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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 LUOZHUANG ECONOMIC
DEVELOPMENT ZONE WASTE WATER TREATMENT PLANT AND
ANCILLARY PIPELINE NETWORK (PHASE I)
BUILD-OPERATE-TRANSFER 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 Luozhuang Economic Development Zone Waste Water Treatment Plant and Ancillary Pipeline Network (Phase I) Build-Operate-Transfer Project” which has been published by China Everbright Water Limited (the “**Company**”) on the website of the Singapore Exchange Securities Trading Limited on 30 August 2022.

By Order of the Board
China Everbright Water Limited
Peng Pei
Legal Counsel and Joint Company Secretary

Hong Kong, 30 August 2022

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

(Incorporated in Bermuda with limited liability)

(Company Reg. No: 34074)

ENTRY INTO A CONCESSION AGREEMENT IN RELATION TO THE LUOZHUANG ECONOMIC DEVELOPMENT ZONE WASTE WATER TREATMENT PLANT AND ANCILLARY PIPELINE NETWORK (PHASE I) BUILD-OPERATE-TRANSFER PROJECT

1. INTRODUCTION

The board of directors of China Everbright Water Limited (the “**Company**”) is pleased to announce that the Company has on 30 August 2022 entered into a concession agreement (the “**Concession Agreement**”) with, *inter alia*, Linyi Luozhuang Housing and Urban-Rural Development Bureau* (臨沂市羅莊區住房和城鄉建設局) and Luozhuang Economic Development Zone Management Committee* (羅莊區經濟開發區管理委員會) (collectively, the “**Luozhuang Authorities**”), as authorised by the People’s Government of Luozhuang District (the “**Luozhuang Government**”), Linyi City, Shandong Province, the People’s Republic of China (the “**PRC**”) (together with the Luozhuang Authorities, the “**Governmental Authorities**”) relating to the Luozhuang Economic Development Zone Waste Water Treatment Plant and Ancillary Pipeline Network (Phase I) Build-Operate-Transfer Project (the “**Project**”).

The Company will incorporate a wholly-owned subsidiary as the project company (the “**Project Company**”) which shall be responsible for the investment in, financing, construction, operation and maintenance of the Project.

The Luozhuang Authorities are the payment obligator under the Concession Agreement (further details of which are set out in paragraph 6 below) and are the implementation parties of the Project duly authorised by the Luozhuang Government.

Shandong Zijian is a company incorporated under the laws of the PRC with limited liability and is principally engaged in contracting construction and engineering projects. The Company will be responsible for undertaking the Project through the Project Company.

2. BACKGROUND ON THE PROJECT

The Project will be undertaken based on a Build-Operate-Transfer model by the Project Company in Luozhuang Economic Development Zone of Linyi City, Shandong Province, the PRC.

Pursuant to the terms of the Concession Agreement, the Project comprises, *inter alia*, a waste water treatment plant with a designed daily waste water treatment capacity of 20,000 m³ and an ancillary pipeline network of about 37.1 km. The concession service area of the Project is in the west of Luoqi Road and the south of South Ring Road, which includes Chudun Town, Fuzhuang Street and Luozhuang Economic Development Zone. The service area of the waste water treatment plant is about 48 km².

3. RATIONALE OF THE PROJECT

The Project serves to expand the presence and influence of the Company in Shandong Province and provides a good foundation for further water projects to be undertaken by the Company in Shandong Province in the future. From the perspective of the Company, the 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 Project is expected to be approximately RMB259,413,700. Such investment amount will be contributed by the Project Company through internal resources and external financing.

5. CONCESSION RIGHTS

In accordance with the Concession Agreement, the concession period of the Project shall be 30 years (the “**Concession Period**”) including a one-year construction period, commencing from the effective date of the Concession Agreement.

Based on the Concession Agreement, during the Concession Period, the facilities under the Project shall be held by the Project Company. Upon expiry of the Concession Period, the Project Company shall transfer the facilities under the Project to the Luozhuang Authorities at nil consideration. Should the Luozhuang Authorities decide to appoint a new concessionaire upon the expiry of the Concession Period, the Project Company shall enjoy the priority to be granted with the concession right upon the same terms and conditions.

6. RETURN ON INVESTMENT

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

7. OTHER INFORMATION

The Governmental Authorities and Shandong Zijian 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 Project.

The Concession Agreement was entered into by the parties on arm's length basis and on normal commercial terms and the 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, Shandong Zijian and 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

Peng Pei

Legal Counsel and Joint Company Secretary

Date: 30 August 2022

* *For identification purpose only*