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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)

**CONTINUING CONNECTED TRANSACTIONS
2025-2027 ELECTRICITY SALES FRAMEWORK AGREEMENT**

Reference is made to the announcement of the Company dated 11 December 2024 in relation to the 2025 Electricity Sales Framework Agreement for a term of one year from 1 January 2025 to 31 December 2025.

The Board is pleased to announce that on 18 March 2025, the Company (as the electricity user) and Everbright Greentech Services (as the electricity sales company) entered into the 2025-2027 Electricity Sales Framework Agreement, pursuant to which the Company agreed to procure its subsidiaries to purchase electricity from Everbright Greentech Services for the three years ending 31 December 2025, 2026 and 2027, and Everbright Greentech Services agreed to supply electricity to the Group, through the Power Grid Company, in the Jiangsu and Shandong Provinces of the PRC. Further, pursuant to the 2025-2027 Electricity Sales Framework Agreement, the 2025 Electricity Sales Framework Agreement shall be terminated and superseded by the 2025-2027 Electricity Sales Framework Agreement from the Effective Date (as defined below).

As at the date of this announcement, Everbright Environment is a controlling shareholder of the Company and therefore a connected person of the Company. Everbright Environment is also a controlling shareholder of Everbright Greentech, therefore Everbright Greentech (being a subsidiary and thus an associate of Everbright Environment) is a connected person of the Company. Everbright Greentech Services (being an indirect subsidiary of Everbright Greentech and thus an associate of Everbright Environment) is also a connected person of the Company. Accordingly, the transactions contemplated under the 2025-2027 Electricity Sales Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the SEHK Listing Rules.

As one or more applicable percentage ratios in respect of the highest 2025-2027 Annual Cap of the 2025-2027 Electricity Sales Framework Agreement are over 0.1% but less than 5%, the transactions contemplated thereunder are subject to the reporting, announcement and annual review requirements but exempted from the circular and independent shareholders' approval requirements under Chapter 14A of the SEHK Listing Rules.

The entry into, and the transactions contemplated under, the 2025-2027 Electricity Sales Framework Agreement fall under the Company's IPT Mandate, which was renewed with the approval of the Shareholders at the annual general meeting of the Company held on 26 April 2024.

THE 2025-2027 ELECTRICITY SALES FRAMEWORK AGREEMENT

Reference is made to the announcement of the Company dated 11 December 2024 in relation to the 2025 Electricity Sales Framework Agreement for a term of one year from 1 January 2025 to 31 December 2025.

On 18 March 2025, the Company (as the electricity user) and Everbright Greentech Services (as the electricity sales company) entered into the 2025-2027 Electricity Sales Framework Agreement, pursuant to which the Company agreed to procure its subsidiaries to purchase electricity from Everbright Greentech Services for the three years ending 31 December 2025, 2026 and 2027, and Everbright Greentech Services agreed to supply electricity to the Group, through the Power Grid Company, in the Jiangsu and Shandong Provinces of the PRC according to the principal terms set out below. Further, pursuant to the 2025-2027 Electricity Sales Framework Agreement, the 2025 Electricity Sales Framework Agreement shall be terminated and superseded by the 2025-2027 Electricity Sales Framework Agreement from the Effective Date (as defined below).

The principal terms of the 2025-2027 Electricity Sales Framework Agreement are set out below:

Date	18 March 2025
Parties	the Company (as the electricity user); and Everbright Greentech Services (as the electricity sales company)
Term	<p>The 2025-2027 Electricity Sales Framework Agreement shall take effect from the Effective Date (as defined below) and shall expire on 31 December 2027.</p> <p>The 2025-2027 Electricity Sales Framework Agreement shall become effective upon the satisfaction of the following conditions (the “Effective Date”):</p> <ul style="list-style-type: none">(i) the authorised representative of each of the parties having executed the 2025-2027 Electricity Sales Framework Agreement; and(ii) the Company and Everbright Greentech having respectively obtained the relevant board and/or shareholders’ approval (as applicable).
Nature of Transaction	Everbright Greentech Services shall supply electricity through the Power Grid Company to the Group according to its electricity demand.
Volume of Electricity Expected to be Consumed	Not exceeding 458,000,000 kWh per year (of which approximately 142,000,000 kWh per year for Jiangsu Province in the PRC and approximately 316,000,000 kWh per year for Shandong Province in the PRC), and the actual volume of electricity consumed will be used as the basis for the transaction settlement.

