

CHINA EVERBRIGHT WATER LIMITED

(Incorporated in Bermuda)

(Company Reg. No: 34074)

PROPOSED ISSUANCE OF THE THIRD TRANCHE OF CORPORATE BONDS (FIRST TRANCHE OF CORPORATE BONDS IN 2019)

1. INTRODUCTION

- 1.1 Background.** The Board of Directors (the “**Board**”) of China Everbright Water Limited (the “**Company**”) refers to the approval received by the Company in respect of the applications submitted to the Shanghai Stock Exchange and the China Securities Regulatory Commission (“**CSRC**”) in relation to the issuance of the RMB-denominated corporate bonds (“**Corporate Bonds**”) of a registered size of RMB2,500,000,000 in a single or multiple tranches to qualified investors (the “**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) (“**PRC**”) pursuant to the Measures for Issuance and Transaction of Corporate Bonds (《公司债券发行与交易管理办法》) issued by the CSRC. The Company has previously (i) on 25 July 2017 completed the issuance of the first tranche of Corporate Bonds of an aggregate principal amount of RMB1,000,000,000 to the Qualified Investors and (ii) on 17 August 2018 completed the issuance of the second tranche of Corporate Bonds of an aggregate principal amount of RMB800,000,000 to the Qualified Investors.
- 1.2 Issue of the Third Tranche of the Corporate Bonds.** The Board is pleased to announce that the Company proposes to issue the third tranche of Corporate Bonds of an aggregate principal amount not exceeding RMB700,000,000 to the Qualified Investors (the “**Third Tranche Corporate Bonds**”, also known as the “**First Tranche of Corporate Bonds in 2019**”) and the Third Tranche Corporate Bonds are expected to be issued on and around 18 January 2019.

2. THIRD TRANCHE CORPORATE BONDS

- 2.1 Terms of Third Tranche Corporate Bonds.** A summary of the principal terms of the issue of the Third Tranche Corporate Bonds (the “**Third Tranche Issue**”) is set out below.

Issuer : The Company

Place of Issue : The PRC

Aggregate Size of Issue : Not exceeding RMB700,000,000

Security : The Third Tranche Corporate Bonds are not secured by any asset of the Company.

Target Subscribers : Qualified Investors

Maturity	:	Five years (the “ Maturity Period ”) from the date of Third Tranche Issue (the “ Issue Date ”). However, the bondholders have an option to sell the Third Tranche Corporate Bonds back to the Company after three years from the Issue Date.
Underwriter	:	Everbright Securities Company Limited (“ Everbright Securities ”)
Issue Price	:	To be issued at the face value of the Third Tranche Corporate Bonds
Interest Rate	:	To be agreed and determined by the Company pursuant to the book-building process to be undertaken by the underwriter(s)
Interest Calculation	:	The interest for the Third Tranche Corporate Bonds will be calculated by way of simple interest, to be paid on an annual basis.
Mode of Repayment	:	The principal amount will be repaid upon the end of the Maturity Period on the last interest payment date.
Listing of the Corporate Bonds	:	Subject to the approval by the relevant authorities and after the relevant issue period, it is expected that the Third Tranche Corporate Bonds will be listed for trading on the Shanghai Stock Exchange.

Please refer to the prospectus released by the Company in relation to the Third Tranche Issue (the “**Prospectus**”) for more information on the Third Tranche Corporate Bonds.

2.2 Rationale of Third Tranche Issue. The proceeds from the issuance of the Third Tranche Bonds will be used for the replenishment of the general working capital of the subsidiaries of the Company. In addition, the Board is of the view that the Third Tranche Issue, in line with the First Tranche Issue and the Second Tranche Issue, will enable the Group to optimise its financing structure and manage the Group’s overall financial cost within a reasonable range.

2.3 Credit Ratings. The Third Tranche Corporate Bonds and the Company, as the issuer of the Third Tranche Corporate Bonds, have each been given a credit rating of “AAA” by an independent third party, Shanghai Brilliance Credit Rating & Investors Service Co., Ltd. (上海新世纪资信评估投资服务有限公司) (the “Credit Rating Agency”), based on a credit rating report issued by the Credit Rating Agency (the “Credit Rating Report”).

3. INTERESTED PERSON TRANSACTION

3.1 The Company has engaged Everbright Securities as the lead underwriter for the Third Tranche Issue, by way of a standby commitment underwriting (the “**Underwriting Arrangement**”). In this regard, to the extent that any portion of the Third Tranche Corporate Bonds is not subscribed for by the Qualified Investors within the prescribed period, Everbright Securities will fully subscribe for, and receive the interest payable by the Company in respect of, such portion of the Third Tranche Corporate Bonds.

3.2 Under the Listing Manual (the “**Listing Manual**”) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”), Everbright Securities is considered to be an “associate” of a

controlling shareholder of the Company, China Everbright Group Ltd. Therefore, for the purposes of Chapter 9 of the Listing Manual, Everbright Securities would be regarded as an “interested person” vis-à-vis the Company, which is regarded as an “entity at risk” for these purposes. Accordingly, the Underwriting Arrangement constitutes an “interested person transaction” between the Company and Everbright Securities under Chapter 9 of the Listing Manual (the “IPT”).

- 3.3** However, the IPT, being the provision of underwriting services from Everbright Securities to the Company in relation to the issuance and/or quotation of the Third Tranche Corporate Bonds issued by the Company, falls within the scope of the general mandate adopted by the Company pursuant to Chapter 9 of the Listing Manual at its annual general meeting held on 25 April 2018 (the “**IPT Mandate**”). A copy of the letter to shareholders dated 6 April 2018 issued by the Company setting out the IPT Mandate is available on the website of the SGX-ST at www.sgx.com.

4. RELEASE OF REPORTS

Copies of the Prospectus and the Credit Rating Report are available on the website of the SSE at www.sse.com.cn.

5. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save as disclosed in this Announcement and save for the shareholdings of the directors or substantial shareholders in the Company (if applicable), none of the directors or substantial shareholders of the Company has any direct or indirect interest in the Third Tranche Issue.

Important Notice

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By Order of the Board
CHINA EVERBRIGHT WATER LIMITED

An Xuesong
Executive Director and Chief Executive Officer

Date: 16 January 2019