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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)

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS

- (1) DEPOSIT SERVICES FRAMEWORK AGREEMENT;**
- (2) LOAN SERVICES FRAMEWORK AGREEMENT;**
- (3) UNDERWRITING AND ADVISORY SERVICES FRAMEWORK AGREEMENT;**
- (4) SLUDGE TREATMENT AND HAZARDOUS WASTE TREATMENT SERVICES FRAMEWORK AGREEMENT;**
- (5) PROPERTY LEASE FRAMEWORK AGREEMENT; AND**
- (6) EMPLOYEE HEALTHCARE PROTECTION SERVICES FRAMEWORK AGREEMENT**

Reference is made to the announcement of the Company dated 15 December 2022 in relation to the 2023-2025 Framework Agreements. As the term of each of the 2023-2025 Framework Agreements and the 2023-2025 Annual Caps will expire on 31 December 2025, the Company has entered into the 2026-2028 Framework Agreements on 11 December 2025 to renew each of the 2023-2025 Framework Agreements for a further term of three years commencing from 1 January 2026 and ending on 31 December 2028 and set the 2026-2028 Annual Caps for the continuing connected transactions contemplated thereunder for the three years ending 31 December 2028.

As at the date of this announcement, Everbright Environment is a controlling shareholder of the Company and therefore a connected person of the Company under Rule 14A.07(1) of the SEHK Listing Rules. China Everbright Group is a controlling shareholder of Everbright Environment, which is in turn the controlling shareholder of the Company. China Everbright Group is therefore an associate of Everbright Environment, and a connected person of the Company under Rule 14A.07(4) of the SEHK Listing Rules. The transactions contemplated under the 2026-2028 Framework Agreements therefore 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 2026-2028 Annual Caps of the 2026-2028 Framework Agreements are over 0.1% but less than 5%, the transactions contemplated under each of the 2026-2028 Framework Agreements 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 2026-2028 Framework Agreements fall under the scope of activities set out 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 23 April 2025.

Reference is made to the announcement of the Company dated 15 December 2022 in relation to the 2023-2025 Framework Agreements. As the term of each of the 2023-2025 Framework Agreements and the 2023-2025 Annual Caps will expire on 31 December 2025, the Company has entered into the 2026-2028 Framework Agreements on 11 December 2025 to renew each of the 2023-2025 Framework Agreements for a further term of three years commencing from 1 January 2026 and ending on 31 December 2028 and set the 2026-2028 Annual Caps for the continuing connected transactions contemplated thereunder for the three years ending 31 December 2028.

THE 2026-2028 FRAMEWORK AGREEMENTS

A. The 2026-2028 Deposit Services Framework Agreement

The principal terms of the 2026-2028 Deposit Services Framework Agreement are as follows:

Date 11 December 2025

Parties the Company; and

China Everbright Group

Term For the three years from 1 January 2026 to 31 December 2028

Service Scope China Everbright Group shall procure CE Bank to provide deposit services (including current and fixed deposits) to the Group within or outside the PRC in accordance with rules and regulations prescribed by the PBOC and/or other relevant rules and regulations.

The 2026-2028 Deposit Services Framework Agreement shall be on a non-exclusive basis and the Company is at liberty to obtain deposit services from other third parties.

The parties shall enter into separate agreement(s) for detailed service scope subject to the needs of the Group's businesses as and when necessary.

Fee Standards The time and means of payment are to be agreed by the parties with reference to customary business terms through arm's length negotiations.

The deposit services to be provided by CE Bank as procured by China Everbright Group shall be on normal commercial terms, agreed through arm's length negotiations between the parties and no less favourable than the terms available to the Group from Independent Third Parties. When determining the interest rates for deposits to be placed by the Group with CE Bank, the Group shall obtain the interest rate provided by CE Bank, and make reference to the interest rates of the same type of deposits on the same conditions quoted by not less than two major commercial banks in the PRC.

B. The 2026-2028 Loan Services Framework Agreement

Date	11 December 2025
Parties	the Company; and China Everbright Group
Term	For the three years from 1 January 2026 to 31 December 2028
Service Scope	China Everbright Group shall procure CE Bank to provide loan services (including revolving credit facility and fixed term loans) to the Group within or outside the PRC in accordance with the rules and regulations prescribed by the PBOC and/or other relevant rules and regulations.

The 2026-2028 Loan Services Framework Agreement shall be on a non-exclusive basis and the Company is at liberty to obtain loan services from other third parties.

The parties shall enter into separate agreement(s) for detailed service scope subject to the financing needs of the Group as and when necessary.

Fee Standards

The time and means of payment are to be agreed by the parties with reference to customary business terms through arm's length negotiations.

