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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 (1) THE POSSIBLE ABN ISSUE; AND (2) CONNECTED TRANSACTION IN ENTERING THE UNDERWRITING AGREEMENT**

##### **THE POSSIBLE ABN ISSUE**

The Board is pleased to announce that, on 28 January 2021, EB Greentech Management Shenzhen, a wholly-owned subsidiary of the Company, received the Notice of Registration Acceptance issued by NAFMII in respect of the Possible ABN Issue. Pursuant to the Notice of Registration Acceptance, the maximum registered principal amount of the Possible ABN Issue shall be RMB2 billion (equivalent to approximately HK\$2.4 billion). Such maximum registered principal amount shall be valid for two years from the date of the Notice of Registration Acceptance, being 27 January 2021.

The Company will make further disclosure on the progress of the Possible ABN Issue as and when appropriate.

**The Company would like to emphasise that, even though EB Greentech Management Shenzhen has received the Notice of Registration Acceptance for the Possible ABN Issue, Shareholders and potential investors are reminded that the Possible ABN Issue may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.**

## **THE UNDERWRITING AGREEMENT**

On the same date that EB Greentech Management Shenzhen received the Notice of Registration Acceptance, EB Greentech Management Shenzhen entered into the Underwriting Agreement with Everbright Securities, SPDB and JIC Trust, pursuant to which EB Greentech Management Shenzhen engaged Everbright Securities as the lead underwriter and bookrunner, and SPDB as the joint lead underwriter, in respect of the Possible ABN Issue.

## **LISTING RULES IMPLICATIONS**

As at the date of this announcement, Everbright Securities is a 30%-controlled company of CE Group, the indirect controlling shareholder of the Company. Accordingly, Everbright Securities is an associate of CE Group and is regarded as a connected person of the Company under the Listing Rules. Therefore, the provision of underwriting services by Everbright Securities to EB Greentech Management Shenzhen contemplated under the Underwriting Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

During the 12-month period preceding the date of the Underwriting Agreement, the Company has entered into the Previous Underwriting Agreement with Everbright Securities (as one of the underwriters) for the Previous Medium-Term Notes Issuance. As all the applicable percentage ratios of the Previous Underwriting Agreement were less than 0.1%, the Previous Underwriting Agreement constituted a de minimis transaction pursuant to Rule 14A.76 of the Listing Rules and was fully exempt from the reporting, announcement, circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. However, since both of the Previous 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 Previous 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 one or more of the applicable percentage ratios calculated in accordance with the Listing Rules in respect of the Previous Underwriting Agreement and the Underwriting Agreement (on an aggregated basis) is more than 0.1% but all of them are less than 5%, the entering into of the Underwriting Agreement is subject to the reporting and announcement requirements, but exempted from the circular and independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

This announcement is made by the Board pursuant to Rule 13.09 and Chapter 14A 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).

## **1. THE POSSIBLE ABN ISSUE**

The Board is pleased to announce that, on 28 January 2021, EB Greentech Management Shenzhen, a wholly-owned subsidiary of the Company, received the Notice of Registration Acceptance issued by NAFMII in respect of the Possible ABN Issue. Pursuant to the Notice of Registration Acceptance, the maximum registered principal amount of the Possible ABN Issue shall be RMB2 billion (equivalent to approximately HK\$2.4 billion). Such maximum registered principal amount shall be valid for two years from the date of the Notice of Registration Acceptance, being 27 January 2021. The targeted subscribers for the ABN shall be institutional investors in the national inter-bank bond market in the PRC.

The ABN may be issued in one or more tranches and the actual size of issue will be determined based on the Group's capital needs and market conditions prevailing at the time of issue. Each tranche of the ABN is expected to be issued in two classes, namely preferential ABN and subordinated ABN.

The Company will make further disclosure on the progress of the Possible ABN Issue as and when appropriate.

**The Company would like to emphasise that, even though EB Greentech Management Shenzhen has received the Notice of Registration Acceptance for the Possible ABN Issue, Shareholders and potential investors are reminded that the Possible ABN Issue may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.**

## **2. THE UNDERWRITING AGREEMENT**

On the same date that EB Greentech Management Shenzhen received the Notice of Registration Acceptance, EB Greentech Management Shenzhen entered into the Underwriting Agreement with Everbright Securities, SPDB and JIC Trust, pursuant to which EB Greentech Management Shenzhen engaged Everbright Securities as the lead underwriter and bookrunner, and SPDB as the joint lead underwriter, in respect of the Possible ABN Issue.

