

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)

ISSUE SIZE AND INTEREST RATE

The Board of Directors (the “**Board**”) of China Everbright Water Limited (the “**Company**”) refers to the announcement dated 14 August 2018 (the “**Second Tranche Bond Issue Announcement**”) relating to the proposed issuance by the Company of RMB-denominated corporate bonds of an aggregate principal amount not exceeding RMB800,000,000 (the “**Second Tranche Corporate Bonds**”, also known as “**First Tranche of Corporate Bonds in 2018**”) 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 “**Second Tranche Issue**”). Capitalised terms which are undefined herein shall have the meanings given to them in the Second Tranche Bond Issue Announcement.

Further to the book-building process undertaken by the Company and the underwriter, Everbright Securities Company Limited on 15 August 2018, the Board wishes to update shareholders of the Company of the following:

- (i) the aggregate size of issue of the Second Tranche Corporate Bonds is RMB800,000,000, comprising Type 1 Bonds with an aggregate principal amount of RMB400,000,000 and Type 2 Bonds with an aggregate principal amount of RMB400,000,000;
- (ii) the interest rates of the Second Tranche Corporate Bonds have been determined as the following:
 - (a) Type 1 Bonds¹: 4.60 per cent.; and
 - (b) Type 2 Bonds: 4.58 per cent.

However, the Company is entitled to at its discretion adjust the interest rate of each of the Type 1 Bonds and Type 2 Bonds after three years from the date of issuance of such bonds; and

- (iii) the Second Tranche Corporate Bonds are expected to be issued from 16 August 2018 to 17 August 2018.

¹ As stated in the Second Tranche Bond Issue Announcement, the proceeds of the Type 1 Bonds will be used for the construction of the Green Projects and the Type 1 Bonds have been classified as “green bonds”.

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 August 2018