The amount payable by the Group under each loan services contract should be determined with respect to the specific financing needs of the Group. The loan services to be provided by CE Bank as procured by China Everbright Group shall be on normal commercial terms, agreed through arm's length negotiations between the parties and no less favourable than the terms available to the Group from Independent Third Parties. When determining the interest rates for loans to be granted to the Group by CE Bank, the Group shall obtain the interest rate provided by CE Bank, and make reference to the interest rates of the same type of loans on the same conditions quoted by not less than two major commercial banks in the PRC.

C. The 2026-2028 Underwriting and Advisory Services Framework Agreement

Date

11 December 2025

Parties

the Company; and

China Everbright Group

Term

For the three years from 1 January 2026 to 31 December 2028

Service Scope

China Everbright Group shall procure its subsidiaries and associates, including but not limited to EB Securities and its associates, to provide underwriting and advisory services to the Group with respect to the issuance and/or quotation of securities (including but not limited to convertible bonds, hybrid bonds, corporate bonds, asset-backed securities, ordinary shares, preference shares, rights and/or other securities) by the Group within or outside the PRC in accordance with relevant rules and regulations.

The 2026-2028 Underwriting and Advisory Services Framework Agreement shall be on a non-exclusive basis and the Company is at liberty to obtain underwriting and advisory services from other third parties.

The parties shall enter into separate agreement(s) for detailed service scope subject to the needs of the Group's businesses as and when necessary.

Fee Standards

The time and means of payment are to be agreed by the parties with reference to customary business terms through arm's length negotiations.

The amount payable by the Group under each underwriting and advisory services contract should be determined with respect to the specific needs of the financial operations of the Group and the proportion of underwriting fee payable to the subsidiaries and associates of China Everbright Group shall correspond with their proportion of underwriting commitment. The underwriting and advisory services to be provided by the subsidiaries and associates of China Everbright Group, as procured by China Everbright Group, shall be on normal commercial terms, agreed through arm's length negotiations between the parties and no less favourable than the terms available to the Group from Independent Third Parties. The underwriting fees and service fees charged by the subsidiaries and associates of China Everbright Group shall not be higher than the underwriting fees and service fees charged by other commercial banks or other financial institutions in respect of the provision of comparable and similar services.

D. The 2026-2028 Sludge Treatment and Hazardous Waste Treatment Services Framework Agreement

Date	11 December 2025
Parties	the Company; and Everbright Environment
Term	For the three years from 1 January 2026 to 31 December 2028
Service Scope	Everbright Environment shall procure its subsidiaries and associates to provide sludge treatment and hazardous waste treatment services to the Group in respect of the specific needs of the Group's waste water treatment or water environment treatment projects.

The 2026-2028 Sludge Treatment and Hazardous Waste Treatment Services Framework Agreement shall be on a non-exclusive basis and the Company is at liberty to obtain sludge treatment and hazardous waste treatment services from other third parties.

The parties shall enter into separate agreement(s) for detailed service scope subject to the needs of the Group's various projects as and when necessary.

Fee Standards

The time and means of payment are to be agreed by the parties with reference to customary business terms through arm's length negotiations.

The amount payable by the Group under each sludge treatment and hazardous waste treatment services contract should be determined with respect to the specific needs of the project and the amount and type of waste to be disposed, with reference to prevailing market prices based on the pricing quoted by Independent Third Parties on a fair and reasonable basis for the same or similar services in the geographical area where the Group's relevant waste water treatment projects and/or water environment treatment projects are carried out. The prices quoted by the subsidiaries and associates of Everbright Environment to the Group shall be no less favourable to the Group than the terms it quotes to Independent Third Parties for the same services.

E. The 2026-2028 Property Lease Framework Agreement

Date 11 December 2025

Parties the Company; and

Everbright Environment

Term For the three years from 1 January 2026 to 31 December 2028

Service Scope	<p>Everbright Environment shall or shall procure its subsidiaries and associates to lease office premises, meeting rooms and guest rooms to the Group with a total leased area of approximately 3,288 square metres in the Chinese Mainland and Hong Kong. The leased area may be adjusted depending on the needs of the Group's operation.</p> <p>The 2026-2028 Property Lease Framework Agreement shall be on a non-exclusive basis and the Company is at liberty to lease property from other third parties.</p> <p>The parties shall enter into separate agreement(s) for detailed service scope subject to the needs of the Group's businesses as and when necessary.</p>
Fee Standards	<p>The time and means of payment are to be agreed by the parties with reference to customary business terms through arm's length negotiations.</p> <p>The rent payable by the Group under each tenancy agreement should be determined through arm's length negotiations between the parties with reference to the prevailing market conditions and the rental level of similar properties in the vicinity.</p>

F. The 2026-2028 Employee Healthcare Protection Services Framework Agreement

Date	11 December 2025
Parties	<p>the Company; and</p> <p>China Everbright Group</p>
Term	For the three years from 1 January 2026 to 31 December 2028

Service Scope

China Everbright Group shall procure its subsidiaries and associates, including but not limited to Sun Life Everbright and its associates, to provide the Healthcare Protection Entrusted Management Scheme, the Long-term Supplemental Medical Insurance Protection Scheme, other employee healthcare protection, and other insurance services to the Group in accordance with the relevant laws, rules and regulations.

