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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 a stockbroker or other licensed dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **China Everbright Environment Group Limited**, you should at once hand this circular, the 2022 annual report and proxy form to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)**

**PROPOSALS FOR  
GENERAL MANDATES TO ISSUE NEW SHARES  
AND REPURCHASE SHARES  
RE-ELECTION OF RETIRING DIRECTORS  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the Annual General Meeting of China Everbright Environment Group Limited to be held at 38/F., Everbright Centre, 108 Gloucester Road, Wanchai, Hong Kong on Wednesday, 24 May 2023 at 3:00 p.m. or any adjournment thereof is set out on pages 16 to 20 of this circular. Whether or not you propose to attend the meeting, you are requested to complete the accompanying proxy form in accordance with the instructions printed thereon and return the same to the Company's share registrar, Tricor Tengis Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof. Completion and return of the proxy form will not preclude the Shareholders from attending and voting in person at the meeting should they so wish.

Hong Kong, 26 April 2023

## DEFINITIONS

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

“AGM Notice”	the notice dated 26 April 2023 convening the AGM as set out on pages 16 to 20 of this circular
“Annual General Meeting” or “AGM”	the annual general meeting of the Company to be held at 38/F., Everbright Centre, 108 Gloucester Road, Wanchai, Hong Kong on Wednesday, 24 May 2023 at 3:00 p.m.
“Articles of Association”	the articles of association of the Company, as amended from time to time
“Board”	the board of directors of the Company or a duly authorised committee thereof for the time being
“close associates”	has the meaning ascribed to it in the Listing Rules
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“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
“core connected persons”	has the meaning ascribed to it in the Listing Rules
“Director(s)”	the director(s) of the Company for the time being
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of The People’s Republic of China
“INED(s)”	Independent non-executive Director(s) of the Company

## DEFINITIONS

“Issue Mandate”	the general and unconditional mandate proposed to be granted to the Directors to exercise the powers of the Company to allot, issue and deal with new Shares during the period as set out in the ordinary resolution No. 5(1) in AGM Notice up to 20% of the total number of issued Shares as at the date of passing of the ordinary resolution No. 5(1)
“Latest Practicable Date”	19 April 2023, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Nomination Committee”	the Nomination Committee of the Company
“PRC”	the People’s Republic of China
“Remuneration Committee”	the Remuneration Committee of the Company
“Repurchase Mandate”	the general and unconditional mandate proposed to be granted to the Directors to exercise the powers of the Company to repurchase Shares during the period as set out in the ordinary resolution No. 5(2) in the AGM Notice up to 10% of the total number of issued Shares as at the date of passing of the ordinary resolution No. 5(2)
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	share(s) of the Company with no nominal value
“Shareholder(s)”	holder(s) of Share(s)
“Share Repurchase Rules”	the relevant rules set out in the Listing Rules to regulate the repurchase by companies with primary listing of their own securities on the Stock Exchange
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	Hong Kong Code on Takeovers and Mergers
“%”	per cent.



**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)**

**Directors:**

*Executive Directors:*

HUANG Haiqing (*Chairman of the Board*)

LUAN Zusheng (*Chief Executive Officer*)

HU Yanguo (*Vice President*)

QIAN Xiaodong (*Vice President*)

AN Xuesong (*Vice President and Chief Financial Officer*)

**Registered Office:**

Room 2703, 27th Floor

Far East Finance Centre

16 Harcourt Road

Hong Kong

*Independent Non-executive Directors:*

FAN Yan Hok, Philip

ZHAI Haitao

SUO Xuquan

LI Shuk Yin, Edwina

26 April 2023

*To the Shareholders*

Dear Sir or Madam,

**PROPOSALS FOR  
GENERAL MANDATES TO ISSUE NEW SHARES  
AND REPURCHASE SHARES  
RE-ELECTION OF RETIRING DIRECTORS  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

**1. INTRODUCTION**

The purpose of this circular is to provide you with information regarding, inter alia, the proposed renewal of the Issue Mandate, the Repurchase Mandate, re-election of the retiring Directors and to seek your approval of the resolutions relating to these matters at the AGM to be held at 38/F., Everbright Centre, 108 Gloucester Road, Wanchai, Hong Kong on Wednesday, 24 May 2023 at 3:00 p.m. The AGM Notice is set out on pages 16 to 20 of this circular.

