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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)

**DISCLOSEABLE TRANSACTION  
UNDER THE SEHK LISTING RULES  
ANYANG MUNICIPAL WASTE WATER TREATMENT CENTRE  
PHASE I PROJECT IN HENAN PROVINCE**

**SUMMARY**

The Board is pleased to announce that, on 6 June 2024, the Company, Shanghai Communications Construction and Anyang Housing and Development Bureau entered into the Concession Agreement in relation to the Project, pursuant to which the Consortium will incorporate the Project Company. The total investment amount of the Project is expected to be approximately RMB662,854,000 (equivalent to approximately HK\$712,634,335), which includes the expected registered capital of the Project Company amounting to approximately RMB220,995,600 (equivalent to approximately HK\$237,592,370). In any event, such total investment amount shall not exceed RMB689,546,000 (equivalent to approximately HK\$741,330,905). The Company will make a capital contribution of approximately RMB218,785,600 (equivalent to approximately HK\$235,216,399) into the Project Company as a portion of the registered capital of the Project Company. Upon the completion of the capital contribution, the Company and Shanghai Communications Construction shall hold 99% and 1% equity interests in the Project Company, respectively.

Anyang Housing and Development Bureau will grant the concession right of the Project within the Concession Period to the Project Company on an exclusive basis for the investment in, financing, construction, operation and maintenance and transfer of the Waste Water Plant, the provision of waste water treatment services, as well as the receipt of waste water treatment service fees. The Project will construct, *inter alia*, the Waste Water Plant with a designed daily waste water treatment capacity of 100,000 m<sup>3</sup> and a waste water pipeline network of 10.3 km with a land area of 87 mu. During the Concession Period, the Project Company is entitled to the land use right of the Project, and is entitled to construct, operate and maintain the Project and receive the waste water treatment service fees.

### **IMPLICATIONS OF THE SEHK LISTING RULES**

As the applicable percentage ratio exceeds 5% but is less than 25%, the transaction contemplated under the Concession Agreement constitutes a discloseable transaction for the Company under Chapter 14 of the SEHK Listing Rules, and is subject to the reporting and announcement requirements but exempt from the shareholders' approval requirement under the SEHK Listing Rules.

### **SUMMARY**

The Board is pleased to announce that, on 6 June 2024, the Company, Shanghai Communications Construction and Anyang Housing and Development Bureau entered into the Concession Agreement in relation to the Project, pursuant to which the Consortium will incorporate the Project Company. The total investment amount of the Project is expected to be approximately RMB662,854,000 (equivalent to approximately HK\$712,634,335), which includes the expected registered capital of the Project Company amounting to approximately RMB220,995,600 (equivalent to approximately HK\$237,592,370). In any event, such total investment amount shall not exceed RMB689,546,000 (equivalent to approximately HK\$741,330,905). The Company will make a capital contribution of approximately RMB218,785,600 (equivalent to approximately HK\$235,216,399) into the Project Company as a portion of the registered capital of the Project Company. Upon the completion of the capital contribution, the Company and Shanghai Communications Construction shall hold 99% and 1% equity interests in the Project Company, respectively.

Anyang Housing and Development Bureau will grant the concession right of the Project within the Concession Period to the Project Company on an exclusive basis for the investment in, financing, construction, operation and maintenance and transfer of the Waste Water Plant, the provision of waste water treatment services, as well as the receipt of waste water treatment service fees. The Project will construct, *inter alia*, the Waste Water Plant with a designed daily waste water treatment capacity of 100,000 m<sup>3</sup> and a waste water pipeline network of 10.3 km with a land area of 87 mu. During the Concession Period, the Project Company is entitled to the land use right of the Project, and is entitled to construct, operate and maintain the Project and receive the waste water treatment service fees.

Shanghai Communications Construction and Anyang Housing and Development Bureau are not regarded as “interested persons” of the Company or associates of “interested persons” of the Company under the SGX Listing Manual. None of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Project.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, each of Shanghai Communications Construction and its ultimate beneficial owner and Anyang Housing and Development Bureau are third parties independent of the Company and its connected person(s). Shanghai Communications Construction is wholly owned by CCCC Shanghai Dredging Co., Ltd. (中交上海航道局有限公司) and the ultimate beneficial owner of which is China Communications Construction Company Limited (中國交通建設股份有限公司), a company whose shares are listed on the Shanghai Stock Exchange (stock code: 601800) and SEHK (stock code: 1800). Anyang Housing and Development Bureau is a governmental authority under the People’s Government of Anyang City.

## **CONCESSION AGREEMENT**

The principal terms of the Concession Agreement are as follows:

**(1) Date**

6 June 2024

**(2) Parties**

- (a) the Company;
- (b) Shanghai Communications Construction; and
- (c) Anyang Housing and Development Bureau.