The 2026-2028 Employee Healthcare Protection Services Framework Agreement shall be on a non-exclusive basis and the Company is at liberty to obtain similar services from other third parties.

The parties shall enter into separate agreement(s) for detailed service scope subject to the needs of the Group as and when necessary.

Fee Standards

The time and means of payment are to be agreed by the parties with reference to customary business terms through arm's length negotiations.

The principal amounts to be deposited and the management fees and medical insurance fees to be paid under the relevant schemes of the employee healthcare protection services under the 2026-2028 Employee Healthcare Protection Services Framework Agreement shall be on normal commercial terms, agreed through arm's length negotiations between the parties and no less favourable than the terms available to the Group from Independent Third Parties.

HISTORICAL TRANSACTION AMOUNTS AND THE 2023-2025 ANNUAL CAPS

The table below sets out (i) the historical transaction amounts for the years ended 31 December 2023 and 31 December 2024; and (ii) the historical transaction amounts for the nine months ended 30 September 2025, against the 2023-2025 Annual Caps, under the 2023-2025 Framework Agreements:

	2023-2025 Annual Caps			Historical Transaction Amounts ^(Note)		
	For the year ended 31 December 2023 (HK\$)	For the year ended 31 December 2024 (HK\$)	For the year ending 31 December 2025 (HK\$)	For the year ended 31 December 2023 (HK\$)	For the year ended 31 December 2024 (HK\$)	For the nine months ended 30 September 2025 (HK\$)
Deposit Services Framework Agreement (the maximum daily closing balance of deposits (including interests accrued thereon))	150,000,000	150,000,000	150,000,000	123,959,000	92,574,000	68,574,000
Loan Services Framework Agreement (the maximum daily closing balance of loans (including interests accrued thereon, but excluding loans which do not require security over the assets of the Group))	150,000,000	150,000,000	150,000,000	0	42,022,000	46,873,000
Underwriting and Advisory Services Framework Agreement	20,000,000	20,000,000	20,000,000	8,962,000	976,000	4,143,000
Sludge Treatment and Hazardous Waste Treatment Services Framework Agreement	155,000,000	160,000,000	170,000,000	0	1,759,000	3,446,000
Property Lease Framework Agreement	10,000,000	12,000,000	14,000,000	5,257,000	5,108,000	3,581,000
Employee Healthcare Protection Services Framework Agreement	RMB28,000,000 (equivalent to approximately HK\$30,800,000)	RMB35,000,000 (equivalent to approximately HK\$38,500,000)	RMB41,000,000 (equivalent to approximately HK\$45,100,000)	RMB13,210,000 (equivalent to approximately HK\$14,615,000)	RMB13,593,000 (equivalent to approximately HK\$14,738,000)	RMB2,297,000 (equivalent to approximately HK\$2,478,000)

Note: The relevant figures are rounded to the nearest thousand.

The Company confirms that, from the date which the 2023-2025 Framework Agreements came into effect to the date of this announcement, the transaction amounts under each of the corresponding 2023-2025 Framework Agreements are all within the 2023-2025 Annual Caps.

THE 2026-2028 ANNUAL CAPS

The table below sets out the 2026-2028 Annual Caps under each of the 2026-2028 Framework Agreements:

	2026-2028 Annual Caps		
	For the year ending 31 December 2026 (HK\$)	For the year ending 31 December 2027 (HK\$)	For the year ending 31 December 2028 (HK\$)
Deposit Services Framework Agreement (the maximum daily closing balance of deposits (including interests accrued thereon))	150,000,000	150,000,000	150,000,000
Loan Services Framework Agreement (the maximum daily closing balance of loans (excluding loans which do not require security over the assets of the Group))	150,000,000	150,000,000	150,000,000
Underwriting and Advisory Services Framework Agreement	20,000,000	20,000,000	20,000,000
Sludge Treatment and Hazardous Waste Treatment Services Framework Agreement	170,000,000	170,000,000	170,000,000
Property Lease Framework Agreement ^(Note)	14,000,000	14,000,000	14,000,000
Employee Healthcare Protection Services Framework Agreement	RMB25,000,000 (equivalent to approximately HK\$27,500,000)	RMB29,000,000 (equivalent to approximately HK\$31,900,000)	RMB34,000,000 (equivalent to approximately HK\$37,400,000)

Note: According to the International Financial Reporting Standard 16, the rent payable by the Group consists of different components and therefore requires different accounting treatments to be applied. Fixed lease payments payable by the Group will be recognised as a right-of-use asset of the Group, while variable lease payments payable by the Group will be recognised as expenses of the Group.