The principal terms of the Underwriting Agreement are as follows:

### **Date**

28 January 2021

### **Parties**

- (1) EB Greentech Management Shenzhen (as the initiating entity);
- (2) Everbright Securities (as the lead underwriter and bookrunner);
- (3) SPDB (as the joint lead underwriter); and
- (4) JIC Trust (as the trustee and manager of the trust).

### **Underwriting commitment**

Pursuant to the Underwriting Agreement, Everbright Securities and SPDB severally (but not jointly) and conditionally agreed to underwrite the possible ABN on a standby commitment basis in the respective proportion of 60% and 40%.

### **Underwriting fee**

In consideration of the performance of the obligations under the Underwriting Agreement by the Underwriters, EB Greentech Management Shenzhen and JIC Trust agreed to pay the Underwriters an underwriting fee (inclusive of sales commission) which shall equal to the aggregate face value of the ABN issued, multiplied by the term of the ABN and the annual underwriting fee rate of 0.2%.

The proportion of underwriting fee payable to Everbright Securities and SPDB respectively shall correspond with their proportion of underwriting commitment.

The total underwriting fee for each tranche of the ABN shall be collected on the payment date by way of deduction of such amount by Everbright Securities, as the bookrunner for the Possible ABN Issue, from the proceeds of the issuance of the relevant tranche of the ABN. The proportion of the underwriting fee payable to SPDB shall be paid by Everbright Securities to SPDB within 3 business days of relevant payment date.

The maximum aggregate amount of underwriting fee payable to Everbright Securities and SPDB for the Possible ABN Issue shall not exceed RMB7,200,000 (equivalent to approximately HK\$8,640,000) and RMB4,800,000 (equivalent to approximately HK\$5,760,000), respectively.

### **Conditions precedent**

The obligations undertaken by the Underwriters under the Underwriting Agreement are conditional upon the satisfaction or waiver (as the case may be) of, among other things, the following conditions prior to the date of issuance of the ABN:

- (i) the issuance of the ABN under the Underwriting Agreement being in compliance with the requirements under the Administrative Measures for Debt Financing Instruments of Non-Financial Enterprises in the Inter-bank Bond Market\* (《銀行間債券市場非金融企業債務融資工具管理辦法》) and the relevant self-regulatory normative documents of NAFMII, and the requisite approvals having been obtained from, or the requisite registrations or filings having been made with, NAFMII and/or other relevant regulatory bodies in accordance with applicable laws;
- (ii) EB Greentech Management Shenzhen and JIC Trust having made all necessary disclosures relating to the ABN in a prompt, accurate and complete manner in accordance with applicable laws and the relevant self-regulatory normative documents of NAFMII;
- (iii) EB Greentech Management Shenzhen, JIC Trust and the Underwriters having agreed on aspects of the ABN including the size of issue, term, interest rate and price range, having signed a letter of confirmation in respect of the agreed interest rate and price range;
- (iv) EB Greentech Management Shenzhen and JIC Trust not having violated or breached any of their substantive obligations, or any of the representations, warranties and undertakings given by them, under the Underwriting Agreement and/or any other documents in connection with the Possible ABN Issue, and no Termination Event having taken place;
- (v) JIC Trust having entered into the relevant registration, custody and payment agreements with relevant registration custody institutions;
- (vi) the professional opinions from the accounting firms (if any), law firms, credit rating agencies and other intermediaries appointed by EB Greentech Management Shenzhen and JIC Trust remaining legal and effective with no material adverse changes;

- (vii) the credit enhancement agreement or related documents (if any) remaining legal and effective with no material adverse changes in the credit enhancement plan; and
- (viii) any other conditions as may be agreed by the parties in any supplemental agreement(s).

The abovementioned conditions may be waived in whole or in part by consent of both Underwriters.

### **Termination**

The Underwriting Agreement may be terminated under, among other things, the following circumstances:

- (i) by the Underwriters upon the occurrence of a Termination Event on the part of EB Greentech Management Shenzhen or JIC Trust; and
- (ii) by EB Greentech Management Shenzhen upon the occurrence of a Termination Event on the part of the Underwriters.

In addition, the Underwriting Agreement will be automatically terminated upon the full repayment of the principal, interests and expenses of all tranches of the ABN issued.

