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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)**

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

#### **PROPOSED ISSUE OF THE MEDIUM-TERM NOTES**

The Board is pleased to announce that the Company has applied to the 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 RMB4 billion (equivalent to approximately HK\$4.8 billion), subject to the finalized limit accepted for registration by NAFMII. The actual size of issue shall be determined by the Company 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 3 years (including 3 years).

Assuming the issue of the Medium-term Notes materialises, it is intended that the proceeds from the issue of the Medium-term Notes will be used for repayment of the Group's interest-bearing debts, replenishment of the Group's working capital, and/or investment and construction in the environment protection projects of the Group and other business development purposes. The specific amount allocated for repayment of borrowings, replenishment of working capital and other permissible purposes or the specific investment project may be adjusted based on the time and size of the issued Medium-term Notes, time of receipt of the proceeds, changes of borrowings structure and any other capital needs of the Company.

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 financial 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 the 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.**

## **THE UNDERWRITING AGREEMENT**

The Company has also entered into the Underwriting Agreement with Everbright Securities and China Minsheng Bank in relation to the proposed issue of the Medium-term Notes, pursuant to which Everbright Securities and China Minsheng Bank, as the lead underwriters, will be responsible for the issue of the Medium-term Notes in accordance with the terms of the Underwriting Agreement.

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 China Minsheng Bank 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 China Minsheng Bank 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 among 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 Company, and the terms of the Underwriting Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### **Listing Rules Implication**

During the 12-month period preceding the date of the Underwriting Agreement, (1) China Everbright Greentech (an indirect subsidiary of the Company) has entered into the China Everbright Greentech's Underwriting Agreement with Everbright Securities (as one of the underwriters) for a previous medium-term notes issuance; and (2) EB Greentech Management Shenzhen (an indirect wholly-owned subsidiary of China Everbright Greentech) has entered into the EB Greentech Management Shenzhen's Underwriting Agreement with Everbright Securities (as one of the underwriters) for the proposed asset-backed notes issuance.

Everbright Securities is a 30%-controlled company of China Everbright Group, the indirect controlling shareholder of the Company and China Everbright Greentech. Accordingly, Everbright Securities is an associate of China Everbright Group and thus a connected person of the Company and China Everbright Greentech under the Listing Rules. The provision of underwriting services by Everbright Securities contemplated under each of the China Everbright Greentech's Underwriting Agreement, the EB Greentech Management Shenzhen's Underwriting Agreement and the Underwriting Agreement therefore constitute connected transactions of the Company pursuant to Chapter 14A of the Listing Rules.

Since the China Everbright Greentech's Underwriting Agreement, the EB Greentech Management Shenzhen's Underwriting Agreement and the Underwriting Agreement were entered into by the Group in relation to notes underwritten by Everbright Securities, the provision of underwriting services by Everbright Securities under the China Everbright Greentech's Underwriting Agreement, the EB Greentech Management Shenzhen's Underwriting Agreement and the Underwriting Agreement shall be aggregated as a series of transactions under Rules 14A.81 and 14A.82 of the Listing Rules.

As all applicable percentage ratios calculated in accordance with the Listing Rules in respect of the China Everbright Greentech’s Underwriting Agreement, the EB Greentech Management Shenzhen’s Underwriting Agreement and the Underwriting Agreement (respectively on individual basis and on an aggregated basis) are less than 0.1%, the transactions contemplated under the China Everbright Greentech’s Underwriting Agreement, the EB Greentech Management Shenzhen’s Underwriting Agreement and the Underwriting Agreement (respectively on individual basis and on an aggregated basis) constitute de minimis transactions under Rule 14A.76 of the Listing Rules, and are fully exempt from the reporting, announcement and the independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

## **DEFINITIONS**

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

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| “30%-controlled company”                              | has the same meaning as ascribed to it under the Listing Rules  |
| “Board”   | the board of Directors  |
| “China Everbright Greentech”                          | China Everbright Greentech Limited (中國光大綠色環保有限公司), 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) and an indirect subsidiary of the Company   |
| “China Everbright Greentech’s Underwriting Agreement” | the underwriting agreement dated 1 April 2020 entered by and among China Everbright Greentech, Everbright Securities and ICBC, as described in the section headed “The Underwriting Agreement” in the announcement of China Everbright Greentech dated 1 April 2020 and in the section headed “The Previous Medium-Term Notes Issuance and the Previous Underwriting Agreement” in the announcement of China Everbright Greentech dated 28 January 2021 |
| “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 and the indirect controlling shareholder of the Company  |

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| “China Minsheng Bank”                                       | China Minsheng Banking Corp., Ltd. (中國民生銀行股份有限公司), 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: 1988) and the A Shares of which are listed on the Shanghai Stock Exchange (Stock Code: 600016) and is an independent third party of the Company |
| “Company”   | China Everbright Environment Group Limited (中國光大環境(集團)有限公司), a company incorporated under the laws of Hong Kong with limited liability, and a public company whose shares are listed on the main board of the Stock Exchange (Stock Code: 257)   |
| “connected person(s)”                                       | has the same meaning as ascribed to it under the Listing Rules   |
| “Directors”   | the directors of the Company   |
| “EB Greentech Management Shenzhen”                          | Everbright Greentech Management (Shenzhen) Company Limited* (光大綠色環保管理(深圳)有限公司), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of China Everbright Greentech  |
| “EB Greentech Management Shenzhen’s Underwriting Agreement” | the underwriting agreement dated 28 January 2021 entered into among EB Greentech Management Shenzhen, Everbright Securities, SPDB and JIC Trust, as described in the section headed “The Underwriting Agreement” in the announcement of China Everbright Greentech dated 28 January 2021   |
| “Everbright Securities”                                     | Everbright Securities Company Limited (光大證券股份有限公司), 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   |

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| “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 (中國工商銀行股份有限公司), a joint stock company incorporated in the PRC with limited liability                                      |
| “JIC Trust”           | JIC Trust Company Limited* (中建投信托股份有限公司), a company incorporated in the PRC with limited liability  |
| “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 RMB4 billion (equivalent to approximately HK\$4.8 billion) |
| “NAFMII”              | National Association of Financial Market Institutional Investors of the PRC (中國銀行間市場交易商協會)  |
| “percentage ratio(s)” | has the same meaning as ascribed to it under the Listing Rules  |
| “PRC”                 | The People’s Republic of China  |
| “RMB”                 | RMB, the lawful currency of the PRC   |
| “Shareholder(s)”      | the shareholder(s) of the Company   |
| “SPDB”                | Shanghai Pudong Development Bank Co., Ltd. (上海浦東發展銀行股份有限公司), a joint stock company incorporated in the PRC with limited liability   |
| “Stock Exchange”      | The Stock Exchange of Hong Kong Limited   |

“Underwriting Agreement” the underwriting agreement entered into among the Company, Everbright Securities and China Minsheng Bank, pursuant to which the Company has engaged Everbright Securities and China Minsheng Bank as the lead underwriters responsible for the underwriting of the Medium-term Notes proposed to be issued

“%” per cent

*For the purpose of illustration, the exchange rate used in this announcement is RMB1.00 = HK\$1.2073.*

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

Hong Kong, 16 March 2021

*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.*

\* *For identification purpose only*