## LETTER FROM THE BOARD

### 2. GENERAL MANDATES TO ISSUE NEW SHARES AND TO REPURCHASE SHARES

At the annual general meeting of the Company held on 18 May 2022, general mandates were given to the Directors to allot, issue and deal with new Shares and to exercise the powers of the Company to repurchase Shares in accordance with the Share Repurchase Rules. Such general mandates will lapse at the conclusion of the AGM. Therefore, the Company proposes to seek your approval at the AGM to renew these general mandates to:

- (i) grant to the Directors the Issue Mandate to allot, issue and deal with new Shares up to 20% of the total number of issued Shares as at the date of passing of the ordinary resolution No. 5(1) set out in the AGM Notice;
- (ii) grant to the Directors the Repurchase Mandate to exercise the powers of the Company to repurchase Shares up to 10% of the total number of issued Shares as at the date of passing of the ordinary resolution No. 5(2) set out in the AGM Notice; and
- (iii) extend the Issue Mandate by adding to it an amount representing the total number of Shares which are repurchased or otherwise acquired by the Company pursuant to the Repurchase Mandate.

Such general mandates proposed to be granted to the Directors will continue in force until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company; or
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or any applicable laws of Hong Kong to be held; or
- (iii) the date on which the authority set out in such ordinary resolutions No. 5(1) and No. 5(2) in the AGM Notice is revoked or varied by an ordinary resolution of the Shareholders in general meeting.

Details of the Issue Mandate, the Repurchase Mandate and the extension of the Issue Mandate are respectively set out in the ordinary resolutions No. 5(1), No. 5(2) and No. 5(3) in the AGM Notice. An explanatory statement, as required to be sent to the Shareholders under the Share Repurchase Rules and under the Companies Ordinance, to provide you with requisite information in respect of the Repurchase Mandate is set out in Appendix I hereto.

## LETTER FROM THE BOARD

### 3. RE-ELECTION OF RETIRING DIRECTORS

The Board currently consists of nine Directors, comprising (i) five executive Directors, namely Mr. HUANG Haiqing, Mr. LUAN Zusheng, Mr. HU Yanguo, Mr. QIAN Xiaodong and Mr. AN Xuesong; and (ii) four INEDs, namely Mr. FAN Yan Hok, Philip, Mr. ZHAI Haitao, Mr. SUO Xuquan and Ms. LI Shuk Yin, Edwina. Mr. FAN Yan Hok, Philip and Mr. ZHAI Haitao have served as INEDs for approximately 10 years and 12 years respectively.

Pursuant to the article 73 of the Articles of Association, Mr. HUANG Haiqing, who was appointed as a new Director on 18 June 2022, will retire at the AGM and, being eligible, offer himself for re-election.

Pursuant to the article 77 of the Articles of Association, Mr. HU Yanguo, Mr. QIAN Xiaodong and Mr. FAN Yan Hok, Philip, being the Directors longest in office since their last re-election, will retire by rotation from office at the AGM and being eligible, will offer themselves for re-election.

Mr. FAN Yan Hok, Philip was appointed and has served as an INED for more than nine years since December 2012. Pursuant to code provision B.2.3 of the Corporate Governance Code set out in Appendix 14 to the Listing Rules, if an INED has served more than nine years, his further appointment should be subject to a separate resolution to be approved by the Shareholders. The Company should also state the reason why the Board and the Nomination Committee believe the Director is still independent and should be re-elected, including the factors considered, the process and discussion of the Board and the Nomination Committee in arriving at such determination.

Mr. Fan has given his annual written confirmation of independence to the Company according to Rule 3.13 of the Listing Rules. In evaluating the independence of the INEDs, in addition to the independence criteria as set out in Rule 3.13 of the Listing Rules, the Nomination Committee will consider all relevant factors, instead of only evaluating the length of service of the relevant individuals. The Nomination Committee has made reference to the *Nomination Policy* and the *Board Diversity Policy* of the Company, and given due regard to whether their independence and ability may contribute to the Board based on the skills, knowledge and experience required by the Board, as well as the time such INED devoted to the Board. In this regard, the Nomination Committee considered that Mr. Fan, as an INED, possesses in-depth knowledge of the Group's operations and business, as well as extensive experience and knowledge in corporate management, risk management and the environmental protection industry that contributes invaluable expertise to the Board, which is beneficial to the Board with diversity, continuity and stability. During Mr. Fan's tenure, he actively participated in the meetings of the Board and Board committees to give professional, objective and independent opinion and insight. He continues demonstrating a firm commitment to his role and is able to devote sufficient time for the Board and the Board committees that he is currently serving. Mr. Fan has not been involved in the day-to-day management duties of the Group, and does not have any relationship with any other Directors, senior management, substantial shareholders or controlling shareholders of the Company which could give rise to a

