Shares, the Underwriting Commitment and the transactions contemplated thereunder. However, in view of good corporate governance practices, each of Mr. Kang Guoming and Ms. Qu Li, both being non-executive Directors who are also employees of China Everbright Group, had abstained from voting on the relevant Board resolution(s) approving the Underwriting Commitment and the transactions contemplated thereunder.

INFORMATION OF THE PARTIES

Information of the Company, China Everbright Group and Everbright Securities

The Company is the largest environmental enterprise in China, a leading player in Asia's environmental protection industry, the world's largest waste-to-energy investor and operator, and a world-renowned environmental group. As a pioneering one-stop integrated environmental solution provider in China, the Company focuses on three major areas: solid waste, water-related business and clean energy. Its main businesses encompass waste-to energy and integrated waste treatment, integrated biomass utilisation, hazardous and solid waste treatment, new energy, environmental remediation, water environment management, equipment manufacturing, waste sorting, integrated environmental sanitation, resource recycling, zero-waste city development, research and development relating to green technologies, ecological and environmental planning and designing, as well as environmental protection industrial parks. The Company currently operates in more than 220 locations across 25 provinces, autonomous regions, municipalities and a special administrative region in China, as well as in 20 overseas markets, including Germany, Poland, Vietnam and Uzbekistan.

China Everbright Group is a joint stock company incorporated in the PRC and is an indirect controlling shareholder and a connected person of the Company. It is owned approximately 63.16%, 33.43% and 3.40%, respectively, by Central Huijin, the Ministry of Finance of the PRC and the National Council for Social Security Fund of the PRC（中國全國社會保障基金理事會）. Central Huijin is, in turn, indirectly wholly-owned by the State Council of the PRC. It is a conglomerate which, through its subsidiaries and associates, engages in a diverse range of businesses including banking, securities and asset management.

Everbright Securities is directly owned as to approximately 25.15% equity interests by China Everbright Group, and as to approximately 20.71% equity interest by China Everbright Limited（中國光大控股有限公司）. China Everbright Limited is indirectly owned as to approximately 49.74% by China Everbright Holdings Company Limited（中國光大集團有限公司）which is in turn directly wholly owned by China Everbright Group. Everbright Securities primarily engages in brokerage and wealth management, credit business, institutional securities services, and investment management.

GENERAL

The EGM will be convened for the purpose of, among other things, obtaining Shareholders' approval for the Proposed Issue of RMB Shares, the Specific Mandate and related matters, and obtaining Independent Shareholders' approval for the Underwriting Commitment and the transactions contemplated thereunder.

The Independent Board Committee has been established to make recommendations to the Independent Shareholders in relation to the fairness and reasonableness of the Underwriting Commitment and the transactions contemplated thereunder.

Gransing Securities has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders.

A circular containing, among other things, (i) further details of the Proposed Issue of RMB Shares, the Specific Mandate and related matters, and the Underwriting Commitment; (ii) a letter of recommendation from the Independent Board Committee in relation to the Underwriting Commitment and the transactions contemplated thereunder; (iii) a letter of advice from Gransing Securities in relation to the Underwriting Commitment and the transactions contemplated thereunder; (iv) a notice of the EGM; and (v) other information as required under the Listing Rules, is expected to be despatched to the Shareholders on or before 16 November 2026.

Shareholders and potential investors of the Company should note that the Proposed Issue of RMB Shares shall be subject to the Shareholders' approval at the EGM and the Regulatory Approvals, and thus may or may not be implemented. Shareholders and potential investors of the Company should be cautious that there is no assurance that the Proposed Issue of RMB Shares will materialise or as to when it may materialise. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Share(s).

Further announcement(s) will be made by the Company in accordance with the Listing Rules and other applicable laws and regulations on any material updates and progress in connection with the Proposed Issue of RMB Shares as and when appropriate. This announcement is for information purposes only and does not constitute any invitation or offer to acquire, purchase or subscribe for the Share(s).

