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CHINA EVERBRIGHT GREENTECH LIMITED

中國光大綠色環保有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1257)

ANNOUNCEMENT IN RESPECT OF THE UNDERWRITING AGREEMENT AND PROPOSED ISSUE OF MEDIUM-TERM NOTES

This announcement is made by the Board pursuant to Rule 13.09 of the Listing Rules and Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

The Board is pleased to announce that on 1 April 2020, the Company entered into the Underwriting Agreement with Everbright Securities and ICBC in relation to the proposed issue of the Medium-term Notes, pursuant to which Everbright Securities, as the lead underwriter, ICBC, as the co-lead underwriter (and jointly as the organizers and the representatives of the underwriting syndicate (if any)), will be responsible for the issue of the Medium-term Notes in accordance with the terms of the Underwriting Agreement.

THE UNDERWRITING AGREEMENT

The Underwriting Agreement was entered into by and among the Company, Everbright Securities and ICBC.

The conditions precedent of the Underwriting Agreement are, among others, (1) the obtaining of approvals by the Company in respect of the issue of the Medium-term Notes under the relevant PRC laws and regulations; and (2) the Company having not breached any of its representations, warranties or material obligations under the Underwriting Agreement and all other documents relating to the issue of the Medium-term Notes. Upon satisfaction of the conditions precedent of the Underwriting Agreement, Everbright Securities and ICBC shall underwrite each tranche of the Medium-term Notes to be issued by the Company by way of standby commitment underwriting in accordance with the terms of the Underwriting Agreement, and the Company shall pay the underwriting service fees to Everbright Securities and ICBC in this regard.

The Directors (including the independent non-executive Directors) consider that the terms of the Underwriting Agreement were reached on an arm's length basis between the parties and that the Underwriting Agreement has been entered into on normal commercial terms and in the ordinary and usual course of business of the Group, and the terms of the Underwriting Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Everbright Securities is a 30%-controlled company of China Everbright Group, the indirect controlling shareholder of the Company. Accordingly, Everbright Securities is an associate of China Everbright Group and is regarded as a connected person of the Company under the Listing Rules. The provision of underwriting services by Everbright Securities contemplated under the Underwriting Agreement therefore constitutes a connected transaction of the Company pursuant to Chapter 14A of the Listing Rules.

As all applicable percentage ratios in respect of the Underwriting Agreement are less than 0.1%, the transaction contemplated under the Underwriting Agreement constitutes a de minimis transaction under Rule 14A.76 of the Listing Rules, and is fully exempt from the reporting, announcement and the independent Shareholders' approval requirements under Chapter 14A of the Listing Rules, and does not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules.

PROPOSED ISSUE OF THE MEDIUM-TERM NOTES

The Company shall apply to NAFMII for the Medium-term Notes to be traded in the national inter-bank bond market. The total registered issue size of the Medium-term Notes shall not exceed RMB3.5 billion (equivalent to approximately HK\$3.8 billion), subject to the finalised limit accepted for registration by NAFMII. The actual size of issue shall be determined by any one of the Authorised Persons within the issue limit based on the Company's funding requirements and the market conditions prevailing at the time of the issue. The targeted subscribers for the Medium-term Notes shall be institutional investors in the national inter-bank bond market. It is proposed that the Medium-term Notes will be issued in one or more tranches following the completion of necessary registration and issuance procedures. The term of issue for the Medium-term Notes shall be no more than 5 years (including 5 years). The Medium-term Notes issued in each tranche may have the same maturity, or they may form a hybrid issue with different maturities.

Assuming the issue of the Medium-term Notes materialises, it is intended that the proceeds from the issue of the Medium-term Notes, after deducting the issue expenses, will be used as working capital replenishment, for the repayment of the Group's project debts and/or project investments and other business development purposes, and/or for other purposes permitted under applicable laws and regulations. The finalised specific use of proceeds shall be agreed and determined by the Company, Everbright Securities and ICBC, subject to the approval of the NAFMII.

The Board is of the view that the proposed issue of the Medium-term Notes by the Company can replenish the working capital of the Group within a reasonable time, enable the Group to optimize its financing structure, and manage the Group's overall financial cost within a reasonable range.

The proposed issue of the Medium-term Notes is subject to, among others, the approval by the NAFMII and market conditions, which may or may not proceed. Shareholders and potential investors should therefore exercise caution in dealing in securities of the Company. Further announcement(s) regarding the proposed issue of the Medium-term Notes will be made by the Company as and when required by the Listing Rules.

DEFINITIONS

In this announcement, except where the context otherwise requires, the following expressions shall have the following meanings:

“30%-controlled company”	as the same meaning as ascribed to it under the Listing Rules
“Authorised Persons”	Mr. QIAN Xiaodong (executive Director and chief executive officer), Mr. YANG Zhiqiang (executive Director and vice president) and Mr. LO Kam Fan (executive Director and chief financial officer)
“Board”	the board of Directors
“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 law and the indirect controlling shareholder of the Company
“Company”	China Everbright Greentech Limited, an exempted company incorporated in the Cayman Islands with limited liability whose shares are listed on the Main Board of the Stock Exchange (Stock Code: 1257)
“connected person(s)”	has the same meaning as ascribed to it under the Listing Rules
“Directors”	the directors of the Company

“Everbright Securities”	Everbright Securities Company Limited, a joint stock company incorporated in the PRC with limited liability, the H shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 6178) and the A shares of which are listed on the Shanghai Stock Exchange (Stock Code: 601788)
“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 PRC
“ICBC”	Industrial and Commercial Bank of China Limited
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Medium-term Notes”	the medium-term notes proposed to be issued by the Company with an aggregate principal amount of not exceeding RMB3.5 billion (equivalent to approximately HK\$3.8 billion)
“NAFMII”	National Association of Financial Market Institutional Investors
“percentage ratio(s)”	has the same meaning as ascribed to it under the Listing Rules, as applicable to a transaction
“PRC”	The People’s Republic of China
“RMB”	RMB, the lawful currency of the PRC
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Underwriting Agreement”	the underwriting agreement dated 1 April 2020 entered into among the Company, Everbright Securities and ICBC, as supplemented and amended by a supplementary agreement signed on the same date, pursuant to which the Company has engaged Everbright Securities as the lead underwriter, ICBC as the co-lead underwriter (and jointly as the organizers and the representatives of the underwriting syndicate (if any)) responsible for the underwriting of the Medium-term Notes proposed to be issued

“%” per cent

For the purpose of this announcement, the exchange rate is used: RMB1.00 = HK\$1.09.

By Order of the Board
China Everbright Greentech Limited
QIAN Xiaodong
Executive Director and Chief Executive Officer

Hong Kong, 1 April 2020

As at the date of this announcement, the members of the Board comprise:

Mr. WANG Tianyi (*Chairman, non-executive Director*)
Mr. QIAN Xiaodong (*Chief Executive Officer, executive Director*)
Mr. YANG Zhiqiang (*Vice President, executive Director*)
Mr. LO Kam Fan (*Chief Financial Officer, executive Director*)
Ms. GUO Ying (*non-executive Director*)
Mr. SONG Jian (*non-executive Director*)
Mr. CHOW Siu Lui (*independent non-executive Director*)
Mr. Philip TSAO (*independent non-executive Director*)
Prof. YAN Houmin (*independent non-executive Director*)