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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)

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The board (the “**Board**”) of directors (the “**Directors**”) of China Everbright Environment Group Limited (the “**Company**”) proposes to make amendments to the articles of association of the Company (the “**Articles of Association**”) for, inter alia, the following main purposes:

- (a) to bring the Articles of Association in line with market practice and the latest legal and regulatory requirements, including statutory changes as a result of replacement of old Companies Ordinance (Chapter 32 of the Laws of Hong Kong) by the new Companies Ordinance (Chapter 622 of the Laws of Hong Kong), the amendments to Chapter 14A of the Rules Governing the Listing of Securities on The Stock Exchange Hong Kong Limited (the “**Listing Rules**”) and core shareholder protection standards as introduced under the then Appendix 3 to the Listing Rules;
- (b) to allow general meetings to be held as hybrid meetings or virtual meetings where shareholders of the Company (the “**Shareholders**”) and Directors may attend by means of virtual meeting technologies in addition to physical meetings;
- (c) to insert the definitions of, among others, “hybrid meeting”, “meeting locations”, “physical meeting”, “principal meeting place”, “virtual meeting” and “virtual meeting technology”, and make corresponding changes to the relevant articles;

- (d) to include the additional details to be specified in a notice of general meeting as a result of allowing general meetings to be held at more than one meeting location, or as a hybrid meeting or a virtual meeting;
- (e) to provide for the proceedings of general meetings which are held at one or more locations, or as hybrid meetings or virtual meetings, and the powers of the Board and the chairman of the general meeting in relation thereto;
- (f) to expressly provide that an annual general meeting of the Company shall be held within six months after the end of the Company's financial year;
- (g) to expressly permit the Company to designate an electronic address or an electronic means of submission for the receipt of any document or information relating to proxies for a general meeting (including any instrument of proxy or invitation to appoint a proxy, any document necessary to show the validity of, or otherwise relating to, an appointment of proxy); and
- (h) to make other house-keeping amendments, and make consequential amendments in line with the above amendments to the Articles of Association.

The major proposed amendments to the Articles of Association are set out below:

For the statutory changes brought by the new Companies Ordinance:

- (1) abandoning the memorandum of association of the Company;
- (2) excluding the application of the model articles set out in the Companies (Model Articles) Notice (Chapter 622H of the Laws of Hong Kong) to the Company;
- (3) abolishing the Company's power to issue any share warrants to bearer;
- (4) removing all references relating to nominal value of shares and where appropriate, substituting such references by references to voting rights of shares;

- (5) removing all references relating to authorised share capital, par value, share premium, share premium account and capital redemption reserve, and similar or relating wordings and concepts in the Articles of Association;
- (6) requiring the Board to give reasons for declining to register a share transfer if requested by the transferor or transferee;
- (7) amending the manner in which the Company may alter its share capital, in light of the provisions of the new Companies Ordinance relating to the permitted alteration of share capital and the abolition of nominal value of shares;
- (8) providing that without the approval of Shareholders in accordance with the provisions of the new Companies Ordinance, the Company shall not enter into a service contract with a Director under which the guaranteed term of the employment of such Director exceeds or may exceed 3 years;
- (9) clarifying the rules on indemnification of Directors against liabilities to third parties and the related exception provided under the new Companies Ordinance;

For the purposes of hybrid meeting/virtual meeting and efficiency of meeting:

- (10) inserting the definitions of “hybrid meeting”, “meeting locations”, “physical meeting”, “principal meeting place”, “virtual meeting” and “virtual meeting technology”;
- (11) requiring the holding of an annual general meeting in each financial year and clarifying the required notice period for convening annual general meetings and other general meetings;
- (12) making it clear that Shareholders holding not less than 5% of the total voting rights of all the Shareholders having the right to vote at general meetings on a one vote per share basis are able to convene a general meeting (*also for the purpose of the new Companies Ordinance*);