## LETTER FROM THE BOARD

conflict of interest or otherwise affect the exercise of his independent judgement. The Nomination Committee has reviewed Mr. Fan's long service to the Board, and proposed his re-election at the AGM. Despite the fact that Mr. Fan has served as an INED for more than nine years, the Nomination Committee still considered him to be independent, and is capable of bringing new perspectives, objective insights and independent judgement to the Board and the Board committees that he is currently serving. Having considered the results of evaluation and advice of the Nomination Committee, the Board is of the view that the long service of Mr. Fan will not affect the exercise of his independent judgement, and that he is still independent. Accordingly, the Board accepted the recommendation of the Nomination Committee and considered that the re-election of Mr. Fan as an INED at the AGM would contribute to the stability and diversity of the Board.

In addition, the Nomination Committee had also considered and nominated the above retiring Directors to the Board for it to propose to the Shareholders for re-election as Directors at the AGM. Each of Mr. HUANG Haiqing and Mr. FAN Yan Hok, Philip, both being members of the Nomination Committee, abstained from voting when their own nominations were being considered. After considering the recommendation of the Nomination Committee, the Board has proposed Mr. HUANG Haiqing, Mr. HU Yanguo, Mr. QIAN Xiaodong and Mr. FAN Yan Hok, Philip to stand for re-election as Directors. As a good corporate governance practice, each of the above retiring Directors abstained from voting at the relevant Board meeting on the respective proposals of their recommendations for re-election as Directors by the Shareholders at the AGM.

Biographical details of the retiring Directors proposed to be re-elected at the AGM are set out in Appendix II to this circular.

#### **4. ANNUAL GENERAL MEETING**

Set out on pages 16 to 20 of this circular is the AGM Notice containing, inter alia, ordinary resolutions which will be proposed at the AGM to approve respectively the Issue Mandate, the Repurchase Mandate, the extension of the Issue Mandate and the re-election of the retiring Directors.

#### **5. VOTING BY WAY OF POLL**

Pursuant to Rule 13.39(4) of the Listing Rules, all votes of the Shareholders at a general meeting must be taken by poll except where the chairman of the meeting, 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 Company must announce the results of the poll in the manner prescribed under Rules 13.39(5) and 13.39(5A) of the Listing Rules.

## LETTER FROM THE BOARD

### 6. ACTION TO BE TAKEN

A proxy form for use at the AGM is enclosed with this circular. Whether or not you intend to attend the AGM, you are requested to complete the proxy form and return it to the Company's share registrar, Tricor Tengis Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof. Completion and return of the proxy form will not preclude the Shareholders from attending and voting in person at the AGM if they so wish.

### 7. RECOMMENDATION

The Board believes that the proposed resolutions as set out in the AGM Notice are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends that the Shareholders vote in favour of all resolutions to be proposed at the AGM.

Yours faithfully,  
For and on behalf of the Board of  
**China Everbright Environment Group Limited**  
**Huang Haiqing**  
*Chairman of the Board*



*This appendix serves as an explanatory statement required to be sent to the Shareholders under the Share Repurchase Rules to provide them with the requisite information for their consideration of the Repurchase Mandate and also constitutes the memorandum as required under section 239(2) of the Companies Ordinance.*

**(A) SHARES**

As at the Latest Practicable Date, the number of issued Shares was 6,142,975,292 Shares.

Subject to the passing of the ordinary resolution No. 5(2) in the AGM Notice in respect of the Repurchase Mandate and on the basis of 6,142,975,292 Shares in issue and assuming no further Shares are issued or repurchased between the Latest Practicable Date and the date of the AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 614,297,529 Shares during the period as set out in ordinary resolution No. 5(2) in the AGM Notice representing not more than 10% of the total number of issued Shares at the Latest Practicable Date.

**(B) REASONS FOR THE REPURCHASE**

The Directors believe that the Repurchase Mandate is in the best interests of the Company and the Shareholders. Such Share repurchase may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the net assets of the Company and/or its earnings per Share and will only be made when the Directors believe that a Share repurchase will benefit the Company and the Shareholders.

**(C) FUNDING OF THE REPURCHASE**

In Share repurchase, the Company may only apply funds legally available for such purpose in accordance with the Articles of Association and the Companies Ordinance. The Companies Ordinance provides that the payment in respect of Share repurchase may only be paid from distributable profits of the Company or the proceeds of a new issue of Shares made for the purpose of Share repurchase to such extent allowable under the Companies Ordinance.