### **(3) The Project Company and Capital Contribution**

The Consortium shall incorporate the Project Company. The Project Company shall enter into a novation agreement with the Consortium to assign rights and obligations under the Concession Agreement to the Project Company.

The total investment amount of the Project is expected to be approximately RMB662,854,000 (equivalent to approximately HK\$712,634,335), which includes the registered capital of the Project Company and other funds required for the Project.

The registered capital of the Project Company will be approximately RMB220,995,600 (equivalent to approximately HK\$237,592,370), which is 33.34% of the total investment amount of the Project. The Company will make a capital contribution of approximately RMB218,785,600 (equivalent to approximately HK\$235,216,399) into the Project Company as a portion of the registered capital of the Project Company. Upon the completion of the capital contribution, the Company and Shanghai Communications Construction shall hold 99% and 1% equity interests in the Project Company, respectively. The Project Company will become a non wholly-owned subsidiary of the Company. The Company will finance the capital contribution with its internal resources and/or external financing.

The difference between the total investment amount and the registered capital will be financed through bank loans and other methods by the Project Company. Please refer to the section headed “The Total Investment Amount of the Project and the Financing Obligations of the Consortium” in this announcement for details.

### **(4) Scope of Business of the Project Company and the Concession Period**

The Project will be undertaken by the Project Company in Anyang City, which includes the investment in, financing, construction, operation and maintenance and transfer of the Waste Water Plant, as well as provision of waste water treatment services and receipt of waste water treatment service fees.

The Concession Period shall be for a period of 30 years, including a construction period and an operation period (starting from the effective date of the Concession Agreement).

Anyang Housing and Development Bureau owns the assets of the Project, and the Project Company is entitled to use the land and assets of the Project according to the requirements of applicable laws and the Concession Agreement at nil consideration during the Concession Period, provided that the land used for the Project shall not be used for any purpose other than the Project. Upon the expiry of the Concession Period, the Project Company shall transfer the concession right, facilities, land use rights, technologies, machinery, equipment, components, parts and accessories, intellectual properties, as well as the relevant documents, records and information of the Project, at nil consideration in accordance with the transfer procedures prescribed under the Concession Agreement. The Project Company shall ensure that all debts, charges, liens and collateral rights created by the Project Company or the Consortium, as well as claims of environmental pollution and claims of other natures initiated by or against the Project Company arising out of the construction, operation and maintenance of the Waste Water Plant shall have been discharged or satisfied.

**(5) The Total Investment Amount of the Project and the Financing Obligations of the Consortium**

The total investment amount of the Project is estimated to be approximately RMB662,854,000 (equivalent to approximately HK\$712,634,335), which includes the registered capital of the Project Company and other funds required for the Project. As stated in the section headed “The Project Company and Capital Contribution” of this announcement, the registered capital of the Project Company is estimated to be approximately RMB220,995,600 (equivalent to approximately HK\$237,592,370). The investment amount required for the Project other than the registered capital of the Project Company shall be financed through bank loans and other methods by the Project Company. The Consortium and/or the Project Company shall complete the closing of financing within 180 business days from the effective date of the Concession Agreement according to the terms of the Concession Agreement.

**(6) Performance Guarantees**

The Consortium and/or the Project Company is required to provide performance guarantees in relation to the Project in the total amount of RMB50,000,000 (equivalent to approximately HK\$53,755,000), details of which are as follows:

**(a) *Letter of guarantee in relation to the construction period***

Shanghai Communications Construction and/or the Consortium shall submit the letter of guarantee in relation to the construction period in the amount of RMB20,000,000 (equivalent to approximately HK\$21,502,000) to Anyang Housing and Development Bureau within 45 business days after the signing of the Concession Agreement, in order to guarantee the performance of the construction obligations under the Project by the Project Company. The letter of guarantee in relation to the construction period shall remain effective from the date of the issuance of such guarantee to the completion date of acceptance inspection and the submission date of the letter of guarantee in relation to the operation period by the Project Company.

**(b) *Letter of guarantee in relation to operation and maintenance***

The Project Company shall submit the letter of guarantee in relation to operation and maintenance in the amount of RMB10,000,000 (equivalent to approximately HK\$10,751,000) to Anyang Housing and Development Bureau within 45 business days after the commencement of the operation period of the Project, in order to guarantee the performance of the operation and maintenance obligations under the Project by the Project Company. The letter of guarantee in relation to operation and maintenance shall remain effective from the date of the issuance of such guarantee to the submission date of the letter of guarantee in relation to the transfer by the Project Company.