Unit Price	The unit price of electricity sales shall be determined based on normal commercial terms and after arm's length negotiation between the Company and Everbright Greentech Services with reference to the reference price published by the relevant PRC regulatory authorities, and shall be no less favourable than the normal commercial terms that can be obtained by the Group from Independent Third Parties. For the purpose of determining the normal commercial terms that can be obtained from Independent Third Parties, the Group shall obtain relevant quotations from at least two Independent Third Parties.
Payment Terms	The fees payable for the electricity consumed pursuant to the 2025-2027 Electricity Sales Framework Agreement shall be settled by the Group with the Power Grid Company on a monthly basis, and the Power Grid Company shall then pay to Everbright Greentech Services an amount not less than the difference between the price at which Everbright Greentech Services purchases the electricity from the Power Generation Company and the price settled by the Group to the Power Generation Company via the Power Grid Company (based on the actual volume of electricity consumed and the unit prices set out in the 2025-2027 Electricity Sales Framework Agreement).
Other	Everbright Greentech Services and the relevant subsidiaries of the Company shall further enter into specific agreements for the specific implementation of the electricity sales, which shall be in conformity with the principles under the 2025-2027 Electricity Sales Framework Agreement.

TERMINATION OF THE 2025 ELECTRICITY SALES FRAMEWORK AGREEMENT

Pursuant to the 2025-2027 Electricity Sales Framework Agreement, the 2025 Electricity Sales Framework Agreement shall be terminated with effect from the Effective Date.

Both the Company and Everbright Greentech Services unconditionally and irrevocably agree that, from the Effective Date, (i) each party shall release and discharge the other from all present, past and future obligations under the 2025 Electricity Sales Framework Agreement arising directly or indirectly out of or in connection with the performance of the 2025 Electricity Sales Framework Agreement; and (ii) no claims shall be made, continued, maintained or asserted, directly or indirectly in connection with the performance of the 2025 Electricity Sales Framework Agreement, save for any antecedent breach of and/or any rights or obligations which may have accrued under the 2025 Electricity Sales Framework Agreement prior to such termination.

HISTORICAL TRANSACTION AMOUNT

Pursuant to the 2025 Electricity Sales Framework Agreement, the 2025 Annual Cap for the year ending 31 December 2025 is RMB72,208,000.

For the two months ended 28 February 2025, the historical transaction amount under the 2025 Electricity Sales Framework Agreement was approximately RMB28,700,000.

THE 2025-2027 ANNUAL CAPS

The 2025-2027 Annual Caps for the aggregated estimated amount to be paid pursuant to the 2025-2027 Electricity Sales Framework Agreement for the three years ending 31 December 2027 are expected to be as follows:

	2025-2027 Annual Caps		
	For the Year ending 31 December 2025 (RMB)	For the Year ending 31 December 2026 (RMB)	For the Year ending 31 December 2027 (RMB)
Electricity fees payable by the Company for the purchase of electricity	176,840,000	178,397,000	179,954,000

BASIS OF DETERMINATION OF THE 2025-2027 ANNUAL CAPS

The 2025-2027 Annual Caps are determined after taking into consideration a number of factors, including (i) the historical electricity consumption of the Group in the Jiangsu and Shandong Provinces of the PRC; (ii) the estimated amount of electricity to be consumed by the Group in the Jiangsu and Shandong Provinces of the PRC during the term of the 2025-2027 Electricity Sales Framework Agreement based on its business and developmental needs; and (iii) the quotations obtained by the Group and the pricing policy as set out under the 2025-2027 Electricity Sales Framework Agreement (for more information, please refer to the paragraph headed “Pricing Policy and Internal Control Measures” below).

REASONS FOR AND BENEFITS OF ENTERING INTO THE 2025-2027 ELECTRICITY SALES FRAMEWORK AGREEMENT

Having considered its daily operations and developmental growth, the Group is of the view that the entry into the 2025-2027 Electricity Sales Framework Agreement allows the Group to secure a fair, reasonable and competitive pricing (which is no less favourable than the normal commercial terms available to the Group from Independent Third Parties), thereby maintaining its stable operating costs.

