

CHINA EVERBRIGHT WATER LIMITED
(Incorporated in Bermuda)
(Company Reg. No: 34074)

**PROPOSED ISSUANCE OF THE SECOND TRANCHE OF CORPORATE BONDS (FIRST
TRANCHE OF CORPORATE BONDS IN 2018)**

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 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 (the “**First Tranche Issue**”).

1.2 Issue of the Second Tranche of the Corporate Bonds. The Board is pleased to announce that the Company proposes to issue the second tranche of Corporate Bonds of an aggregate principal amount not exceeding RMB800,000,000 to the Qualified Investors (the “**Second Tranche Corporate Bonds**”, also known as the “**First Tranche of Corporate Bonds in 2018**”) and the Second Tranche Corporate Bonds are expected to be issued on and around 16 August 2018.

2. SECOND TRANCHE CORPORATE BONDS

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

Issuer : The Company

Place of Issue : The PRC

Aggregate Size of Issue : Not exceeding RMB800,000,000

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

Types of Bonds and their Respective Use of Proceeds : (a) Corporate Bonds with an aggregate principal amount not exceeding RMB400,000,000, the proceeds of which will be used for construction of the Green Projects (as defined below) (“**Type 1 Bonds**”).

“**Green Projects**” means four specified environmental projects to be undertaken by the Company and its subsidiaries (together, the “**Group**”), all of which are certified to be green projects in accordance with the Directory of Green Bonds Supported Projects (2015 Version) composed and issued by Green Finance Committee, China Society for Finance and Banking in December 2015, based on a verification report (the “**Verification Report**”) issued 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**”).

Further, based on the Verification Report, the Type 1 Bonds have been classified as “green bonds”; and

- (b) Corporate Bonds with an aggregate principal amount not exceeding RMB400,000,000, the proceeds of which will be used for the repayment of the existing indebtedness of the subsidiaries of the Company (the “**Subsidiaries**”) and replenishment of the general working capital of the Subsidiaries (“**Type 2 Bonds**”).

Target Subscribers	:	Qualified Investors
Maturity	:	Five years (the “ Maturity Period ”) from the date of Second Tranche Issue (the “ Issue Date ”). However, the bondholders have an option to sell the Second 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 Second 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 Second 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 Second 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 Second Tranche Issue (the “**Prospectus**”) for more information on the Second Tranche Corporate Bonds.

- 2.2 Rationale of Second Tranche Issue.** As stated above, the proceeds from the issuance of the Type 1 Bonds will be used for the construction of the Green Projects and the proceeds from the issuance of the Type 2 Bonds will be used for the repayment of the existing indebtedness of the Subsidiaries and replenishment of the general working capital of the Subsidiaries. In addition, the Board is of the view that the Second Tranche Issue, in line with the First 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 Second Tranche Corporate Bonds and the Company, as the issuer of the Second Tranche Corporate Bonds, have each been given a credit rating of “AAA” by 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 Second Tranche Issue, by way of a standby commitment underwriting (the “**Underwriting Arrangement**”). In this regard, to the extent that any portion of the Second Tranche Corporate Bonds is not subscribed for by the Qualified Investors within the prescribed period, Everbright Securities will fully subscribe for, and receive based on the Interest Rate the interest payable by the Company in respect of, such portion of the Second 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 Second 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 Second 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: 14 August 2018