BASIS OF DETERMINATION OF THE 2026-2028 ANNUAL CAPS

A. The Annual Cap under the 2026-2028 Deposit Services Framework Agreement

The 2026-2028 Annual Cap under the 2026-2028 Deposit Services Framework Agreement is determined after considering a number of factors, including (i) the historical maximum daily closing balance of deposits (including interest accrued thereon) of the Group with CE Bank in the previous years; (ii) the Group's business development plans and financing needs for the next three years, from 2026 to 2028; (iii) the expected amount of deposits of the Group according to its annual revenue and expected interest income from CE Bank; and (iv) the cash management needs of the Group.

B. The Annual Cap under the 2026-2028 Loan Services Framework Agreement

The 2026-2028 Annual Cap under the 2026-2028 Loan Services Framework Agreement is determined after considering a number of factors, including (i) the Group's business development plans and financing needs for the next three years, from 2026 to 2028; (ii) the amount of loans that may be required by the Group to complement the growth in the Group's future business operation; and (iii) the buffer for additional financial assistance regarding the operational and/or funding needs of the Group (if any).

C. The Annual Cap under the 2026-2028 Underwriting and Advisory Services Framework Agreement

The 2026-2028 Annual Cap under the 2026-2028 Underwriting and Advisory Services Framework Agreement is determined after considering a number of factors, including (i) the historical prices of the underwriting and advisory services provided by the subsidiaries and associates of China Everbright Group to the Group; (ii) the historical amounts of debt securities issued by the Group in previous years; and (iii) the projections for the Group's financing needs given its expected business growth and development for the next three years, from 2026 to 2028.

The Group issued super and short-term commercial papers to institutional investors in the national inter-bank bond market of the Chinese Mainland with principal amounts of RMB1 billion in March 2023. The Group issued medium-term notes to institutional investors in the national inter-bank bond market of the Chinese Mainland with principal amounts of RMB1 billion in April 2023, RMB1.5 billion in July 2023, RMB1 billion in August 2023, RMB1.5 billion in January 2024, RMB1.5 billion in January 2025, RMB1 billion in April 2025 and RMB0.7 billion in June 2025. The Group issued asset-backed securities to qualified institutional investors in the Chinese Mainland with a principal amount of RMB2 billion in April 2024.

With reference to the issuance of debt securities by the Group in previous years, it is expected that the Group's financing needs and the need of issuing debt securities will remain as the Group continues to expand its business operations for the next three years, from 2026 to 2028. Hence, it is expected that there shall be underwriting and advisory service fees to be incurred.

D. The Annual Cap under the 2026-2028 Sludge Treatment and Hazardous Waste Treatment Services Framework Agreement

The 2026-2028 Annual Cap under the 2026-2028 Sludge Treatment and Hazardous Waste Treatment Services Framework Agreement is determined after considering a number of factors, including (i) the historical amount of sludge or hazardous waste produced per tonne of waste water treated; and (ii) the estimated capacity of the Group's waste water treatment projects which are located near Everbright Environment's subsidiaries and associates providing the respective services. Considering the growth of the Group in the water treatment business in the PRC, it is estimated that at most 100,000 tonnes of sludge, 1,500 tonnes of hazardous waste and 100 tonnes of laboratory waste would be produced for each of 2026, 2027 and 2028 by the Group's waste water treatment projects which are near and could use the respective services provided by Everbright Environment's subsidiaries and associates.

E. The Annual Cap under the 2026-2028 Property Lease Framework Agreement

The 2026-2028 Annual Cap under the 2026-2028 Property Lease Framework Agreement is determined after considering a number of factors, including (i) the monthly rents and other fees (including utility fees and property management fees) payable by the Group under the existing tenancy agreements; (ii) the prevailing and projected market rates of similar properties in the vicinity; (iii) the expiry dates of the lease of office premises; (iv) the Group's preliminary negotiations in respect of the terms of leasing upon expiration of the existing tenancy agreements; (v) the Group's expected needs to rent offices, meeting rooms and guest rooms; and (vi) the estimated annual maximum amount of total value of right-of-use assets and expenses in respect of the fixed lease payments and variable lease payments under the tenancy agreements contemplated by the Group.