There might be a material adverse impact on the working capital or gearing position of the Company as compared with the position disclosed in the audited consolidated financial statements contained in the 2022 annual report in the event that the power to repurchase Shares pursuant to the Repurchase Mandate were to be carried out in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements or the gearing levels of the Company which in the opinion of the Directors are from time to time appropriate for the Company.

**(D) SHARE PRICES**

The highest and lowest prices at which the Shares were traded on the Stock Exchange during each of the previous twelve months up to the Latest Practicable Date were as follows:

	<b>Highest</b> <i>HK\$</i>	<b>Lowest</b> <i>HK\$</i>
<b>2022</b>		
April	4.900	4.300
May	4.840	4.470
June	4.780	4.370
July	4.730	4.050
August	4.210	3.760
September	3.880	3.030
October	3.380	2.560
November	3.570	2.560
December	3.680	3.280
<b>2023</b>		
January	3.760	3.430
February	3.610	3.120
March	3.680	3.160
April (up to and including the Latest Practicable Date)	3.460	3.210

**(E) UNDERTAKING**

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the power of the Company to repurchase Shares pursuant to the Repurchase Mandate and in accordance with the Listing Rules, the Companies Ordinance and any other applicable laws of Hong Kong.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, their close associates have any present intention to sell any Shares to the Company under the Repurchase Mandate if such mandate is approved by the Shareholders.

No core connected persons of the Company have notified the Company that they have a present intention to sell the Shares to the Company, or have undertaken not to do so, in the event that the Repurchase Mandate is approved by the Shareholders.

**(F) EFFECT OF THE TAKEOVERS CODE**

If on the exercise of the power to repurchase Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purpose of Rule 32 of the Takeovers Code. As a result, a Shareholder or group of Shareholders acting in concert, could obtain or consolidate control of the Company and become obliged to make a mandatory general offer in accordance with Rules 26 and 32 of the Takeovers Code.

Name of Shareholders	Number of Shares interested <sup>(note (2))</sup>	Approximate % of the total number of Shares in issue <sup>(note (1))</sup>	Approximate % of the total number of Shares in issue should the Repurchase Mandate be exercised in full
Central Huijin Investment Ltd. ("Huijin") <sup>(note (3))</sup>	2,646,233,137	43.08%	47.86%
China Everbright Group Ltd. ("China Everbright Group") <sup>(note (4))</sup>	2,646,233,137	43.08%	47.86%

Based on such shareholding and in the event that the Directors exercised in full the power to repurchase Shares pursuant to the Repurchase Mandate, an obligation to make a mandatory general offer by Huijin to the Shareholders under Rules 26 and 32 of the Takeovers Code may arise.

The Directors have no present intention to exercise the Repurchase Mandate to such an extent as would trigger the obligation under the Takeovers Code in the manner described above.

In the event that the Repurchase Mandate is exercised in full, the number of Shares held by the public will not fall below 25%.

*Notes:*

- (1) Based on 6,142,975,292 Shares in issue as at the Latest Practicable Date.
- (2) According to the register required to be kept by the Company under section 336 of the SFO and the Disclosure of Interest Notices information retrieved from the website of Hong Kong Exchanges and Clearing Limited ([www.hkexnews.hk](http://www.hkexnews.hk)).
- (3) Huijin is indirectly wholly-owned by the State Council of the PRC and holds 63.16% equity interests of China Everbright Group. It is deemed to be interested in the 2,646,233,137 Shares indirectly held by China Everbright Group.

- (4) China Everbright Group, through its directly wholly-owned subsidiary, China Everbright Holdings Company Limited (“**CE Hong Kong**”), indirectly wholly-owns Guildford Limited (“**Guildford**”) and Everbright Investment & Management Limited (“**EIM**”), respectively. Guildford directly holds 2,430,442,287 Shares of the Company and EIM directly holds 215,790,850 Shares of the Company. Accordingly, China Everbright Group is deemed to be interested in the 2,646,233,137 Shares directly held by Guildford and EIM in total.

**(G) SHARE REPURCHASE MADE BY THE COMPANY**

The Company did not repurchase any Shares (whether on the Stock Exchange or otherwise) during the six months preceding the Latest Practicable Date.