DEFINITIONS

In this announcement, unless otherwise defined, the following terms shall have the following meanings:

"Articles of Association"	the articles of association of the Company, as amended from time to time
"associate"	has the meaning ascribed to it under the Listing Rules
"Board"	the board of Directors
"Central Huijin"	Central Huijin Investment Ltd.*(中央匯金投資有限責任公司), a company incorporated in the PRC with limited liability, which is indirectly wholly-owned by the State Council of the PRC
"China Everbright Group"	China Everbright Group Ltd.*(中國光大集團股份公司), a joint stock company incorporated in the PRC, an indirect controlling shareholder and a connected person of the Company
"Company"	China Everbright Environment Group Limited(中國光大環境(集團)有限公司), a company incorporated in Hong Kong with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 257)
"connected person"	has the meaning ascribed to it under the Listing Rules
"controlling shareholder"	has the meaning ascribed to it under the Listing Rules
''CSDC''	China Securities Depository and Clearing Corporation Limited
''CSRC''	China Securities Regulatory Commission
"Director(s)"	the director(s) of the Company

"EGM"	the extraordinary general meeting of the Company to be held to consider and, if thought fit, approve, among other things, the Proposed Issue of RMB Shares, the Specific Mandate and related matters, the Underwriting Commitment and the transactions contemplated thereunder, or any adjournment thereof
"Everbright Securities"	Everbright Securities Company Limited*(光大證券股份有限公司), a joint stock company incorporated in the PRC and whose H shares and A shares are listed on the main board of the Stock Exchange (stock code: 6178) and the Shanghai Stock Exchange (stock code: 601788), respectively, and an associate of China Everbright Group and a connected person of the Company
"Everbright Securities Sponsor and Underwriting Agreement"	the sponsor and underwriting agreement dated 6 November 2026 entered into among the Company and Everbright Securities pursuant to which the Company has engaged Everbright Securities as one of the lead underwriters and sponsors in respect of the Proposed Issue of RMB Shares in accordance with the terms and conditions therein
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	Hong Kong Special Administrative Region of the PRC
"Hong Kong Share(s)"	the existing ordinary Share(s) which are listed on the Stock Exchange
"Independent Board Committee"	the independent committee of the Board, comprising all the independent non-executive Directors, namely, Mr. Fan Yan Hok, Philip, Ms. Li Shuk Yin, Edwina and Mr. Fok Kai Man, established to advise the Independent Shareholders in respect of the Underwriting Commitment and the transactions contemplated thereunder

"Independent Financial Adviser" or "Gransing Securities"	Gransing Securities Co., Limited, a licensed corporation to carry out, among others, type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders in relation to the Underwriting Commitment and the transactions contemplated thereunder
"Independent Shareholders"	Shareholders other than China Everbright Group and its associates
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Over-allotment Option"	the over-allotment option which may be exercised by the Company and the lead underwriter(s) in respect of such number of RMB Shares not exceeding 15% of the number of RMB Shares to be issued initially under the Proposed Issue of RMB Shares
"PRC"	the People's Republic of China
"Proposed Issue of RMB Shares"	the Company's proposed initial issue of no more than 800,000,000 RMB Shares (assuming no Over-allotment Option is exercised) or no more than 920,000,000 RMB Shares (assuming the Over-allotment Option is exercised in full), which will be listed on the main board of the Shenzhen Stock Exchange
''Regulatory Approvals''	the approvals or decisions from the relevant regulatory authorities and governmental departments in the PRC (including but not limited to the CSRC, the Stock Exchange, the Shenzhen Stock Exchange and the CSDC)
"RMB"	Renminbi, the lawful currency of the PRC

"RMB Share(s)"	the ordinary Share(s) to be subscribed for in RMB by target subscribers in the PRC, to be listed on the main board of the Shenzhen Stock Exchange and traded in RMB
''SFO''	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
"Shareholder(s)"	the holder(s) of the Shares of the Company
"Share(s)"	share(s) of the Company with no nominal value
''Shenzhen Stock Exchange''	the Shenzhen Stock Exchange in the PRC
"Specific Mandate"	a specific mandate to be sought from the Shareholders at the EGM to allot and issue RMB Shares pursuant to the Proposed Issue of RMB Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Underwriting Commitment"	the underwriting and related services to be provided by Everbright Securities, including its commitment to subscribe any unsubscribed RMB Shares under the Proposed Issue of RMB Shares in accordance with the terms of the Everbright Securities Sponsor and Underwriting Agreement
"%"	per cent

By Order of the Board
China Everbright Environment Group Limited
Wang Silian
Chairman of the Board

Hong Kong SAR of China, 6 November 2026

As at the date of this announcement, the Board comprises: (i) an Executive Director, namely Mr. Wang Silian (Chairman of the Board); (ii) two Non-executive Directors, namely Mr. Kang Guoming and Ms. Qu Li; and (iii) three Independent Non-executive Directors, namely Mr. Fan Yan Hok, Philip, Ms. Li Shuk Yin, Edwina and Mr. Fok Kai Man.

* *For identification purpose only*