F. The Annual Cap under the 2026-2028 Employee Healthcare Protection Services Framework Agreement

The 2026-2028 Annual Cap under the 2026-2028 Employee Healthcare Protection Services Framework Agreement is determined after considering a number of factors, including (i) the recurring three-year medical insurance fee to be paid; (ii) the expected number of employees; and (iii) various insurance products and services to be provided by China Everbright Group and their respective coverage.

INTERNAL CONTROL MEASURES

In order to protect the interests of the Shareholders, the Group will adopt the following internal control procedures in relation to the 2026-2028 Framework Agreements:

- (a) the Group will comply with its internal control procedures in respect of related party transactions before the Company or any of its subsidiaries enters into any separate agreement that sets out the specific terms of the relevant services to be procured under the 2026-2028 Framework Agreements;
- (b) in relation to the 2026-2028 Deposit Services Framework Agreement, the Group shall obtain quotations from CE Bank and at least two other banks for rates of deposits of an equivalent amount and for the equivalent period, and will only deposit its funds with CE Bank if the terms quoted are no less favourable than the terms quoted by such two other banks;

- (c) in relation to the 2026-2028 Loan Services Framework Agreement, the Group shall obtain quotations from CE Bank and at least two other banks for rates of loans of an equivalent amount and for the equivalent period, and will only borrow funds from CE Bank if the terms quoted are no less favourable than the terms quoted by such two other banks;
- (d) in relation to the 2026-2028 Underwriting and Advisory Services Framework Agreement, the Group shall obtain quotations from the subsidiaries and associates of China Everbright Group and at least two other counterparties, and will only engage the subsidiaries and associates of China Everbright Group if the price(s) or fee(s) quoted to underwrite and/or advise such securities are not higher than the price(s) or fee(s) at which such securities are underwritten or advised by Independent Third Parties;
- (e) in relation to the 2026-2028 Sludge Treatment and Hazardous Waste Treatment Services Framework Agreement, the Group shall obtain quotations from the subsidiaries and associates of Everbright Environment and at least two Independent Third Parties for the same or similar services on a fair and reasonable basis, and will only engage the subsidiaries and associates of Everbright Environment if the price(s) or fee(s) quoted are not higher than the price(s) or fee(s) for such services to be provided by Independent Third Parties;
- (f) in relation to the 2026-2028 Property Lease Framework Agreement, the rentals payable by the Group shall be in the region of the prevailing market rental for the property, where the Group shall collect and make reference to data of market rents of comparable properties;
- (g) in relation to the 2026-2028 Employee Healthcare Protection Services Framework Agreement, the Group shall obtain quotations from the subsidiaries and associates of China Everbright Group and at least two other independent insurers for quotations of similar insurance products and services for an equivalent number of the employees, and for an equivalent period, and will use such products and/or services of the subsidiaries and associates of China Everbright Group only if the terms quoted are equivalent to or no less favourable than the price and terms quoted by such two other independent insurers;
- (h) the audit committee of the Company shall trace, monitor and evaluate the payment arrangements and transaction amounts under agreements on connected transactions so as to ensure that the agreements are executed in accordance with the relevant pricing policies and that the 2026-2028 Annual Caps will not be exceeded; and

- (i) the 2026-2028 Framework Agreements and the transactions thereunder will be reviewed annually by the independent non-executive Directors and independent auditor of the Company. Annual confirmations in compliance with the SEHK Listing Rules will be provided to confirm that the transactions are conducted in accordance with the 2026-2028 Framework Agreements, and that the terms are fair and reasonable.

The Board considers that the above internal control procedures adopted by the Group in connection with the continuing connected transactions under the 2026-2028 Framework Agreements are appropriate and sufficient, and will give sufficient assurance that the continuing connected transactions will be appropriately monitored by the Group.

REASONS FOR AND BENEFITS OF ENTERING INTO THE 2026-2028 FRAMEWORK AGREEMENTS

In relation to the 2026-2028 Deposit Services Framework Agreement and the 2026-2028 Loan Services Framework Agreement entered into between the Company and China Everbright Group, the Group believes that since CE Bank and the Group have a long-term relationship of cooperation, CE Bank has a better understanding of the operations and development of the Group and is in a better position to serve the financial arrangements of the Group. It is also expected that it will be cost-efficient, expedient and beneficial for the Group to receive deposit and loan services from CE Bank. In addition, CE Bank is regulated by the CBIRC and is subject to the rules and requirements of CBIRC, thus reducing risks to the Group in receiving deposit and loan services from CE Bank.

In relation to the 2026-2028 Underwriting and Advisory Services Framework Agreement, the Group believes that the long-term cooperative relationship between the Group and the subsidiaries and associates of China Everbright Group will continue to facilitate the provision of underwriting and advisory services to the Group. Based on the knowledge of the subsidiaries and associates of China Everbright Group regarding the financial operations of the Group, they would be more capable of providing more suitable and effective services to the Group as compared to other Independent Third Parties.

