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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)

DISCLOSEABLE TRANSACTION FORMATION OF JOINT VENTURES

FORMATION OF JOINT VENTURES

The Board is pleased to announce that on 16 October 2025, China Everbright International, a wholly-owned subsidiary of the Company, entered into the Shareholders' Agreements and other relevant foundation documents in relation to the JV Formation, with Maxsus and CR No.17 Second Engineering, both of which are Independent Third Parties, pursuant to which, each of the Project Company A and the Project Company B will be established for the investment, design, construction, operation and maintenance of a waste-to-energy project in Uzbekistan.

Pursuant to the terms of the Shareholders' Agreement A, the registered capital of the Project Company A shall be USD29,600,000 (equivalent to HKD229,992,000), of which China Everbright International, Maxsus and CR No.17 Second Engineering shall contribute USD26,048,000 (equivalent to HKD202,392,960), USD2,960,000 (equivalent to HKD22,999,200) and USD592,000 (equivalent to HKD4,599,840) of the registered capital respectively. Upon its establishment, the Project Company A shall be owned as to 88% by China Everbright International, 10% by Maxsus and 2% by CR No.17 Second Engineering, respectively.

Pursuant to the terms of the Shareholders' Agreement B, the registered capital of the Project Company B shall be USD29,600,000 (equivalent to HKD229,992,000), of which China Everbright International, Maxsus and CR No.17 Second Engineering shall contribute USD26,048,000 (equivalent to HKD202,392,960), USD2,960,000 (equivalent to HKD22,999,200) and USD592,000 (equivalent to HKD4,599,840) of the registered capital respectively. Upon its establishment, the Project Company B shall be owned as to 88% by China Everbright International, 10% by Maxsus and 2% by CR No.17 Second Engineering, respectively.

Upon the establishment of the Project Company A and the Project Company B, they shall be held as to 88% and 88% by China Everbright International respectively, and shall be accounted for as subsidiaries of the Company with their financial results to be consolidated into the Company's consolidated financial statements.

LISTING RULES IMPLICATIONS

Since the Shareholders' Agreements were entered into with the same parties, namely Maxsus and CR No.17 Second Engineering within a 12-month period, the Shareholders' Agreements shall be aggregated pursuant to Rule 14.22 of the Listing Rules. As the highest applicable percentage ratio calculated with reference to Rule 14.07 of the Listing Rules in respect of Shareholders' Agreements, when aggregated with the Development Security and potential further financing and external guarantees, exceeds 5% but is less than 25%, the JV Formation constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements but is exempted from the circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

FORMATION OF JOINT VENTURES

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Upon the establishment of the Project Company A and the Project Company B, they shall be held as to 88% and 88% by China Everbright International respectively, and shall be accounted for as subsidiaries of the Company with their financial results to be consolidated into the Company's consolidated financial statements.

The Shareholders' Agreement A

The principal terms of the Shareholders' Agreement A are set out below:

Date : 16 October 2025

Parties : (1) China Everbright International;
(2) Maxsus; and
(3) CR No.17 Second Engineering.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, as at the date of this announcement, Maxsus and CR No.17 Second Engineering and their ultimate beneficial owners are Independent Third Parties.

Proposed name of Project Company A : Everbright Environmental Energy Fergana JV LLC (subject to the final name as approved and registered by the relevant government authority).

Registered capital : USD29,600,000 (equivalent to HKD229,992,000).

Scope of business : The main business scope of the Project Company A includes the investment, design, construction, operation and maintenance of a waste-to-energy project in Fergana region, Uzbekistan.

Capital contribution : The Parties shall make a total capital contribution of USD29,600,000 (equivalent to HKD229,992,000), of which:

- (i) China Everbright International shall contribute in cash USD26,048,000 (equivalent to HKD202,392,960), accounting for 88% of the registered capital of the Project Company A;
- (ii) Maxsus shall contribute in cash USD2,960,000 (equivalent to HKD22,999,200), accounting for 10% of the registered capital of the Project Company A; and
- (iii) CR No.17 Second Engineering shall contribute in cash USD592,000 (equivalent to HKD4,599,840), accounting for 2% of the registered capital of the Project Company A.

The Parties shall contribute the initial part of their respective capital contribution within ninety (90) days following the establishment of the Project Company A, in a total amount of not less than USD1,000,000 (equivalent to HKD7,770,000). The remaining capital contribution shall thereafter be contributed progressively by the Parties in accordance with the construction schedule of the project.

The Parties shall make their respective full capital contribution within one year after the establishment of the Project Company A.

The amount of capital contribution was determined after arm's length negotiations between the Parties with reference to the expected capital requirements and the preliminary business plan of the Project Company A. The capital contribution to be made by China Everbright International will be funded by both internal resources of the Group and a bank loan.

