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CHINA EVERBRIGHT WATER LIMITED

中國光大水務有限公司

(Incorporated in Bermuda with limited liability)

(Hong Kong Stock Code: 1857)

(Singapore Stock Code: U9E)

INSIDE INFORMATION ANNOUNCEMENT – SUBMISSION OF APPLICATION FOR PROPOSED ISSUANCE OF MEDIUM TERM NOTES IN MAINLAND CHINA

1. INTRODUCTION

This announcement is made by China Everbright Water Limited (the “**Company**”) pursuant to the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (the “**SFO**”) (Chapter 571 of the Laws of Hong Kong), Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**SEHK Listing Rules**”) and Chapter 7 of the listing manual of the Singapore Exchange Securities Trading Limited (the “**SGX-ST Listing Manual**”).

The board of directors (the “**Board**”) of the Company is pleased to announce that the Company has submitted an application (the “**Application**”) to National Association of Financial Market Institutional Investors of the People’s Republic of China (中國銀行間市場交易商協會) (the “**NAFMII**”) on 30 January 2023 for (1) the proposed issuance of medium term notes (“**MTNs**”) in multiple tranches to institutional investors in the national inter-bank bond market of mainland China with a registered principal amount of RMB5,000,000,000 (the “**Proposed MTN Issue**”), and (2) as part of the Proposed MTN Issue, the proposed issuance of an initial tranche of the MTNs with a principal amount of between RMB1,000,000,000 and RMB1,500,000,000 (the “**Proposed First Tranche**”).

In connection with the Proposed MTN Issue and the Proposed First Tranche, the Company is required to and has made an application to the NAFMII to seek the necessary approvals (the “**Approvals**”). The Proposed MTN Issue and the Proposed First Tranche are subject to, *inter alia*, the Approvals being obtained and the prevailing market conditions. Accordingly, the Company may or may not proceed with the Proposed MTN Issue and the Proposed First Tranche. **Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.**

2. PROPOSED TERMS OF THE PROPOSED MTN ISSUE

The proposed terms of the Proposed MTN Issue are as follows:

Issuer	:	The Company
Place of Issue	:	Mainland China
Registered principal amount	:	RMB5,000,000,000
Manner of Issue	:	To be issued in multiple tranches, subject to market conditions
Target Subscribers	:	Institutional investors in the national inter-bank bond market of mainland China
Maturity	:	Not more than 5 years
Underwriter(s)	:	Everbright Securities Company Limited, as the lead underwriter, together with any other joint lead underwriter(s) as may be appointed by the Company
Bookrunner	:	Everbright Securities Company Limited
Issue Price	:	To be issued at the face value of MTNs

- Interest Rate : To be determined by the Company and the underwriter(s) pursuant to the centralised book-building process
- Interest Calculation : The interest for each tranche of MTNs will be calculated by way of simple interest to be paid on an annual basis
- Mode of Repayment : The principal amount of each tranche of MTNs to be repaid upon the maturity of such tranche of MTNs
- Listing and Trading Arrangement of MTNs : MTNs will be traded on the national inter-bank bond market of mainland China
- Use of Proceeds : To replenish the liquidity of the Company and repay the outstanding loans of the Company

3. PROPOSED TERMS OF THE PROPOSED FIRST TRANCHE

The interest rate and the underwriters of the Proposed First Tranche as determined by the Company in accordance with paragraph 2 above, are as follows:

- Interest Rate : At the fixed interest rate for the first three years to be agreed and determined by the Company and the underwriters pursuant to the centralized book-building process. At the end of the third interest-bearing year, the Company has the right to increase, maintain or decrease the interest rate of the MTNs, and such adjusted interest rate will be fixed for the remaining two years.
- Underwriters : Everbright Securities Company Limited (as the lead underwriter) and Shanghai Pudong Development Bank Co., Ltd. (as the joint lead underwriter)

In addition to the proposed terms of the Proposed MTN Issue set out in paragraph 2 above, the proposed terms of the Proposed First Tranche are as follows:

- Issuer Interest Rate Adjustment Option : At the end of the third interest-bearing year, the Company has the right to increase, maintain or decrease the interest rate of the MTNs, and such adjusted interest rate will be fixed for the remaining two years. The Company will announce the interest rate adjustment proposal and range (the “**Adjustment Announcement**”) prior to the end of the third interest-bearing year.
- Investor Resale Option : After the Adjustment Announcement is released by the Company, investors will have the right to choose to sell all or part of their MTNs currently held to the Company or to continue to hold such MTNs.

4. RATIONALE FOR THE PROPOSED MTN ISSUE

The Board is of the view that the Proposed MTN Issue will enable the Company and its subsidiaries (the “**Group**”) to replenish the working capital within a reasonable time, and allow the Group to optimise its financing structure and control its financial cost within a reasonable range.

5. GENERAL

The Company will make disclosures in accordance with the progress of the Proposed MTN Issue and the Proposed First Tranche as and when appropriate and in the event that the Company decides to proceed with the Proposed MTN Issue and the Proposed First Tranche, it will disclose the details of the same at the appropriate time in compliance with the SGX-ST Listing Manual, the SEHK Listing Rules and/or Part XIVA of the SFO.

The draft documents relating to the Application will be disclosed on the website of the NAFMII (<http://zhuce.nafmii.org.cn/>) in due course.

IMPORTANT NOTICE

This announcement is for information purposes only and does not constitute or form a part of any offer, solicitation or invitation to sell, issue, purchase or subscribe for securities in any jurisdiction. No securities of or relating to the Company have been or will be registered under the securities laws of any jurisdiction. No public offering of securities will be made in any jurisdiction where such an offering is restricted or prohibited. No money, securities or other consideration is being solicited by this announcement or the information contained herein and, if sent in response to this announcement or the information contained herein, will not be accepted.

By Order of the Board
China Everbright Water Limited
Kwan Yun Fui
Legal Counsel and Joint Company Secretary

Hong Kong and Singapore, 30 January 2023

As at the date of this announcement, the Board comprises: (i) three executive directors, namely Mr. Hu Yanguo (Chairman), Mr. Tao Junjie (Chief Executive Officer), and Mr. Luo Junling; and (ii) four independent non-executive directors, namely Mr. Zhai Haitao, Mr. Lim Yu Neng Paul, Ms. Cheng Fong Yee and Ms. Hao Gang.