In relation to the 2026-2028 Sludge Treatment and Hazardous Waste Treatment Services Framework Agreement, the Group believes that it is in the interests of the Group to engage Everbright Environment in providing sludge and hazardous waste treatment services. In light of the future plans of development, the waste water treatment and water environment treatment business of the Group will expand and grow accordingly. The Group believes that Everbright Environment is well positioned to serve the development needs of the Group's waste water treatment and water environment treatment projects as it has a thorough understanding of the operations of the Group and it is a leading player in Asia's environmental protection industry.

In relation to the 2026-2028 Property Lease Framework Agreement, the Group is of the view that the rental payments under these leases are in line with, if not more favourable than, the market rents in the proximity of the premises leased from Everbright Environment. The continuation of these leasing arrangements will also avoid unnecessary disruptions and additional costs that might be caused by relocation, and will ensure the continuity of its operations. Therefore, the Group is of the view that it is in the interest of the Group in terms of cost, time, and stability to continue to lease the premises from Everbright Environment.

In relation to the 2026-2028 Employee Healthcare Protection Services Framework Agreement, having considered factors such as the scope of protection, the rates of insurance, and the scope of healthcare protection services, the subsidiaries and associates of China Everbright Group, which offer a wide range of insurance products, would provide adequate medical and healthcare protection for the employees. Accordingly, the Group believes that they are able to serve the required medical and healthcare needs.

The terms of the 2026-2028 Framework Agreements have been agreed upon arm's length negotiations between the Company and China Everbright Group, and between the Company and Everbright Environment. The Board (including the independent non-executive Directors) are of the view that (i) the continuing connected transactions contemplated under the 2026-2028 Framework Agreements will be carried out in the ordinary and usual course of business of the Group; (ii) the terms of the 2026-2028 Framework Agreements are normal commercial terms, fair and reasonable, and in the interests of the Group and the Shareholders as a whole; and (iii) the proposed annual caps of the transactions contemplated under the 2026-2028 Framework Agreements are fair and reasonable, and in the interests of the Group and the Shareholders as a whole.

DIRECTORS' INTEREST IN THE ABOVE TRANSACTIONS

Mr. Luan Zusheng, a non-executive Director and the Chairman of the Board, serves as an executive director and the chief executive officer of Everbright Environment. Mr. Luan Zusheng has abstained from voting to approve each of the 2026-2028 Sludge Treatment and Hazardous Waste Treatment Services Framework Agreement and the 2026-2028 Property Lease Framework Agreement and the 2026-2028 Annual Caps in respect thereof in the Board meeting due to his connected relationship with Everbright Environment. Save as disclosed above, none of the Directors has a material interest in any of the 2026-2028 Framework Agreements or is required to abstain from voting on the resolutions in relation to the transactions under each of the 2026-2028 Framework Agreements.

IMPLICATIONS UNDER THE SEHK LISTING RULES

As at the date of this announcement, Everbright Environment holds approximately 72.87% of the shares in the share capital of the Company through its wholly-owned subsidiary and is a controlling shareholder of the Company and therefore a connected person of the Company under Rule 14A.07(1) of the SEHK Listing Rules. China Everbright Group is a controlling shareholder of Everbright Environment, which is in turn the controlling shareholder of the Company. China Everbright Group is therefore an associate of Everbright Environment, and a connected person of the Company under Rule 14A.07(4) of the SEHK Listing Rules. The transactions contemplated under the 2026-2028 Framework Agreements therefore 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 annual caps of each of the 2026-2028 Framework Agreements are over 0.1% but less than 5%, the transactions contemplated under each of the 2026-2028 Framework Agreements 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.

IMPLICATIONS UNDER THE SGX-ST LISTING MANUAL

The entry into, and the transactions contemplated under, the 2026-2028 Framework Agreements fall under the scope of activities set out 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 23 April 2025.

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 resource utilisation, research and development of water environment technologies and engineering construction, etc.

China Everbright Group is a conglomerate which, through its subsidiaries and associates, engages in a diverse range of businesses, including banking, securities and asset management.

Everbright Environment is principally engaged in business areas of waste-to-energy and integrated waste treatment, integrated biomass utilisation, hazardous and solid waste treatment, new energy, environmental remediation, water environment management, equipment manufacturing, waste sorting, integrated environmental sanitation, resource recycling, zero-waste city development, research and development relating to green technologies, ecological and environmental planning and designing, as well as environmental protection industrial parks.

CE Bank is one of the major commercial banks in the PRC, and primarily engages in the commercial banking business, including retail banking, corporate banking and treasury operation, etc.