*The following are the particulars of the retiring Directors proposed to be re-elected at the AGM:*

**Mr. HUANG Haiqing**, aged 58, is the Executive Director and the Chairman of the Board. He is also the chairman of the Nomination Committee and the member of the Remuneration Committee of the Board, and a director of several subsidiaries of the Group. Mr. Huang is the non-executive director and the chairman of the board of directors of China Everbright Greentech Limited ("**Everbright Greentech**", the Company's subsidiary and the shares of which are listed on the Stock Exchange). He is currently the director of China Everbright Holdings Company Limited, the Company's indirect controlling shareholder. He holds a doctoral degree in Economics from Southwestern University of Finance and Economics. Mr. Huang is currently a member of the Strategic Advisory Committee and postgraduate tutor of the PBC School of Finance of Tsinghua University, and he is also a senior economist. Prior to joining the Group, Mr. Huang had served as executive director and president of China Everbright Holdings Company Limited, member of CPC committee and secretary of the discipline committee (executive vice president level) of China Everbright Bank Company Limited ("**CE Bank**", the shares of which are listed on the Stock Exchange and Shanghai Stock Exchange (the "**SSE**")). He also served as division chief level officer of Hainan Provincial Branch of Industrial and Commercial Bank of China Limited, deputy general manager of Pudong Branch of Bank of Shanghai, and vice mayor of Xi'an City. Mr. Huang joined the Board in June 2022.

Mr. Huang is not entitled to any remuneration in his capacity as the Executive Director. As the Chairman of the Board from 18 June 2022 to 31 December 2022, he received on a pro-rata basis a salary of HK\$1,662,600 for the year ended 31 December 2022. There is no agreement in respect of the director's remuneration of Mr. Huang, and subject to the authorisation given by the Shareholders to the Board, his director's remuneration is determined by the Remuneration Committee under the Board's authorisation and with reference to the prevailing market conditions and the remuneration standard of the Executive Directors and senior management of the Company. Details of his remuneration are set out in note 9 to the financial statements in the 2022 annual report. He is also entitled to a year-end discretionary bonus determined at its absolute discretion by the Remuneration Committee having regard to the factors such as his work performance, performance of the Company and the market situation, etc. Pursuant to the appointment letter entered into between the Company and Mr. Huang, there is no specific term of appointment of Mr. Huang. 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 and the Listing Rules, as amended from time to time.

As at the Latest Practicable Date, Mr. Huang does not have any interest in the Shares or underlying Shares of the Company and its associated corporations within the meaning of Part XV of the SFO.

**Mr. HU Yanguo**, aged 56, is the Executive Director and the Vice President. He is also the member of the Disclosure Committee of the Board, and a director of several subsidiaries of the Group. Mr. Hu is also the executive director and the chairman of the board of directors of China Everbright Water Limited ("**Everbright Water**", the Company's subsidiary and the shares of which are listed on the Singapore Exchange Securities Trading Limited and the Stock Exchange). Mr. Hu was formerly the non-executive director of Everbright Greentech. Prior to joining the Group, Mr. Hu was the person-in-charge of the accounting department of Guangzhou branch of the CE Bank. Mr. Hu holds a bachelor's degree in mathematics and a master's degree in forestry economy and management from Northeast Forestry University in the PRC. Mr. Hu is a certified public accountant in the PRC. Mr. Hu joined the Board in January 2018.

Mr. Hu was a director of Qinghai Xiancheng Industry Stock Co., Ltd.\* (now known as Qinghai Spring Medicinal Resources Technology Co., Ltd.\*) ("**Xiancheng Industry**") (the shares of which are listed on the SSE with stock code: 600381) from June 2001 to April 2006. During his tenure, Xiancheng Industry did not timely disclose its external guarantee, and therefore Xiancheng Industry did not comply with the Rules Governing the Listing of Stocks on the SSE and breached the Securities Law of the PRC (the "**Incidents**"). Xiancheng Industry was publicly reprimanded by the SSE and warned by China Securities Regulatory Commission ("**CSRC**") with a fine of RMB300,000. As advised by Mr. Hu, although the Incidents were caused by the untimely disclosure of the external guarantee by Xiancheng Industry, Mr. Hu was criticized by the SSE and warned by CSRC with a fine of RMB30,000 since he was the then director of Xiancheng Industry. So far as the Company is aware, there is no evidence that the Incidents involved any act of dishonesty, fraudulence or issue of integrity of Mr. Hu which would affect his suitability as a director of a listed company; and the Incidents occurred more than 10 years ago. Mr. Hu has not received any further correspondences from the relevant regulatory authorities in connection with any further investigation by any judicial, regulatory or governmental authority in relation to the Incidents. Accordingly, the Board considers that Mr. Hu is competent and suitable to act as a Director pursuant to Rules 3.08 and 3.09 of the Listing Rules and he possesses the experience, skill and character to be an Executive Director.