Corporate governance : Significant matters of the Project Company A (including but not limited to approval of its articles of association, change of shareholders, and deciding on reorganization or liquidation) shall be unanimously approved by all the shareholders of the Project Company A. Other matters of the Project Company A (including but not limited to approval of reports of the supervisory board, appointment of liquidator and issuance of corporate bonds) shall be approved by majority of the shareholders of the Project Company A.

The supervisory board of the Project Company A shall consist of five members, four members shall be recommended by China Everbright International and one member shall be recommended by Maxsus.

The management body of the Project Company A shall consist of one chief executive officer and three deputy directors. The chief executive officer and two deputy directors (including one deputy director who will serve as the chief financial officer) shall be appointed by China Everbright International and one deputy director shall be appointed by Maxsus. All members of the management body shall be appointed for a term of three years and may be re-elected.

Distribution of profits : The Parties shall be entitled to the distributable profits of the Project Company A in proportion to their respective paid-up capital contribution.

The Shareholders' Agreement B

The principal terms of the Shareholders' Agreement B are set out below:

Date : 16 October 2025

Parties : (1) China Everbright International;
(2) Maxsus; and
(3) CR No.17 Second Engineering.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, as at the date of this announcement, Maxsus and CR No.17 Second Engineering and their ultimate beneficial owners are Independent Third Parties.

Proposed name of Project Company B : Everbright Environmental Energy Namangan JV LLC (subject to the final name as approved and registered by the relevant government authority).

Registered capital : USD29,600,000 (equivalent to HKD229,992,000).

Scope of business : The main business scope of the Project Company B includes the investment, design, construction, operation and maintenance of a waste-to-energy project in Namangan region, Uzbekistan.

Capital contribution : The Parties shall make a total capital contribution of USD29,600,000 (equivalent to HKD229,992,000), of which:

- (i) China Everbright International shall contribute in cash USD26,048,000 (equivalent to HKD202,392,960), accounting for 88% of the registered capital of the Project Company B;
- (ii) Maxsus shall contribute in cash USD2,960,000 (equivalent to HKD22,999,200), accounting for 10% of the registered capital of the Project Company B; and
- (iii) CR No.17 Second Engineering shall contribute in cash USD592,000 (equivalent to HKD4,599,840), accounting for 2% of the registered capital of the Project Company B.

The Parties shall contribute the initial part of their respective capital contribution within ninety (90) days following the establishment of the Project Company B, in a total amount of not less than USD1,000,000 (equivalent to HKD7,770,000). The remaining capital contribution shall thereafter be contributed progressively by the Parties in accordance with the construction schedule of the project.

The Parties shall make their respective full capital contribution within one year after the establishment of the Project Company B.

The amount of capital contribution was determined after arm's length negotiations between the Parties with reference to the expected capital requirements and the preliminary business plan of the Project Company B. The capital contribution to be made by China Everbright International will be funded by both internal resources of the Group and a bank loan.

Corporate governance : Significant matters of the Project Company B (including but not limited to approval of its articles of association, change of shareholders, and deciding on reorganization or liquidation) shall be unanimously approved by all the shareholders of the Project Company B. Other matters of the Project Company B (including but not limited to approval of reports of the supervisory board, appointment of liquidator, and issuance of corporate bonds) shall be approved by majority of the shareholders of the Project Company B.

The supervisory board of the Project Company B shall consist of five members, four members shall be recommended by China Everbright International and one member shall be recommended by Maxsus.

The management body of the Project Company B shall consist of one chief executive officer and three deputy directors. The chief executive officer and two deputy directors (including one deputy director who will serve as the chief financial officer) shall be appointed by China Everbright International and one deputy director shall be appointed by Maxsus. All members of the management body shall be appointed for a term of three years and may be re-elected.

Distribution of profits : The Parties shall be entitled to the distributable profits of the Project Company B in proportion to their respective paid-up capital contribution.

Potential Further Financing and External Guarantees

Apart from the capital contribution, the Parties may provide further financing and external guarantees in proportion to their respective shareholdings for each of the Project Company A and the Project Company B, including but not limited to the necessary shareholder's loan, completion guarantees for the construction period and any guarantees required by the bank for securing project financing. It is expected that the amount for further financing and external guarantees, aggregated with the capital contribution to be paid by the Group, will not exceed the total investment amount for each of the Project Company A and the Project Company B, which is USD148,000,000 (equivalent to HKD1,149,960,000) respectively, amounting to a total of USD296,000,000 (equivalent to HKD2,299,920,000).

The Group intends to fulfill its commitments in relation to the Shareholders' Agreements through its internal resources as well as bank loans.

