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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 THE PRC

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**”) today for (1) the proposed issuance of medium term notes (“**MTNs**”) in a single or multiple tranches to institutional investors in the inter-bank bond market in the People’s Republic of China (“**PRC**”) with a registered principal amount of RMB3,000,000,000 (the “**Proposed MTN Issue**”), and as part of the Proposed MTN Issue, (2) the proposed issuance of an initial tranche of the MTNs with a principal amount of RMB800,000,000 (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

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

Issuer	:	The Company
Place of Issue	:	PRC
Registered principal amount	:	RMB3,000,000,000
Manner of Issue:	:	To be issued in a single tranche or in multiple tranches, subject to market conditions
Target Subscribers	:	Institutional investors in the inter-bank bond market in the PRC
Maturity	:	Not more than five years for any tranche
Underwriter(s)	:	Bank of China Limited and Guosen Securities Co., Ltd.
Issue Price	:	To be issued at the face value of the MTNs
Interest Rate	:	At the fixed coupon rate to be agreed and determined by the Company and the Underwriters pursuant to the centralized book-building process

Interest Calculation	:	The interest for the MTNs will be calculated by way of simple interest instead of compound interest to be paid on an annual basis
Mode of Repayment	:	The principal amount to be repaid upon the maturity of the MTNs
Listing and trading arrangement of the MTNs	:	The MTNs will be traded on the inter-bank bond market in the PRC
Use of proceeds	:	Replenish the working capital of the Company's subsidiaries

3. 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 optimize its financing structure and control its financial cost within a reasonable range.

4. 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
An Xuesong

Executive Director and Chief Executive Officer

Hong Kong, 15 January 2020

As at the date of this announcement, the Board comprises: (i) a non-executive director, Mr. Wang Tianyi (Chairman); (ii) two executive directors, namely Mr. An Xuesong (Chief Executive Officer) and Mr. Luo Junling; and (iii) four independent non-executive directors, namely Mr. Zhai Haitao, Mr. Lim Yu Neng Paul, Ms. Cheng Fong Yee and Ms. Hao Gang.