### **3. THE PREVIOUS MEDIUM-TERM NOTES ISSUANCE AND THE PREVIOUS UNDERWRITING AGREEMENT**

References are also made to the announcements of the Company dated 1 April 2020, 20 May 2020 and 12 June 2020 in relation to the Previous Medium-Term Notes Issuance.

The principal terms of the first tranche of the Previous Medium-Term Notes Issuance are disclosed in the announcement of the Company dated 12 June 2020.

The principal terms of the Previous Underwriting Agreement are set out in the section headed “The Underwriting Agreement” in the announcement of the Company dated 1 April 2020. Pursuant to the Previous Underwriting Agreement, each of Everbright Securities and ICBC has conditionally agreed to underwrite each tranche of the medium-term notes to be issued by the Company on a standby commitment basis in the proportion of 70% and 30% respectively.

In consideration of the performance of the obligations under the Previous Underwriting Agreement by Everbright Securities and ICBC, the Company has agreed to pay an underwriting fee which shall equal to the aggregate face value of the medium-term notes issued multiplied by the underwriting fee rate of 0.133%. The proportion of underwriting fee payable to Everbright Securities and ICBC respectively shall correspond with their proportion of underwriting commitment.

The total underwriting fee for the medium term notes shall be collected on the payment date by way of deduction of such amount by Everbright Securities, as the bookrunner for the Previous Medium-Term Notes Issuance, from the proceeds of the issuance of the medium term notes. The proportion of the underwriting fee payable to ICBC shall be paid by Everbright Securities to ICBC within 3 business days of the relevant payment date.

The maximum aggregate amount of underwriting fee payable to Everbright Securities and ICBC under the Previous Underwriting Agreement shall not exceed RMB3,258,500 (equivalent to approximately HK\$3,551,765) and RMB1,396,500 (equivalent to approximately HK\$1,522,185), respectively.

#### **4. REASONS FOR AND BENEFITS OF THE PREVIOUS MEDIUM-TERM NOTES ISSUANCE AND THE POSSIBLE ABN ISSUE**

The Directors are of the view that the Previous Medium-Term Notes Issuance and Possible ABN Issue can both 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 financing cost within a reasonable range. The relevant underwriters possess abundant experience in underwriting of securities and asset securitisation. The provision of underwriting services by such underwriters is beneficial for the implementation of the Previous Medium-Term Notes Issuance and the Possible ABN Issue.

The Directors (including the independent non-executive Directors) are of the view that the Previous Underwriting Agreement and the Underwriting Agreement and the transactions contemplated thereunder have been entered into in the ordinary and usual course of business of the Company and the terms of the Previous Underwriting Agreement and the Underwriting Agreement are on normal commercial terms that are fair and reasonable, and are in the interests of the Company and the Shareholders as a whole.

None of the Directors has any material interest in the transaction contemplated under the Previous Underwriting Agreement and the Underwriting Agreement. Accordingly, none of the Directors is required to abstain from voting on the relevant board resolutions.

## **5. INFORMATION OF THE PARTIES INVOLVED IN THE PREVIOUS UNDERWRITING AGREEMENT AND THE UNDERWRITING AGREEMENT**

The Company is a professional environmental protection service provider in China, with its businesses focusing on integrated biomass utilisation, hazardous and solid waste treatment, environmental remediation, solar energy and wind power. The Company has its business coverage spanning across 14 provinces and autonomous regions in China, and in Germany.

EB Greentech Management Shenzhen is a company incorporated in the PRC with limited liability and is an indirect wholly-owned subsidiary of the Company. It is principally engaged in providing management services to the Group.

Everbright Securities is a joint stock company incorporated in the PRC with limited liability whose H shares and A shares are listed on the main board of the Hong Kong Stock Exchange (stock code: 6178) and the Shanghai Stock Exchange (stock code: 601788), respectively. The principal business of Everbright Securities includes brokerage services, securities investment advisory services, financial advisory services in relation to securities dealing and securities investment activities, securities underwriting services and acting as sponsor, proprietary securities dealing, intermediary services to futures company, agent for securities investment funds, margin financing and stock borrowing services, commission sale of financial products, share option settlement business, securities investment fund custody and any other businesses approved by the China Securities Regulatory Commission.

ICBC is a joint stock company incorporated in the PRC with limited liability and whose H shares and A shares are listed on the main board of the Hong Kong Stock Exchange (stock code: 1398) and the Shanghai Stock Exchange (stock code: 601398), respectively. It is principally engaged in banking and other financial related services.