Development Security

As part of the arrangement, and pursuant to the waste supply agreements dated 14 March 2025 between China Everbright International and the Government of the Uzbekistan (“**Uzbekistan Government**”) in relation to the waste-to-energy projects in Fergana region and Namangan region in Uzbekistan (the “**Waste Supply Agreements**”), each Project Company shall ensure that it, or China Everbright International, will provide an irrevocable and unconditional bank guarantees issued by the acceptable bank in the amount of USD8,000,000 (equivalent to HKD62,160,000) to the relevant government agency of the Uzbekistan Government. The aggregate amount of two bank guarantees shall be USD16,000,000 (equivalent to HKD124,320,000) (the “**Development Security**”). This Development Security constitutes a continuing obligation to ensure the due and proper performance of all project obligations necessary to achieve the commercial operation date of the two waste-to-energy projects in Uzbekistan (the “**Commercial Operation Date**”).

In particular, each Project Company or China Everbright International shall provide the Development Security, by no later than twenty business days after the effective date of the Waste Supply Agreements and with an expiry date of no earlier than sixty (60) days after the scheduled commercial operation date of the two waste-to-energy project plants in Uzbekistan, which shall be twenty-four (24) months after the effective date of the Waste Supply Agreements (the “**Scheduled Commercial Operation Date**”). The Development Security shall terminate if the Commercial Operation Date is scheduled to be before the expiry of the Scheduled Commercial Operation Date. If the Commercial Operation Date is not achieved on or before the Scheduled Commercial Operation Date, each Project Company or China Everbright International has the right to extend the Development Security expiry date for an additional one hundred and eighty (180) days after Scheduled Commercial Operation Date (the “**Longstop Commercial Operation Date**”). If the Project Company or China Everbright International fails to do so, the government agency of the Uzbekistan Government shall be entitled to draw the full amount of the Development Security and place the drawn amount in escrow on a bank account, and (i) the amount held in escrow shall be released to each Project Company or China Everbright International on the earlier of (A) the delivery by each Project Company or China Everbright International of an extended Development Security, and (B) a date falling three days after the Commercial Operation Date if such Commercial Operation Date occurs prior to or on the Longstop Commercial Operation Date; or (ii) the amount held in escrow shall be released to the government agency of the Uzbekistan Government, totally or partially, in the cases where the government agency of the Uzbekistan Government would be entitled to draw on the Development Security if such Development Security was still in place.

The Board considers the Development Security is essential to secure the respective governmental approvals of the two waste-to-energy project plants, reflecting the Company’s commitment to strategic international infrastructure investments. The Directors (including the independent non-executive Directors) confirm that issuing the Development Security is fair and reasonable and in the interests of the Company and its Shareholders as a whole.

REASONS FOR AND BENEFITS OF THE JV FORMATION

The JV Formation of the Project Company A and the Project Company B will be established in Fergana region and Namangan region in Uzbekistan, respectively, under the Shareholders' Agreements. The JV Formation represents a strategic expansion of the Group's renewable energy portfolio in Central Asia. This initiative aligns with the Group's internationalisation strategy of developing renewable energy infrastructure in emerging markets, and capitalizing on growing demand for waste-to-energy solutions. The Board believes this expansion strengthens the Group's market position and is expected to generate sustainable returns for Shareholders.

The Directors (including the independent non-executive Directors) consider that the JV Formation and the terms of the Shareholders' Agreements are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION OF THE PARTIES

The Company is the largest environmental protection enterprise in China and Asia's leading environmental protection enterprise, as well as a world-renowned ecological and environmental group. As the first one-stop integrated environmental solution provider in China, its main businesses cover waste-to-energy and integrated waste treatment, integrated biomass utilisation, hazardous and solid waste treatment, environmental remediation, water environment management, equipment manufacturing, waste sorting, environmental sanitation integration, resource recycling, development of zero-waste cities, energy-saving lighting, analysis and testing, research and development relating to green technologies, ecological and environmental planning and designing, as well as environmental protection industrial parks. It has a business presence across 24 provinces, autonomous regions, municipalities and a special administrative region in China. Its overseas markets extended to 16 countries, including Germany, Poland, Vietnam and Uzbekistan.

China Everbright International is a company incorporated in Hong Kong with limited liability, and is a wholly-owned subsidiary of the Company as of the date of this announcement. It is principally engaged in investment holding.

Maxsus is a company incorporated in Dubai with limited liability, and is ultimately owned as to 100% by Dildor Sadulloevna Salomova, a Uzbekistan citizen. Maxsus is principally engaged in general trading.