Furthermore, the entry into the 2025-2027 Electricity Sales Framework Agreement will enhance the coordination and resource sharing among the subsidiaries of Everbright Environment and promote enterprise synergistic development, thereby improving operational efficiency.

The terms of the 2025-2027 Electricity Sales Framework Agreement have been agreed upon arm’s length negotiations between the Group and Everbright Greentech Services. The Board (including the independent non-executive Directors) are of the view that the continuing connected transactions contemplated under the 2025-2027 Electricity Sales Framework Agreement are on normal commercial terms and in the ordinary and usual course of business of the Group, and the terms and the 2025-2027 Annual Caps thereunder are fair and reasonable, and in the interests of the Group and the Shareholders as a whole.

PRICING POLICY AND INTERNAL CONTROL MEASURES

The electricity price to be paid by the Group pursuant to the 2025-2027 Electricity Sales Framework Agreement was determined after arm’s length negotiations and with reference to (i) the estimated unit price of electricity to be purchased from two Independent Third Parties; and (ii) the reference price published by the relevant PRC regulators.

In order to protect the interests of the Shareholders, the Group will adopt the following internal control procedures in relation to the 2025-2027 Electricity Sales Framework Agreement:

- (i) the Group will comply with its internal control procedures in respect of connected transactions and procedures related to the Group's suppliers;
- (ii) the Company's independent non-executive Directors and auditors will conduct annual review on the transactions contemplated under the 2025-2027 Electricity Sales Framework Agreement and provide an annual confirmation in accordance with the SEHK Listing Rules, confirming, among other matters, that the transactions are conducted in the ordinary and usual course of business of the Group in accordance with the 2025-2027 Electricity Sales Framework Agreement and the pricing policy of the Group, and whether the terms are on normal commercial terms or better, are fair and reasonable and in the interests of the Company and the Shareholders as a whole; and
- (iii) the Group will strictly monitor the continuing connected transactions under the 2025-2027 Electricity Sales Framework Agreement to ensure that they do not exceed the 2025-2027 Annual Caps. In the event that the annual cap is expected to be exceeded, the Board will consider whether to revise the annual cap accordingly and ensure compliance with the SEHK Listing Rules.

The Board considers that the above internal control procedures adopted by the Group in connection with the 2025-2027 Electricity Sales Framework Agreement are appropriate and sufficient, and will give sufficient assurance that the continuing connected transactions will be appropriately monitored by the Group.

INFORMATION OF THE PARTIES

The Group is principally engaged in water environment management, municipal waste water treatment, industrial waste water treatment, water supply, reusable water, sludge treatment and disposal, sponge city construction, river-basin ecological restoration, livestock and poultry manure resources utilisation, leachate treatment, research and development of water environment technologies and engineering construction, etc.

As at the date of this announcement, Everbright Greentech Services is an indirect wholly-owned subsidiary of Everbright Greentech and is principally engaged in environmental protection technology services, technology development, technology promotion, technology consulting and other businesses. Everbright Greentech, the shares of which are listed on the Main Board of the SEHK (Stock Code: 1257), is principally engaged in integrated biomass utilisation, hazardous and solid waste treatment, environmental remediation, as well as solar energy and wind power.

IMPLICATIONS UNDER THE SEHK LISTING RULES

As at the date of this announcement, Everbright Environment is a controlling shareholder of the Company and therefore a connected person of the Company. Everbright Environment is also a controlling shareholder of Everbright Greentech, therefore Everbright Greentech (being a subsidiary and thus an associate of Everbright Environment) is a connected person of the Company. Everbright Greentech Services (being an indirect subsidiary of Everbright Greentech and thus an associate of Everbright Environment) is also a connected person of the Company. Accordingly, the transactions contemplated under the 2025-2027 Electricity Sales Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the SEHK Listing Rules.

As one or more applicable percentage ratios in respect of the highest 2025-2027 Annual Cap of the 2025-2027 Electricity Sales Framework Agreement are over 0.1% but less than 5%, the transactions contemplated thereunder are subject to the reporting, announcement and annual review requirements but exempted from the circular and independent shareholders' approval requirements under Chapter 14A of the SEHK Listing Rules.

None of the Directors has any material interests in the 2025-2027 Electricity Sales Framework Agreement, or is required to abstain from voting on the resolutions in respect of such the transactions contemplated thereunder.