SPDB is a joint stock company incorporated in the PRC with limited liability and whose shares are listed on the Shanghai Stock Exchange (stock code: 600000). It is principally engaged in the provision of corporate and personal banking services, treasury business, asset management and trustee services, and other financial services.

JIC Trust is a company incorporated in the PRC with limited liability and is principally engaged in provision of trust services in the PRC.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, each of ICBC, SPDB, JIC Trust and their respective ultimate beneficial owners is a third party independent of the Company and its connected persons.



## 6. LISTING RULES IMPLICATIONS

As at the date of this announcement, Everbright Securities is a 30%-controlled company of CE Group, the indirect controlling shareholder of the Company. Accordingly, Everbright Securities is an associate of CE Group and is regarded as a connected person of the Company under the Listing Rules. Therefore, the provision of underwriting services by Everbright Securities to EB Greentech Management Shenzhen contemplated under the Underwriting Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

During the 12-month period preceding the date of the Underwriting Agreement, the Company has entered into the Previous Underwriting Agreement with Everbright Securities (as one of the underwriters) for the Previous Medium-Term Notes Issuance. As all the applicable percentage ratios of the Previous Underwriting Agreement were less than 0.1%, the Previous Underwriting Agreement constituted a de minimis transaction pursuant to Rule 14A.76 of the Listing Rules and was fully exempt from the reporting, announcement, circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. However, since both of the Previous 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 Previous 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 one or more of the applicable percentage ratios calculated in accordance with the Listing Rules in respect of the Previous Underwriting Agreement and the Underwriting Agreement (on an aggregated basis) is more than 0.1% but all of them are less than 5%, the entering into of the Underwriting Agreement is subject to the reporting and announcement requirements, but exempted from the circular and independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

## DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“ABN”	the various asset-backed notes to be issued by JIC Trust, backed by the underlying assets and to be subscribed by institutional investors
“associate”	has the same meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“CE Group”	China Everbright Group Limited* (中國光大集團股份公司), a joint stock company incorporated in the PRC and an indirect controlling shareholder of the Company
“China” or “PRC”	the People’s Republic of China
“Company”	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 Hong Kong Stock Exchange (stock code: 1257)
“connected person(s)”	has the same meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the same meaning 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 the Company
“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 and whose H shares and A shares are listed on the main board of the Hong Kong Stock Exchange (stock code: 6178) and the Shanghai Stock Exchange (stock code: 601788), respectively
“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

“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“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 which is principally engaged in the provision of trust services in the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“NAFMII”	the National Association of Financial Market Institutional Investors of the PRC (中國銀行間市場交易商協會)
“Notice of Registration Acceptance”	the Notice of Registration Acceptance issued by NAFMII on 27 January 2021 and received by the Company on 28 January 2021, with the reference number Zhong Shi Xie Zhu [2021] ABN16 (中市協註[2021]ABN16號)
“Previous Medium-Term Notes Issuance”	the possible issuance of medium-term notes by the Company, as described in the announcement of the Company dated 1 April 2020
“Previous Underwriting Agreement”	the underwriting agreement previously entered by and among the Company, Everbright Securities and ICBC, as described in the section headed “The Underwriting Agreement” in the announcement of the Company dated 1 April 2020 and in the section headed “The Previous Medium-Term Notes Issuance and the Previous Underwriting Agreement” in this announcement
“Possible ABN Issue”	the possible issuance of the ABN initiated by EB Greentech Management Shenzhen
“RMB”	Renminbi, 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

“Termination Event”	a material adverse event, an event of default or a force majeure event as stipulated in the Underwriting Agreement
“Underwriters”	Everbright Securities and SPDB
“Underwriting Agreement”	the underwriting agreement dated 28 January 2021 entered into among EB Greentech Management Shenzhen, Everbright Securities, SPDB and JIC Trust
“30%-controlled company”	has the same meaning ascribed to it under the Listing Rules
“%”	per cent

*For the purpose of this announcement, the HK\$ equivalents of the underwriting fees payable under the Previous Underwriting Agreement are calculated based on the exchange rate of RMB1.00 to HK\$1.09, being the same exchange rate used in the Company’s announcement dated 1 April 2020. Other HK\$ amounts are calculated based on the exchange rate of RMB1.00 to HK\$1.20, being the central parity rate announced by the People’s Bank of China on the date of this announcement.*

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

Hong Kong, 28 January 2021

*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*)

\* *for identification purpose only*