Mr. Hu is not entitled to any remuneration in his capacity as the Executive Director, and there is no agreement in respect of the director's remuneration of Mr. Hu. As the chairman of the board of directors of Everbright Water, Mr. Hu received a salary of HK\$2,311,920 for the year ended 31 December 2022 and he is also entitled to a year-end discretionary bonus from Everbright Water as determined by the remuneration committee of Everbright Water at its absolute discretion having regard to the performance of Everbright Water and the market situation. Details of his remuneration are set out in note 9 to the financial statements in the 2022 annual report. Pursuant to the appointment letter entered into between the Company and Mr. Hu, there is no specific term of appointment of Mr. Hu. 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 and the Listing Rules, as amended from time to time.

\* For identification purpose only

As at the Latest Practicable Date, Mr. Hu has personal interest in 287,000 shares of Everbright Greentech, representing 0.01% of the issued shares of Everbright Greentech.

**Mr. QIAN Xiaodong**, aged 50, is the Executive Director and the Vice President. He is also the member of the Disclosure Committee of the Board and a director of several subsidiaries of the Group. Moreover, Mr. Qian is an executive director and the chief executive officer of Everbright Greentech. He had been the General Manager of the investment development department of the Company. He obtained a bachelor's degree in thermal engineering from Dalian University of Technology in the PRC and a master's degree in environment engineering from the Southeast University in the PRC. Mr. Qian joined the Board in January 2018.

Mr. Qian is not entitled to any remuneration in his capacity as the Executive Director. There is no agreement in respect of the director's remuneration of Mr. Qian. As the chief executive officer of Everbright Greentech, Mr. Qian received a salary of HK\$1,950,000 for the year ended 31 December 2022 and he is also entitled to a year-end discretionary bonus from Everbright Greentech as determined by the remuneration committee of Everbright Greentech at its absolute discretion having regard to the performance of Everbright Greentech and the market situation. Details of his remuneration are set out in note 9 to the financial statements in the 2022 annual report. Pursuant to the appointment letter entered into between the Company and Mr. Qian, there is no specific term of appointment of Mr. Qian. 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 and the Listing Rules, as amended from time to time.

As at the Latest Practicable Date, Mr. Qian has personal interest in 242,000 shares of Everbright Greentech, representing 0.01% of the issued shares of Everbright Greentech.

**Mr. FAN Yan Hok, Philip**, aged 73, is the Independent Non-executive Director, the chairman of the Risk Management Committee of the Board, and the member of each of the Audit Committee, the Remuneration Committee and the Nomination Committee of the Board. Mr. Fan is an independent non-executive director of the following Hong Kong listed public companies, namely Hysan Development Company Limited, First Pacific Company Limited and China Aircraft Leasing Group Holdings Limited. Mr. Fan is also an external director of Sumida Corporation (the shares of which are listed on Tokyo Stock Exchange). Mr. Fan was formerly an independent director of Goodman Group, an Australian listed company and a member of the Asian Advisory Committee of AustralianSuper, a pension fund established in Australia until November 2017 and February 2017 respectively. He was also formerly an independent non-executive director of PFC Device Inc. (the shares of which are listed on the Stock Exchange) until March 2022. Mr. Fan holds a Bachelor's Degree in Industrial Engineering, a Master's Degree in Operations Research from Stanford University and a Master's Degree in Management Science from Massachusetts Institute of Technology. Before joining the Company in 1997, he was an executive director of CITIC Pacific Limited in charge of industrial projects in China. Mr. Fan joined the Board in November 1997 and was re-designated as a Non-executive Director and an Independent Non-executive Director in January 2010 and December 2012 respectively.



Mr. Fan has given a written confirmation of his independence to the Company and the Nomination Committee has evaluated and reviewed it in accordance with the independence criteria as set out in Rule 3.13 of the Listing Rules. The Board is also not aware of any circumstance that would affect Mr. Fan's independent judgement and is satisfied that he has the ability, integrity, independence and experience required to perform the duties of an INED and can maintain his independent opinion in the affairs of the Group. The Nomination Committee and the Board consider him is an independent person.

The Board is of the view that Mr. Fan is beneficial to the Board with diversity of his extensive experience in corporate management, risk management and the environmental protection industry that contributes to invaluable expertise to the Board, and the Company has benefited greatly from his contribution and valuable insights derived from his in-depth knowledge of the Company. The Board believes that he will continue to contribute effectively to the Board.