- (13) reducing the voting rights threshold and increasing the headcount threshold for demanding a poll such that, among others, any Shareholder(s) holding at least 5% of the total voting rights of all Shareholders having the right to attend and vote at the general meeting or at least 5 Shareholders entitled to vote at the general meeting can demand a poll (*also for the purpose of the new Companies Ordinance*);
- (14) providing that the Board may arrange for a general meeting to be held at more than one meeting location by using virtual meeting technology and/or conduct the general meeting in the form of a hybrid meeting or a virtual meeting, and including the additional details to be specified in a notice of general meeting as a result;
- (15) providing that the Board or the chairman of the general meeting may, at its/his/her absolute discretion, interrupt, adjourn, or make changes to general meetings under certain prescribed circumstances;
- (16) providing that the Board or the chairman of the general meeting may make any arrangement to ensure the security and orderly conduct of general meetings;
- (17) permitting the instrument of proxy to be sent to the Company by an electronic address or an electronic means of submission if and as specified by the Company (*also for the purpose of the new Companies Ordinance*);
- (18) clarifying that any corporation which is a Shareholder of the Company may execute an instrument of proxy under the hand of a duly authorised officer (*also for the purposes of the new Companies Ordinance and the then Appendix 3 to the Listing Rules*);
- (19) clarifying that corporate representatives appointed by a clearing house shall have the right to speak and vote at general meetings (*also for the purpose of the then Appendix 3 to the Listing Rules*);
- (20) providing that the instrument of proxy, in respect of a poll taken more than 48 hours after it was demanded, is required to be deposited not less than 24 hours before the time appointed for the taking of the poll, and that any public holiday shall be excluded from being counted towards the time for depositing the instrument of proxy;

- (21) providing that votes (whether on a show of hands or a poll) may be cast by such means, electronic or otherwise, as the Board or the chairman of the general meeting may determine;
- (22) providing that all Shareholders shall have the right to (a) speak at a general meeting; and (b) vote at a general meeting except where a Shareholder is required by the new Companies Ordinance or Listing Rules to abstain from voting to approve the matter under consideration (*also for the purpose of the then Appendix 3 to the Listing Rules*);

For the amendments to Chapter 14A of the Listing Rules:

- (23) inserting the definitions of “close associate” and “connected entity”, and making corresponding amendments including amendments to provide that a Director shall not vote (nor shall he/she be counted in the quorum present in that meeting) on any Board resolution approving any transaction, contract or arrangement or any other proposal in which he/she or any of his/her close associates or connected entities (and where required by the Listing Rules, his/her other associates) is/are materially interested;

For the amendments to the then Appendix 3 to the Listing Rules:

- (24) providing that, where not otherwise provided by law, the Shareholders in general meetings shall have the power by ordinary resolution to remove any Director, but without prejudice to any claim for damages under any contract, before the expiration of his/her term of office;
- (25) providing that a super-majority vote of the Shareholders of the class to which the rights are attached shall be required to approve a change to those rights, and “super-majority vote” in such case means at least three-fourths of the voting rights of the Shareholders holding shares in that class present and voting in person, by corporate representative or by proxy at a separate general meeting of Shareholders of the class, where the quorum for such meeting shall be holders of at least one-third of the issued shares of the class;
- (26) providing that a super-majority vote of the Shareholders in a general meeting shall be required to approve changes to the Articles of Association, and “super-majority vote” in such case means at least three-fourths of the total voting rights of the Shareholders present and voting in person, by corporate representative or by proxy at the general meeting;

- (27) providing that the appointment, re-appointment, removal and remuneration (or authorising the Board to fix the auditor’s remuneration) of auditors must be approved by a majority of the Shareholders; and
- (28) providing that a super-majority vote of the Shareholders in a general meeting shall be required to approve a voluntary winding up of the Company, and “super-majority vote” in such case means at least three-fourths of the total voting rights of the Shareholders present and voting in person, by corporate representative or by proxy at the general meeting.

The proposed amendments to the Articles of Association shall be subject to approval by the Shareholders by way of a special resolution at the forthcoming annual general meeting of the Company (the “AGM”). A circular containing, among other things, details relating to the proposed amendments to the Articles of Association together with a notice convening the AGM will be despatched to the Shareholders in due course.

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

Hong Kong, 27 March 2024

As at the date of this announcement, the Board comprises: (i) two Executive Directors, namely Mr. Huang Haiqing (Chairman of the Board) and Mr. Luan Zusheng (Chief Executive Officer); (ii) two Non-executive Directors, namely Mr. Kang Guoming and Mr. Pan Jianyun; and (iii) four Independent Non-executive Directors, namely Mr. Fan Yan Hok, Philip, Mr. Zhai Haitao, Mr. Suo Xuquan and Ms. Li Shuk Yin, Edwina.