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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)

INSIDE INFORMATION ANNOUNCEMENT ENTRY INTO FRAMEWORK AGREEMENT IN RELATION TO QINGDAO MAIDAO WASTE WATER TREATMENT PLANT EXPANSION AND UPGRADING PROJECT

This announcement is made by China Everbright Water Limited (the “**Company**”) pursuant to the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**SEHK Listing Rules**”) and Chapter 7 of the listing manual of the Singapore Exchange Securities Trading Limited (the “**SGX-ST Listing Manual**”).

The board of directors of the Company (the “**Board**”) is pleased to announce that, on 26 November 2021, Everbright Water (Qingdao) Limited (the “**Project Company**”), an indirectly 60%-owned subsidiary of the Company, and Qingdao Water Authority Bureau* (青島市水務管理局) (the “**Bureau**”) entered into a framework agreement (the “**Framework Agreement**”) in respect of Qingdao Maidao Waste Water Treatment Plant Expansion and Upgrading Project* (青島市麥島污水處理廠品質提升工程項目) (the “**Project**”). Pursuant to the Framework Agreement, the Project Company will be the entity to invest in, construct and operate the Project. The Project Company currently invests in and operates Qingdao Waste Water Treatment Project (Maidao Plant) and its upgrading project (collectively, the “**Existing Projects**”) with a designed daily waste water treatment capacity of 140,000 m³. The Project will reduce the designed daily waste water treatment capacity of the Existing Projects from 140,000 m³ to 100,000 m³, and will expand the Existing Projects and increase the designed daily waste water treatment capacity by 120,000 m³ (the “**Expansion Project**”);

in addition, the Project will further upgrade quality of the discharge water from the Existing Projects and the Expansion Project. After the Project completes construction and commences operations, the Qingdao Waste Water Treatment Project (Maidao Plant) will have an aggregate designed daily waste water treatment capacity of 220,000 m³ and comply with more stringent discharge water standard. The Project Company shall be entitled to charge waste water treatment service fees, calculated based on a specific unit price for each cubic metre of waste water to be treated by the Project.

The total investment amount of the Project is estimated to be RMB1.432 billion, and the period of the Project (inclusive of the construction period) is proposed to be 25 years.

The Project Company will further negotiate with the Bureau and enter into the relevant detailed definitive agreement (the “**Formal Contract**”) in relation to the Project on the basis of the Framework Agreement.

The Project serves to expand the presence and influence of the Company in Qingdao City, Shandong Province and provides a good foundation for further water projects to be undertaken by the Company in Shandong Province in the future. From the perspective of the Company, the Project is expected to enhance long-term returns and value for the shareholders of the Company.

The Bureau is not regarded as an “interested person” of the Company or an associate of “interested persons” under the SGX-ST Listing Manual. None of the Directors or controlling shareholders (which shall have the meaning ascribed thereto under the SGX-ST Listing Manual) of the Company has any interest, direct or indirect, in the Framework Agreement or Formal Contract.

To the best of the knowledge, information and belief of the Board, having made all reasonable enquiries, the Bureau and the administrative authorities under Qingdao City are third parties independent of the Company and its connected person(s) (which shall have the meaning ascribed thereto under the SEHK Listing Rules).

The entry into the Formal Contract is subject to further negotiation between the Project Company and the Bureau on the specific details. The Company will make disclosures in accordance with the progress of the Project, and the requirements of the SEHK Listing Rules and the SGX-ST Listing Manual, as and when appropriate.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

By Order of the Board
China Everbright Water Limited
Peng Pei
Legal Counsel and Joint Company Secretary

Hong Kong and Singapore, 26 November 2021

As at the date of this announcement, the Board comprises: (i) three executive Directors, namely Mr. Hu Yanguo (Chairman), Mr. Tao Junjie (Chief Executive Officer) and Mr. Luo Junling; and (ii) four independent non-executive Directors, namely Mr. Zhai Haitao, Mr. Lim Yu Neng Paul, Ms. Cheng Fong Yee and Ms. Hao Gang.