EB Securities is principally engaged in brokerage and wealth management, credit business, institutional securities services, and investment management.

Sun Life Everbright is principally engaged in general insurance business and related reinsurance business.

DEFINITIONS

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

“2023-2025 Annual Caps”	the annual caps for the three years ended 31 December 2023, 2024 and 2025 under the respective 2023-2025 Framework Agreements
“2023-2025 Deposit Services Framework Agreement”	the deposit services framework agreement dated 15 December 2022 entered into between the Company and China Everbright Group, pursuant to which China Everbright Group agreed to procure CE Bank to provide deposit services to the Group commencing from 1 January 2023 to 31 December 2025, the details of which are set out in the announcement of the Company dated 15 December 2022
“2023-2025 Employee Healthcare Protection Services Framework Agreement”	the employee healthcare protection services framework agreement dated 15 December 2022 entered into between the Company and China Everbright Group, pursuant to which China Everbright Group agreed to procure its subsidiaries and associates, including but not limited to Sun Life Everbright, to provide the Healthcare Protection Entrusted Management Scheme, the Long-term Supplemental Medical Insurance Protection Scheme and other employee healthcare protection services to the Group from 1 January 2023 to 31 December 2025, the details of which are set out in the announcement of the Company dated 15 December 2022
“2023-2025 Framework Agreements”	the 2023-2025 Deposit Services Framework Agreement, the 2023-2025 Loan Services Framework Agreement, the 2023-2025 Underwriting and Advisory Services Framework Agreement, the 2023-2025 Sludge Treatment and Hazardous Waste Treatment Services Framework Agreement, the 2023-2025 Property Lease Framework Agreement and the 2023-2025 Employee Healthcare Protection Services Framework Agreement

“2023-2025 Loan Services Framework Agreement”	the loan services framework agreement dated 15 December 2022 entered into between the Company and China Everbright Group, pursuant to which China Everbright Group agreed to procure CE Bank to provide loan services to the Group commencing from 1 January 2023 to 31 December 2025, the details of which are set out in the announcement of the Company dated 15 December 2022
“2023-2025 Property Lease Framework Agreement”	the property lease framework agreement dated 15 December 2022 entered into between the Company and Everbright Environment, pursuant to which Everbright Environment agreed to lease properties or to procure its subsidiaries and associates to lease properties to the Group commencing from 1 January 2023 to 31 December 2025, the details of which are set out in the announcement of the Company dated 15 December 2022
“2023-2025 Sludge Treatment and Hazardous Waste Treatment Services Framework Agreement”	the sludge treatment and hazardous waste treatment services framework agreement dated 15 December 2022 entered into between the Company and Everbright Environment, pursuant to which Everbright Environment agreed to procure its subsidiaries and associates to provide sludge treatment and hazardous waste treatment services to the Group commencing from 1 January 2023 to 31 December 2025, the details of which are set out in the announcement of the Company dated 15 December 2022
“2023-2025 Underwriting and Advisory Services Framework Agreement”	the underwriting and advisory services framework agreement dated 15 December 2022 entered into between the Company and China Everbright Group, pursuant to which China Everbright Group agreed to procure its subsidiaries and associates, including but not limited to EB Securities, to provide underwriting and advisory services to the Group commencing from 1 January 2023 to 31 December 2025, the details of which are set out in the announcement of the Company dated 15 December 2022

“2026-2028 Annual Cap(s)”	the annual caps for the years ending 31 December 2026, 2027 and 2028 respectively under the respective 2026-2028 Framework Agreements
“2026-2028 Deposit Services Framework Agreement”	the deposit services framework agreement dated 11 December 2025 entered into between the Company and China Everbright Group, pursuant to which China Everbright Group agreed to procure CE Bank to provide deposit services to the Group commencing from 1 January 2026 to 31 December 2028
“2026-2028 Employee Healthcare Protection Services Framework Agreement”	the employee healthcare protection services framework agreement dated 11 December 2025 entered into between the Company and China Everbright Group, pursuant to which China Everbright Group agreed to procure its subsidiaries and associates, including but not limited to Sun Life Everbright, to provide the Healthcare Protection Entrusted Management Scheme, the Long-term Supplemental Medical Insurance Protection Scheme, other employee healthcare protection, and other insurance services to the Group commencing from 1 January 2026 to 31 December 2028
“2026-2028 Framework Agreements”	the 2026-2028 Deposit Services Framework Agreement, the 2026-2028 Loan Services Framework Agreement, the 2026-2028 Underwriting and Advisory Services Framework Agreement, the 2026-2028 Sludge Treatment and Hazardous Waste Treatment Services Framework Agreement, the 2026-2028 Property Lease Framework Agreement and the 2026-2028 Employee Healthcare Protection Services Framework Agreement
“2026-2028 Loan Services Framework Agreement”	the loan services framework agreement dated 11 December 2025 entered into between the Company and China Everbright Group, pursuant to which China Everbright Group agreed to procure CE Bank to provide loan services to the Group commencing from 1 January 2026 to 31 December 2028

