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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)

OVERSEAS REGULATORY ANNOUNCEMENT

ENTRY INTO A CONCESSION AGREEMENT IN RELATION TO THE JIANGYIN CHENGXI WASTE WATER TREATMENT PLANT (PHASE IV) EXPANSION PROJECT

This overseas regulatory announcement is issued pursuant to Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Please refer to the announcement on “Entry into a Concession Agreement in relation to the Jiangyin Chengxi Waste Water Treatment Plant (Phase IV) Expansion Project” which has been published by China Everbright Water Limited (the “**Company**”) on the website of the Singapore Exchange Securities Trading Limited on 7 June 2023.

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

Hong Kong, 7 June 2023

As at the date of this announcement, the board of directors of the Company 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.

CHINA EVERBRIGHT WATER LIMITED

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(Company Registration No: 34074)

ENTRY INTO A CONCESSION AGREEMENT IN RELATION TO THE JIANGYIN CHENGXI WASTE WATER TREATMENT PLANT (PHASE IV) EXPANSION PROJECT

1. INTRODUCTION

The board of directors of China Everbright Water Limited (the “**Company**”) is pleased to announce that Everbright Water (Jiangyin) Limited (光大水務(江陰)有限公司) (“**Jiangyin Water**”), a subsidiary of the Company, has today entered into a concession agreement (the “**Concession Agreement**”) with Jiangyin Municipal Integrated Management Bureau (江陰市城市綜合管理局) (the “**Jiangyin Bureau**”), as authorised by the People’s Government of Jiangyin City (the “**Jiangyin Government**” together with the Jiangyin Bureau, the “**Governmental Authorities**”), Jiangsu Province, the People’s Republic of China (the “**PRC**”) relating to the Jiangyin Chengxi Waste Water Treatment Plant (Phase IV) Expansion Project (the “**Chengxi Phase IV Project**”).

Jiangyin Water shall be responsible for the investment in, financing, design, construction, operation and maintenance, and transfer of the Chengxi Phase IV Project.

Jiangyin Bureau is the payment obligator under the Concession Agreement (further details of which are set out in paragraph 6 below) and is the implementation party of the Chengxi Phase IV Project duly authorised by the Jiangyin Government.

2. BACKGROUND ON THE CHENGXI PHASE IV PROJECT

The Chengxi Phase IV Project will be undertaken based on a Build-Operate-Transfer model by Jiangyin Water in Jiangyin City, Jiangsu Province, the PRC.

Pursuant to the terms of the Concession Agreement, the Chengxi Phase IV Project comprises, *inter alia*, a waste water treatment plant with a designed daily waste water treatment capacity of 45,000 m³ and a designed daily reusable water supply capacity of 15,000 m³. The concession service area of the Chengxi Phase IV Project is in the west of Chaoyang Road, Tianhe Road, Renmin Road and Xicheng Expressway, and the east of Hetun Road, which includes Chengjiang Street District and the former Lingang Development Zone.

3. RATIONALE OF THE CHENGXI PHASE IV PROJECT

The Chengxi Phase IV Project serves to expand the presence and influence of the Company in Jiangsu Province and provides a good foundation for further water projects to be undertaken by the Company in Jiangsu Province in the future. From the perspective of the Company, the Chengxi Phase IV Project is expected to enhance long-term returns and value for the shareholders of the Company.

4. INVESTMENT AMOUNT

Pursuant to the Concession Agreement, the aggregate investment amount (the “**Investment Amount**”) of the Chengxi Phase IV Project is expected to be approximately RMB253,005,900. The actual Investment Amount will be determined based on the audited final account of the Chengxi Phase IV Project. The Investment Amount will be contributed by Jiangyin Water through internal resources and external financing.

5. CONCESSION RIGHTS

In accordance with the Concession Agreement, the concession period of the Chengxi Phase IV Project shall be approximately 14 years (the “**Concession Period**”) including a construction period of approximately one year and a 13-year operational period. Notwithstanding the foregoing, the Concession Period shall expire no later than 18 January 2038.

Based on the Concession Agreement, during the Concession Period, the facilities under the Chengxi Phase IV Project shall be held by Jiangyin Water. Upon expiry of the Concession Period, Jiangyin Water shall transfer the facilities under the Chengxi Phase IV Project to the Governmental Authorities at nil consideration.

6. RETURN ON INVESTMENT

Pursuant to the Concession Agreement, during the Concession Period, the Jiangyin Water shall be entitled to a return on its investment by way of the waste water treatment service fees to be paid by the Jiangyin Bureau, calculated based on a specified unit price for each cubic metre of waste water to be treated by the Chengxi Phase IV Project, and such unit price shall be adjusted based on the mechanism stated in the Concession Agreement.

7. OTHER INFORMATION

The Governmental Authorities are not regarded as “interested persons” of the Company or associates of “interested persons” of the Company under the listing manual of the Singapore Exchange Securities Trading Limited. None of the directors or controlling shareholders of the Company has any interest, direct or indirect, in the Chengxi Phase IV Project.

The Concession Agreement was entered into by the parties on arm’s length basis and on normal commercial terms and the Chengxi Phase IV Project is of revenue nature and in the ordinary and usual course of business of the Company. To the best of the knowledge, information and belief of the board of directors of the Company having made all reasonable enquiries, the Governmental Authorities are third parties independent of the Company and the connected persons of the Company for the purpose of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

By Order of the Board

CHINA EVERBRIGHT WATER LIMITED

Kwan Yun Fui

Legal Counsel and Joint Company Secretary

Date: 7 June 2023

In this announcement, the English names of PRC government authorities or entities are translations of their Chinese names and included herein for identification purpose only. In the event of any inconsistency, the Chinese names shall prevail.