

CHINA EVERBRIGHT WATER LIMITED

(Incorporated in Bermuda)

(Company Reg. No: 34074)

SUBMISSION OF APPLICATION FOR PROPOSED ISSUANCE OF CORPORATE BONDS IN THE PRC

1. Introduction

The Board of Directors (the “**Board**”) of China Everbright Water Limited (the “**Company**”) wishes to announce that the Company has submitted an application to the Shanghai Stock Exchange (“**SSE**”) and the China Securities Regulatory Commission (“**CSRC**”) today for a proposed issuance (the “**Proposed Bond Issue**”) of RMB-denominated corporate bonds (the “**Corporate Bonds**”) in a single or multiple tranches to qualified investors in the People’s Republic of China (“**PRC**”) (excluding Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan, for the purpose of this announcement) 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.

In connection with the Proposed Bond Issue, the Company is required to and has made an application to the Shanghai Stock Exchange and the CSRC to seek the necessary approvals (such approvals, the “**Approvals**”). The Proposed Bond Issue is subject to, *inter alia*, the Approvals being obtained, any terms or conditions which may be imposed as a result and the completion of the relevant registration procedures in connection therewith.

2. Proposed Terms

The proposed terms of the Proposed Bond Issue are as follows:

Issuer	:	The Company
Place of Issue	:	PRC
Registered Size of Issue	:	The registered size of the Proposed Bond Issue is proposed to be RMB2,500,000,000 (subject to the CSRC’s approval). The size of the actual Proposed Bond Issue may be equal to, or less than, the approved registered size, within which the Company will have the absolute discretion in determining the size of the actual issue
Manner of Issue:	:	To be issued in a single tranche or in multiple tranches, subject to market conditions
Target Subscribers	:	Qualified investors in the PRC under the Measures for Issuance

DBS Bank Ltd. acted as the Financial Adviser to the Company in relation to the reverse takeover of the Company by China Everbright Water Holdings Limited which was completed on 12 December 2014. DBS Bank Ltd. assumes no responsibility for the contents of this announcement.

and Transaction of Corporate Bonds (公司债券发行与交易管理办法) and applicable laws and regulations

Maturity	:	Not exceeding ten years
Underwriter(s)	:	Everbright Securities Company Limited, as the lead underwriter, together with such other underwriter(s) as may be part of the underwriting syndicate
Issue Price	:	To be issued at the face value of the 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 Corporate Bonds will be calculated by way of simple interest instead of compound interest to be paid on an annual basis, and no interest will be accrued on the overdue amount
Mode of Repayment	:	To be agreed between the Company and the underwriter(s), subject to the approval by the CSRC
Listing of the Corporate Bonds	:	Subject to the approval by the relevant authorities and after the relevant issue period, it is expected that the Corporate Bonds will be listed for trading on the Shanghai Stock Exchange
Use of proceeds	:	Subject to the approval of CSRC, partly for repayment of the existing indebtedness of the Company and its subsidiaries (together the “ Group ”) and replenishment of the Group’s general working capital, and partly for construction of the Green Projects (defined below) and repayment of project borrowings of the Green Projects

“**Green Projects**” means the Group’s environmental water projects which are certified to be green projects by an independent professional party 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

3. **Rationale for the Proposed Bond Issue**

The Board is of the view that the Proposed Bond Issue can replenish the Group’s working capital within a reasonable time, enable the Group to optimize its financing structure, and manage the Group’s overall financial cost within a reasonable range.

4. **General**

The Proposed Bond Issue is subject to, *inter alia*, the Approvals being obtained, the completion of the registration procedures and the prevailing market conditions. There is no certainty that the Proposed Bond Issue will proceed. The Company will, in compliance with the Corporate Disclosure Policy of the Listing Manual of the Singapore Exchange Securities Trading Limited, make the relevant disclosures (if any) at the appropriate time.

Important Notice

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By Order of the Board

CHINA EVERBRIGHT WATER LIMITED

Wang Tianyi

Executive Director and Chairman

Date: 31 October 2016