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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)

(1) RESIGNATION OF EXECUTIVE DIRECTOR; (2) CHANGE IN CHAIRMAN OF THE BOARD; AND (3) CHANGE IN COMPOSITION OF BOARD COMMITTEES

The Board announces that, with effect from 25 September 2020:

- (1) Mr. Cai Yunge has resigned as the Executive Director and the Chairman of the Board, and the Chairman of the Nomination Committee and the Member of the Remuneration Committee of the Company; and
- (2) Mr. Wang Tianyi, currently the Executive Director and the CEO of the Company, has been appointed as the Chairman of the Board, and the Chairman of the Nomination Committee and the Member of the Remuneration Committee of the Company.

Resignation of the Executive Director and the Chairman of the Board

The board (the “Board”) of directors (the “Director(s)”) of China Everbright Environment Group Limited (the “Company”, together with its subsidiaries, collectively the “Group”) announces that due to change of job, Mr. Cai Yunge (“Mr. Cai”) has resigned as the Executive Director and the Chairman of the Board, and the Chairman of the Nomination Committee and the Member of the Remuneration Committee of the Company with effect from 25 September 2020.

Mr. Cai has confirmed that he is not aware of any matter relating to his resignation that needs to be brought to the attention of the shareholders of the Company (the “Shareholders”), and that he has no disagreement with the Board.

Mr. Cai has demonstrated dedication and diligence in serving the Company during his tenure of directorship. The Board would like to express its gratitude to Mr. Cai for his valuable contributions to the Company.

Appointment of the Chairman of the Board and Change in Composition of Board Committees

The Board announces that Mr. Wang Tianyi (“Mr. Wang”), currently the Executive Director and the Chief Executive Officer (“CEO”) of the Company, has been appointed as the Chairman of the Board, and the Chairman of the Nomination Committee (who is currently the Member of the Nomination Committee) and the Member of the Remuneration Committee of the Company with effect from 25 September 2020.

Mr. Wang, aged 58, is the Executive Director and the CEO of the Company. He is also the Chairman of the Disclosure Committee and the Member of the Nomination Committee of the Company, and a director of several subsidiaries of the Group. Mr. Wang is the non-executive director and the chairman of China Everbright Water Limited (the Company’s subsidiary and the shares of which are listed on the Singapore Exchange Securities Trading Limited and The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), stock codes: U9E.SG and 1857.HK). He is also the non-executive director and the chairman of the board of directors of China Everbright Greentech Limited (the Company’s subsidiary and the shares of which are listed on the Stock Exchange, stock code: 1257.HK). Prior to joining the Group, he was the Dean of Shandong Academy of Sciences. He was formerly the Deputy Mayor of Jinan City of Shandong Province. He had been the Vice President, and the Dean and Professor of the School of Economics and Management of Yantai University of Shandong Province.

Mr. Wang is currently a part-time professor of Tsinghua University and a Co-Director of the Center for PPP of Tsinghua University. He is also a member of the China Council for International Cooperation on Environment and Development, a member of International Coalition for Green Development on the Belt and Road Advisory Board, a vice chairman of China Ecological Civilization Research and Promotion Association, a vice chairman of All-China Environment Federation, a vice chairman of Industrial and Academic Union of Ecological Environment of the China Association for Science and Technology, a member of the UNECE PPP Business Advisory Board, and a member of China Business Research Centre Advisory Council of the National University of Singapore. He holds a doctorate degree in economics, a master’s degree in management and a bachelor’s degree in electronics from Tsinghua University. He had pursued advanced studies at Harvard University and University of California in the United States. Mr. Wang joined the Board in February 2010, and was re-designated as the Executive Director and the CEO and of the Company in January 2018.

Save as disclosed in this announcement, Mr. Wang (i) does not hold and has not held any other directorships in the last 3 years in any other public companies, the securities of which are listed on any securities market in Hong Kong or overseas, and does not have any other major appointments and professional qualifications; and (ii) does not hold any position in the Company or any of its subsidiaries and does not have any other relationship with any Directors, senior management, substantial or controlling shareholders of the Company. As at the date of this announcement, Mr. Wang is not interested or deemed to be interested in any shares or underlying shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Mr. Wang is not entitled to any remuneration in his capacity as the Executive Director and the Chairman of the Board. He will be entitled to an annual salary of HK\$2,750,250 as the CEO of the Company for the year ending 31 December 2020. The remuneration of Mr. Wang would be determined by the Board with reference to the prevailing market rate. Moreover, Mr. Wang is entitled to a year-end discretionary bonus determined at absolute discretion by the Company having regard to the performance of the Company and the market situation.

Pursuant to the appointment letter entered into between the Company and Mr. Wang, there is no specific term of appointment of Mr. Wang. However, he is subject to the arrangements of retirement by rotation and re-election at annual general meetings of the Company in accordance with the Articles of Association of the Company and the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”), as amended from time to time.

Save as disclosed above, there is no other matters in relation to the aforesaid appointments that needs to be brought to the attention of the Shareholders nor any information required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

Compliance with the CG Code

Code Provision A.2.1 of the Corporate Governance Code and Corporate Governance Report (the “CG Code”) set out in Appendix 14 to the Listing Rules states that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Notwithstanding the deviation from Code Provision A.2.1 of the CG Code, given that the Company has set out clearly in writing the respective responsibilities for the Chairman and the CEO, and Mr. Wang, being the CEO, is familiar with and has superior knowledge and experience of the Group’s business, therefore, the Board considers that vesting the roles of both Chairman of the Board and CEO in the same person has the benefit of ensuring consistent leadership with the Group and enables more effective and efficient overall strategic planning for the Group. The Board believes that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and efficiently. The Board shall nevertheless review the structure from time to time and it will consider the appropriate move to take should suitable circumstance arise.

By Order of the Board
China Everbright Environment Group Limited
Wang Tianyi
Chairman and Chief Executive Officer

Hong Kong, 25 September 2020

As at the date of this announcement, the Board comprises: (i) four Executive Directors, namely Mr. Wang Tianyi (Chairman and Chief Executive Officer), Mr. Wong Kam Chung, Raymond, Mr. Hu Yanguo and Mr. Qian Xiaodong; and (ii) four Independent Non-executive Directors, namely Mr. Fan Yan Hok, Philip, Mr. Mar Selwyn, Mr. Zhai Haitao and Mr. Suo Xuquan.