“2026-2028 Property Lease Framework Agreement”	the property lease framework agreement dated 11 December 2025 entered into between the Company and Everbright Environment, pursuant to which Everbright Environment agreed to lease properties or to procure its subsidiaries and associates to lease properties to the Group commencing from 1 January 2026 to 31 December 2028
“2026-2028 Sludge Treatment and Hazardous Waste Treatment Services Framework Agreement”	the sludge treatment and hazardous waste treatment services framework agreement dated 11 December 2025 entered into between the Company and Everbright Environment, pursuant to which Everbright Environment agreed to procure its subsidiaries and associates to provide sludge treatment and hazardous waste treatment services to the Group commencing from 1 January 2026 to 31 December 2028
“2026-2028 Underwriting and Advisory Services Framework Agreement”	the underwriting and advisory services framework agreement dated 11 December 2025 entered into between the Company and China Everbright Group, pursuant to which China Everbright Group agreed to procure its subsidiaries and associates, including but not limited to EB Securities, to provide underwriting and advisory services to the Group commencing from 1 January 2026 to 31 December 2028
“associate(s)”	has the meaning given to it under the SEHK Listing Rules
“Board”	the board of Directors of the Company
“CBIRC”	China Banking and Insurance Regulatory Commission (中國銀行保險監督管理委員會)
“CE Bank”	China Everbright Bank Company Limited (中國光大銀行股份有限公司), a joint stock company incorporated under the laws of the PRC with limited liability, whose H shares and A shares are listed on the Main Board of the SEHK (Stock Code: 6818) and the Shanghai Stock Exchange (Stock Code: 601818) respectively, and an associate of China Everbright Group and a connected person of the Company

“China Everbright Group”	China Everbright Group Ltd. (中國光大集團股份有限公司), a joint stock company incorporated under the laws of the PRC with limited liability, a controlling shareholder of Everbright Environment and a connected person of the Company
“Chinese Mainland”	the PRC, which for the purpose of this announcement and for geographical reference only, excludes Hong Kong Special Administrative Region, Macao Special Administrative Region and Taiwan
“Company”	China Everbright Water Limited (中國光大水務有限公司), a company incorporated under the laws of Bermuda with limited liability, whose shares are listed on the Main Board of the SGX-ST (Stock Code: U9E) and the Main Board of the SEHK (Stock Code: 1857)
“connected person(s)”	has the meaning ascribed to it under the SEHK Listing Rules
“controlling shareholder(s)”	has the meaning ascribed to it under the SEHK Listing Rules
“Director(s)”	the director(s) of the Company
“EB Securities”	Everbright Securities Company Limited (光大證券股份有限公司), a joint stock company incorporated under the laws of the PRC with limited liability, whose shares are listed on the Main Board of the SEHK (Stock Code: 6178) and the Shanghai Stock Exchange (Stock Code: 601788), an associate of China Everbright Group and a connected person 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, whose shares are listed on the Main Board of the SEHK (Stock Code: 257), the controlling Shareholder and a connected person of the Company

“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 shareholder(s)”	shareholders of the Company (except China Everbright Group and its associates)
“Independent Third Party(ies)”	an entity which, to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, is not a connected person of the Company within the meaning of the SEHK Listing Rules
“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 interested person transactions with the interested persons as set out in Appendix 1 to the Company’s circular to Shareholders dated 28 March 2025
“PBOC”	People’s Bank of China (中國人民銀行), the central bank of the PRC
“PRC”	the People’s Republic of China
“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”	the Singapore Exchange Securities Trading Limited
“SGX-ST Listing Manual”	the listing manual of the SGX-ST
“Shareholder(s)”	shareholder(s) of the Company

“Sun Life Everbright”

Sun Life Everbright Life Insurance Co., Ltd. (光大永明人壽保險有限公司), a company incorporated under the laws of the PRC with limited liability, an associate of China Everbright Group and a connected person of the Company

“%”

per cent

By Order of the Board

China Everbright Water Limited

Kwan Yun Fui

Legal Counsel and Joint Company Secretary

Hong Kong and Singapore, 11 December 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. Xiong Jianping (Chief Executive Officer) and Mr. Wang Yuexing; and (iii) four independent non-executive Directors, namely Ms. Hao Gang, Mr. Ng Joo Hee Peter, Mr. Soh Kok Leong and Ms. Chan Pui Shan Sandy.