CR No.17 Second Engineering is a company incorporated in the PRC with limited liability, and is owned as to 50% by China Railway 17th Bureau Group Shanghai Equity Investment Management Co., Ltd.* (中鐵十七局集團上海股權投資管理有限公司) (“**CR No.17 Shanghai Equity**”), and 50% by China Railway 17th Bureau Group Co., Ltd* (中鐵十七局集團有限公司) (“**CR No.17**”). The controlling shareholder of CR No.17 Shanghai Equity and CR No.17 is China Railway Construction Corporation Limited, a joint stock company incorporated in the PRC with limited liability, whose H shares are listed on the main board of the Stock Exchange (stock code: 1186) and A shares are listed on the Shanghai Stock Exchange (stock code: 601186); and its ultimate beneficial owner is the State-owned Assets Supervision and Administration Commission of the State Council. CR No.17 Second Engineering is principally engaged in construction and engineering business, including project testing and inspection, landscaping, foreign contracting, property management, and general trading of goods. It also provides technical consulting and various licensed activities related to construction and mining.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, each of Maxsus and CR No.17 Second Engineering and their respective ultimate beneficial owners are Independent Third Parties.

LISTING RULES IMPLICATIONS

Since the Shareholders’ Agreements were entered into with the same parties, namely Maxsus and CR No.17 Second Engineering within a 12-month period, the Shareholders’ Agreements shall be aggregated pursuant to Rule 14.22 of the Listing Rules. As the highest applicable percentage ratio calculated with reference to Rule 14.07 of the Listing Rules in respect of Shareholders’ Agreements, when aggregated with the Development Security and potential further financing and external guarantees, exceeds 5% but is less than 25%, the JV Formation constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements but is exempted from the circular and Shareholders’ approval requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

The following expressions shall have the meanings set out below unless the context requires otherwise:

“Board”	the board of Directors of the Company
“China Everbright International”	China Everbright International Limited, a company incorporated in Hong Kong with limited liability, and a wholly-owned subsidiary of the Company
“Company”	China Everbright Environment Group Limited, a company incorporated in Hong Kong with limited liability, whose shares are listed on the the Main Board of Stock Exchange (Stock Code: 257)
“connected person(s)”	has the meaning ascribed to it in the Listing Rules
“CR No.17 Second Engineering”	China Railway 17 Bureau Group Corporation Second Engineering Co., Ltd.* (中鐵十七局集團第二工程有限公司), a company incorporated in the PRC with limited liability
“Director(s)”	the directors of the Company
“Group”	the Company and its subsidiaries
“HKD”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third party(ies) independent of the Company and its connected person(s) (having the meaning ascribed to it under the Listing Rules)
“JV Formation”	the JV-A Formation and the JV-B Formation, collectively

“JV-A Formation”	the formation of the Project Company A and relevant transactions contemplated under the Shareholders’ Agreement A for the waste-to-energy project in Fergana region, Uzbekistan
“JV-B Formation”	the formation of the Project Company B and relevant transactions contemplated under the Shareholders’ Agreement B for the waste-to-energy project in Namangan region, Uzbekistan
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Maxsus”	Maxsus Global General Trading LLC, a company incorporated in Dubai with limited liability
“Parties”	China Everbright International, Maxsus and CR No.17 Second Engineering, collectively
“percentage ratio(s)”	has the meaning ascribed to it under the Listing Rules
“Project Company”	the Project Company A or the Project Company B, as the case may be
“Project Company A”	Everbright Environmental Energy Fergana JV LLC, the company to be established pursuant to the terms of the Shareholders’ Agreement A
“Project Company B”	Everbright Environmental Energy Namangan JV LLC, the company to be established pursuant to the terms of the Shareholders’ Agreement B
“PRC”	the People’s Republic of China
“Share(s)”	the shares of the Company
“Shareholder(s)”	holder(s) of Share(s) in the Company

“Shareholders’ Agreements”	the Shareholders’ Agreement A and the Shareholders’ Agreement B, collectively
“Shareholders’ Agreement A”	the Shareholders’ agreement dated 16 October 2025 entered into between the Parties in relation to the JV-A Formation
“Shareholders’ Agreement B”	the Shareholders’ agreement dated 16 October 2025 entered into between the Parties in relation to the JV-B Formation
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning as ascribed to it under the Listing Rules
“USD”	United States dollars, the lawful currency of the United States
“Uzbekistan”	the Republic of Uzbekistan
“%”	per cent

By order of the Board
China Everbright Environment Group Limited
Liang Yanyu
Company Secretary

Hong Kong, 16 October 2025

As at the date of this announcement, the Board comprises: (i) two Executive Directors, namely Mr. Wang Silian (Chairman of the Board) and Mr. Luan Zusheng (Chief Executive Officer); (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 Professor Zhang Xiang, JP.

For the purpose of this announcement, unless otherwise specified, the conversion of USD into HKD is based on the exchange rate from USD1.00 to HKD7.77. The exchange rate is adopted for illustration purpose only and does not constitute a representation that any amounts have been, could have been, or may be, exchanged at this rate or any other rate at all.

* *For identification purpose only*