

CHINA EVERBRIGHT WATER LIMITED

(Incorporated in Bermuda)

(Company Reg. No: 34074)

USE OF PROCEEDS FOR FIRST TRANCHE CORPORATE BONDS

1. INTRODUCTION

The Board of Directors (the “**Board**”) of China Everbright Water Limited (the “**Company**”) refers to the issuance by the Company of RMB-denominated corporate bonds (the “**Corporate Bonds**”) of an aggregate principal amount of RMB1,000,000,000 to qualified investors in the People’s Republic of China (excluding Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan, for the purpose of this Announcement) (the “**First Tranche Corporate Bonds**”) on 25 July 2017 and the listing of the First Tranche Corporate Bonds for trading on the Shanghai Stock Exchange (the “**SSE**”) with effect from 7 August 2017.

2. USE OF PROCEEDS

2.1 As announced by the Company on 21 July 2017, the Company shall use the proceeds of the First Tranche Corporate Bonds (the “**Proceeds**”) to repay the existing indebtedness of the Company and its subsidiaries (the “**Subsidiaries**” and together with the Company, the “**Group**”) and to replenish the general working capital of the Group.

2.2 As announced by the Company on the SSE today (such announcement, the “**SSE Announcement**”):

2.2.1 approximately RMB610,000,000 (the “**Loan Repayment Amount**”) of the Proceeds, is being used to the repay the existing indebtedness of the Subsidiaries;

2.2.2 such part of the Loan Repayment Amount, which has been disclosed in the prospectus dated 14 July 2017 released by the Company in relation to the issuance of the Corporate Bonds (the “**Prospectus**”) as being intended to be used to repay the existing indebtedness of RMB249,480,000 in amount of Everbright Water (Ji’nan) Limited (光大水务(济南)有限公司), a subsidiary of the Company, owing to Xiamen International Bank (厦门国际银行), will instead be used to repay the existing indebtedness of the Subsidiaries owing to the other lenders, as a result of changes in the plans of the Company relating to its use of funds;

2.2.3 the remaining part of Loan Repayment Amount has been used to repay the existing indebtedness of the Subsidiaries in accordance with the disclosures set out in the Prospectus; and

2.2.4 the rest of the Proceeds, excluding the Loan Repayment Amount and cost of the issuance of the First Tranche Corporate Bonds, is being used to replenish the general working capital of the Group.

2.3 Copies of the SSE Announcement and the Prospectus are available on the website of the SSE at www.sse.com.cn.

By Order of the Board
CHINA EVERBRIGHT WATER LIMITED

An Xuesong
Executive Director and Chief Executive Officer

Date: 8 December 2017