(c) *Letter of guarantee in relation to transfer*

The Project Company shall submit the letter of guarantee in relation to transfer in the amount of RMB20,000,000 (equivalent to approximately HK\$21,502,000) to Anyang Housing and Development Bureau no later than 12 months prior to the date of transfer, in order to guarantee the passing of performance appraisal for the transfer period by the Project and the performance of transfer obligations in accordance with the Concession Agreement by the Project Company. The letter of guarantee in relation to transfer shall remain effective from the date of the issuance of such guarantee to 12 months following the expiry of the Concession Period.

**(7) Governance and Management of the Project Company**

Upon the incorporation of the Project Company, the Company and Shanghai Communications Construction shall hold 99% and 1% equity interests in the Project Company, respectively. It is expected that the Project Company will establish a board of directors and a supervisory board in accordance with applicable laws and the terms under the shareholder agreement to be executed by the Consortium.

**INFORMATION ABOUT THE PROJECT**

The Waste Water Plant will be located in Anyang City, Henan Province, and will provide waste water treatment services. The Project will construct, *inter alia*, the Waste Water Plant with a designed daily waste water treatment capacity of 100,000 m<sup>3</sup> and a waste water pipeline network of 10.3 km with a land area of 87 mu.

**INFORMATION ABOUT THE COMPANY, SHANGHAI COMMUNICATIONS CONSTRUCTION AND ANYANG HOUSING AND DEVELOPMENT BUREAU**

The Company 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, waste water source heat pump, leachate treatment, research and development of water environment technologies and engineering construction, etc.

Shanghai Communications Construction is principally engaged in the general contracting of housing construction and municipal infrastructure projects; various types of engineering construction activities; intelligent building construction works; specialised construction works; quality inspection of water conservancy projects; road cargo transportation (excluding hazardous goods); urban construction waste disposal (clearing); municipal solid waste operating services; water environment pollution prevention and control services; water-related consulting services; soil erosion prevention services; management of municipal facilities; landscaping project construction; outsourcing engineering projects; solid waste management; ecological restoration and ecological protection services and engineering technology services, etc.

Anyang Housing and Development Bureau is a governmental authority under the People's Government of Anyang City.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE CONCESSION AGREEMENT AND UNDERTAKING THE PROJECT**

The Company has a business presence in Henan Province of the PRC and the Project is a new project secured by the Company in Henan Province within the principal business of waste water treatment. Accordingly, the Project serves to further expand the presence and influence of the Company in Henan Province and its surrounding areas, and provides a good foundation for the Company to secure more waste water treatment projects in the future. It is expected that the Project will enhance long-term returns and value for the shareholders of the Company.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Project (including the Concession Agreement) are entered into by each party after arm's length negotiations based on normal commercial terms, and are fair and reasonable and in the interests of the Company and its shareholders as a whole.



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## DEFINITIONS

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

“Anyang City”	Anyang City, Henan Province, the PRC
“Anyang Housing and Development Bureau”	Housing and Urban-Rural Development Bureau of Anyang City (安陽市住房和城鄉建設局), a governmental authority under the People's Government of Anyang City
“Board”	the board of Directors of the Company
“Business Day(s)”	any day (excluding a statutory rest day and statutory holiday or public holiday in the PRC) on which institutions generally work
“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)
“Concession Agreement”	the concession agreement dated 6 June 2024 entered into between the Consortium and Anyang Housing and Development Bureau in relation to the Project
“Concession Period”	the concession period of the Project pursuant to the Concession Agreement

“connected person(s)”	has the meaning ascribed thereto under the SEHK Listing Rules
“Consortium”	the Company and Shanghai Communications Construction
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“PRC”	the People’s Republic of China
“Project”	Anyang Municipal Waste Water Treatment Centre Phase I Project in Henan Province, details of which are set out in the section headed “Summary” in this announcement
“Project Company”	a company to be incorporated with limited liability in Anyang City pursuant to the Concession Agreement
“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
“Shanghai Communications Construction”	Shanghai Communications Construction Contracting Co., Ltd. (上海交通建設總承包有限公司), a company incorporated in the PRC with limited liability

“Singapore”	the Republic of Singapore
“Waste Water Plant”	the waste water treatment plant located in Anyang City
“%”	per cent.

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

Hong Kong and Singapore, 6 June 2024

*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.*

*For the purpose of this announcement and for illustration purpose only, the approximate exchange rate between RMB and HK\$ is 1.00:1.0751. This exchange rate should not be construed as a representation that any amount denominated in HK\$ or RMB could have been or could be converted at the above rates or at any other rates.*

*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) four independent non-executive Directors, namely Mr. Zhai Haitao, Ms. Hao Gang, Mr. Ng Joo Hee Peter and Mr. Soh Kok Leong.*