Pursuant to the appointment letter entered into between the Company and Mr. Fan, he holds office for a term from 1 January 2022 to the conclusion of the annual general meeting of the Company to be held in 2024 and 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 and the Listing Rules, as amended from time to time. He receives a director's fee of HK\$485,000 per annum from 1 January 2022. His director's fee is determined by the Board in accordance with the authorisation given by the Shareholders and with reference to the prevailing market situation. For the year ended 31 December 2022, Mr. Fan received a director's fee of HK\$485,000. Details of his remuneration are set out in note 9 to the financial statements in the 2022 annual report.

As at the Latest Practicable Date, Mr. Fan has personal interest in 11,154,810 Shares of the Company, representing 0.18% of the issued Shares of the Company, and 100,494 shares of Everbright Greentech, representing less than 0.01% of the issued shares of Everbright Greentech.

Save as disclosed above, Mr. Huang, Mr. Hu, Mr. Qian and Mr. Fan (i) do not hold and have not held any other directorships in the last three years in any other public companies, the securities of which are listed on any securities market in Hong Kong or overseas, and they do not have any other major appointments or professional qualifications; and (ii) do not hold any position in the Company or any of its subsidiaries and do not have any other relationship with any Directors, senior management, substantial shareholders or controlling shareholders of the Company.

Save as disclosed above, Mr. Huang, Mr. Hu, Mr. Qian and Mr. Fan have confirmed that there are no other matters that need to be brought to the attention of the Shareholders in connection with their re-election nor any information that needs to be disclosed pursuant to Rule 13.51(2) of the Listing Rules.



## NOTICE OF ANNUAL GENERAL MEETING



### 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)**

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of China Everbright Environment Group Limited (the “**Company**”) will be held at 38/F., Everbright Centre, 108 Gloucester Road, Wanchai, Hong Kong on Wednesday, 24 May 2023 at 3:00 p.m. for the following purposes:

1. To receive and consider the audited consolidated financial statements and the report of the directors and independent auditor’s report for the year ended 31 December 2022.
2. To declare a final dividend of HK9.0 cents per share for the year ended 31 December 2022.
3.
  - (1) To re-elect Mr. HUANG Haiqing as an Executive Director of the Company.
  - (2) To re-elect Mr. HU Yanguo as an Executive Director of the Company.
  - (3) To re-elect Mr. QIAN Xiaodong as an Executive Director of the Company.
  - (4) To re-elect Mr. FAN Yan Hok, Philip as an Independent Non-executive Director of the Company (who has served as an Independent Non-executive Director of the Company for more than 9 years).
  - (5) To authorise the board of directors (the “**Directors**”) of the Company (the “**Board**”) to fix the remuneration of the Directors for the year ending 31 December 2023.
4. To re-appoint Ernst & Young as the auditor of the Company and to authorise the Board to fix its remuneration.

## NOTICE OF ANNUAL GENERAL MEETING

5. As special businesses, to consider and, if thought fit, pass the following resolutions as Ordinary Resolutions:

### ORDINARY RESOLUTIONS

- (1) “THAT:
- (A) subject to paragraph (C) of this Resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with new shares of the Company (“Shares”) and to make or grant offers, agreements and options (including warrants, bonds, debentures, notes and other securities which carry rights to subscribe for or are convertible into Shares) which would or might require Shares to be allotted be and hereby generally and unconditionally approved;
  - (B) the approval in paragraph (A) above shall authorise the Directors during the Relevant Period (as hereinafter defined) to make and grant offers, agreements and options (including warrants, bonds, debentures, notes and other securities which carry rights to subscribe for or are convertible into Shares) which would or might require Shares to be allotted after the end of the Relevant Period;
  - (C) the aggregate number of Shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (A) above, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); or (ii) an issue of Shares pursuant to any scrip dividends or similar arrangement providing for allotment of Shares in lieu of the whole or part of the dividend on Shares in accordance with the articles of association of the Company, shall not exceed 20 per cent. of the total number of issued Shares as at the date of passing of this Resolution provided that if any subsequent consolidation or subdivision of Shares is effected, the maximum number of Shares that may be issued pursuant to the approval in paragraph (A) above as a percentage of the total number of issued Shares immediately before and after such consolidation or subdivision shall be the same and such maximum number of Shares shall be adjusted accordingly; and

## NOTICE OF ANNUAL GENERAL MEETING

(D) for the purpose of this Resolution,

“**Relevant Period**” means the period from the passing of this Resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company; or
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws of Hong Kong to be held; or
- (iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting; and

“**Rights Issue**” means an offer of Shares or issue of options, warrants or other securities giving the right to subscribe for Shares, open for a period fixed by the Directors to the holders of Shares, or any class of Shares, whose names appear on the register of members of the Company (and, where appropriate, to holders of other securities of the Company entitled to the offer) on a fixed record date in proportion to their holdings of such Shares (or, where appropriate, such other securities) as at that date (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognized regulatory body or any stock exchange in, any territory outside Hong Kong applicable to the Company).”

