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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)

**RESPONSES TO QUERY FROM
SINGAPORE EXCHANGE SECURITIES TRADING LIMITED
IN RELATION TO THE COMPANY'S FY2019 ANNUAL REPORT**

The board of directors (the “**Board**”) of China Everbright Water Limited (the “**Company**”) wishes to update shareholders of the Company (the “**Shareholders**”) that the Company has received a query from Singapore Exchange Securities Trading Limited (“**SGX-ST**”) relating to the Company’s annual report for the financial year ended 31 December 2019 (“**FY2019**”) published on 22 March 2020 (“**FY2019 Annual Report**”), which SGX-ST wishes that the Company addresses to the Shareholders. SGX-ST’s query and the Company’s response to such query are set out below.

QUERY FROM SGX-ST

The Company announced on 21 February 2020 that the net proceeds from the global offering (the “**Global Offering**”) in connection with the listing of the Company on The Stock Exchange of Hong Kong Limited (the “**SEHK**”) which amounted to HK\$248.61 million (the “**Net Proceeds**”) have been fully utilised and that there is no deviation from the intended use as disclosed in the prospectus of the Company dated 24 April 2019 issued in connection with the Global Offering, however no specific breakdown was provided on the use of proceeds for general working capital.

Rule 704(30) of the listing manual of SGX-ST (the “**SGX-ST Listing Manual**”) requires the issuer to announce the use of any proceeds arising from any offerings pursuant to Chapter 8 of the SGX-ST Listing Manual as and when such funds are materially disbursed. Where the proceeds are used for general working capital purposes, the issuer must announce a breakdown with specific details on the use of proceeds for working capital. Please disclose the specific breakdown to the general working capital which amounted to approximately HK\$12.431 million.

The Company's Response

As disclosed in the Company's FY2019 Annual Report, a sum of approximately HK\$12.431 million out of the Net Proceeds was used for working capital and other general corporate purposes ("Working Capital Purpose"), namely for payment of normal operating expenses such as staff costs, legal and professional fees, rental expenses and other operating expenses.

The specific breakdown for the use of such proceeds is set out below:

Use of Net Proceeds	Approximate Amount (HK\$ million)	Per cent.⁽¹⁾
Staff costs	1.372	11
Legal and professional fees ⁽²⁾	8.908	72
Rental expenses	1.294	10
Other operating expenses	0.857	7
Total	12.431	100

Notes:

- (1) All references to percentages in this column are based on the amount of Net Proceeds attributable to the Working Capital Purpose (being the sum of approximately HK\$12.431 million), and rounded to the nearest whole number.
- (2) Inclusive of legal and professional fees incurred in relation to the Global Offering amounting to approximately HK\$7.749 million.

By Order of the Board
China Everbright Water Limited
An Xuesong

Executive Director and Chief Executive Officer

Hong Kong and Singapore, 13 May 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.