IMPLICATIONS UNDER THE SGX-ST LISTING MANUAL

The entry into, and the transactions contemplated under, the 2025-2027 Electricity Sales Framework Agreement fall under the Company's IPT Mandate, which was renewed with the approval of the Shareholders at the annual general meeting of the Company held on 26 April 2024.

DEFINITIONS

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

“2025 Annual Cap”	the annual cap for the year ending 31 December 2025 under the 2025 Electricity Sales Framework Agreement
“2025 Electricity Sales Framework Agreement”	the electricity sales framework agreement dated 11 December 2024 entered into between the Company and Everbright Greentech Services as described in the announcement of the Company dated 11 December 2024, of which shall be terminated and superseded by the 2025-2027 Electricity Sales Framework Agreement upon satisfaction of the conditions set out thereunder
“2025-2027 Annual Cap(s)”	the annual cap(s) for the three years ending 31 December 2027 under the 2025-2027 Electricity Sales Framework Agreement
“2025-2027 Electricity Sales Framework Agreement”	the electricity sales framework agreement dated 18 March 2025 entered into between the Company and Everbright Greentech Services, pursuant to which the Company agreed to procure its subsidiaries to purchase electricity from Everbright Greentech Services, and Everbright Greentech Services agreed to supply electricity to the Group, through the Power Grid Company, in the Jiangsu and Shandong Provinces of the PRC, with effect from the Effective Date and shall expire on 31 December 2027
“associate(s)”	has the meaning ascribed thereto under the SEHK Listing Rules
“Board”	the board of Directors of the Company
“Company”	China Everbright Water Limited (中國光大水務有限公司), an exempted company incorporated in Bermuda with limited liability, the shares of which are listed on the Mainboard of the SGX-ST (stock code: U9E) and the Main Board of the SEHK (stock code: 1857)

“connected person(s)”	has the meaning ascribed thereto under the SEHK Listing Rules
“controlling shareholder”	has the meaning ascribed thereto under the SEHK Listing Rules
“Director(s)”	director(s) of the Company
“Everbright Environment”	China Everbright Environment Group Limited (中國光大環境(集團)有限公司), a company incorporated under the laws of Hong Kong with limited liability, the shares of which are listed on the Main Board of the SEHK (Stock Code: 257), and a controlling shareholder of the Company
“Everbright Greentech”	China Everbright Greentech Limited (中國光大綠色環保有限公司), an exempted company incorporated under the laws of the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the SEHK (Stock Code: 1257), and a subsidiary of Everbright Environment
“Everbright Greentech Services”	EB Greentech Technology Services (Jiangsu) Limited (光大綠色環保技術服務(江蘇)有限公司), a company incorporated under the laws of the PRC with limited liability, and an indirect wholly-owned subsidiary of Everbright Greentech
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	any party or parties that, to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, is or are third party(ies) independent of the Company and connected persons of the Company

“IPT Mandate”	the general mandate to enable the Company, its subsidiaries and associated companies that are entities at risk (as that term is used in Chapter 9 of the SGX-ST Listing Manual) to enter into certain categories of interested person transactions with certain classes of interested persons as set out in Appendix 1 to the Company’s circular to Shareholders dated 3 April 2024
“Power Generation Company”	the respective local power generation company operating in the Jiangsu and Shandong Provinces of the PRC
“Power Grid Company”	the respective local power grid company operating in the Jiangsu and Shandong Provinces of the PRC
“PRC”	the People’s Republic of China excluding Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“SEHK”	The Stock Exchange of Hong Kong Limited
“SEHK Listing Rules”	the Rules Governing the Listing of Securities on the SEHK
“SGX-ST” or “SGX”	Singapore Exchange Securities Trading Limited
“SGX Listing Manual”	the listing manual of SGX-ST
“Shareholders”	shareholders of the Company
“Singapore”	the Republic of Singapore
“%”	per cent.

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

Hong Kong and Singapore, 18 March 2025

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.

As at the date of this announcement, the Board comprises: (i) a non-executive Director, namely Mr. Luan Zusheng (Chairman); (ii) two executive Directors, namely Mr. Tao Junjie (Chief Executive Officer) and Mr. Wang Yuexing; and (iii) five independent non-executive Directors, namely Mr. Zhai Haitao, Ms. Hao Gang, Mr. Ng Joo Hee Peter, Mr. Soh Kok Leong and Ms. Chan Pui Shan Sandy.