(2) “**THAT:**

- (A) subject to paragraph (B) of this Resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase Shares on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or on any other stock exchange on which the Shares may be listed and recognized by the Securities and Futures Commission and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;

## NOTICE OF ANNUAL GENERAL MEETING

(B) the aggregate number of the Shares to be repurchased by the Company pursuant to the approval in paragraph (A) of this Resolution shall not exceed 10 per cent. of the total number of issued Shares as at the date of passing of this Resolution provided that if any subsequent consolidation or subdivision of Shares is effected, the maximum number of Shares that may be repurchased pursuant to the approval in paragraph (A) above as a percentage of the total number of issued Shares immediately before and after such consolidation or subdivision shall be the same and such maximum number of Shares shall be adjusted accordingly; and

(C) for the purposes of this Resolution,

“**Relevant Period**” means the period from the passing of this Resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company; or
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws of Hong Kong to be held; or
- (iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.”

(3) “**THAT** the general mandate granted to the Directors to exercise the powers of the Company to allot, issue and deal with new Shares pursuant to the Ordinary Resolution No. 5(1) in the notice convening this meeting be and is hereby extended by the addition thereto of an amount representing the aggregate number of Shares repurchased by the Company under the authority granted pursuant to the Ordinary Resolution No. 5(2) in the notice convening this meeting, provided that such extended number shall not exceed 10 per cent. of the aggregate number of the issued Shares as at the date of passing of the Ordinary Resolution No. 5(2) in the notice convening this meeting.”

By Order of the Board  
**China Everbright Environment Group Limited**  
**Poon Yuen Ling**  
*Company Secretary*

Hong Kong, 26 April 2023

## NOTICE OF ANNUAL GENERAL MEETING

### Registered Office:

Room 2703, 27th Floor  
Far East Finance Centre  
16 Harcourt Road  
Hong Kong

### Notes:

1. Any shareholder of the Company (the “Shareholder”) entitled to attend and vote at the annual general meeting of the Company (the “AGM”) is entitled to appoint one or more proxies to attend and speak and, on a poll, to vote instead of him/her. A proxy need not be the Shareholder.
2. To be valid, a proxy form together with any power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof must be lodged with the Company’s share registrar, Tricor Tengis Limited (“Tricor”) at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof.
3. Where there are joint holders of any Share, any one of such joint holders may vote at the AGM, either in person or by proxy, in respect of such Share as if he/she was solely entitled thereto, but if more than one of such joint holders be present at the AGM, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and, for the purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
4. The register of members of the Company will be closed from Friday, 19 May 2023 to Wednesday, 24 May 2023, both days inclusive, on which no transfer of Shares will be registered. In order to qualify for attending and voting at the AGM, all transfer documents must be lodged with Tricor at the above address no later than 4:30 p.m. on Thursday, 18 May 2023.
5. The register of members of the Company will also be closed from Thursday, 1 June 2023 to Monday, 5 June 2023, both days inclusive, on which no transfer of Shares will be registered. In order to qualify for the proposed final dividend, all transfer documents must be lodged with Tricor at the above address no later than 4:30 p.m. on Wednesday, 31 May 2023.
6. With regard to the Resolution nos.3(1) to 3(4) in this notice, the Board proposed that the retiring Directors, namely Mr. HUANG Haiqing, Mr. HU Yanguo, Mr. QIAN Xiaodong and Mr. FAN Yan Hok, Philip, be re-elected as Directors. Their biographical details are set out in Appendix II to the circular dated 26 April 2023.
7. If the Shareholders have any questions relating to the business of the AGM that they would like to be addressed, the Company encourages the Shareholders to submit their questions in writing by email to [ir@cebenvironment.com](mailto:ir@cebenvironment.com) (please quote the Shareholder reference number which is the 6-digit number after “00257” as printed under the address on the envelope) from Thursday, 11 May 2023 at 9:00 a.m. to Thursday, 18 May 2023 at 6:00 p.m. The Company will endeavor to address the questions raised. However, due to time constraints, unanswered questions will be responded to after the AGM as appropriate.
8. In case the AGM is anticipated to be affected by black rainstorms or tropical cyclone with warning signal no.8 or above, please refer to the websites of Hong Kong Exchanges and Clearing Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.cebenvironment.com/en/global/home.php](http://www.cebenvironment.com/en/global/home.php)) for announcement on bad weather arrangement for the AGM.