

CHINA EVERBRIGHT WATER LIMITED

Company Registration No.: 34074
(Incorporated in Bermuda)

ENTRY INTO HUBEI SUIZHOU HIGH-TECH INDUSTRIAL PARK PIAOSHUI AND FUHE RIVER BASIN INTEGRATED WATER ENVIRONMENT RESTORATION PUBLIC-PRIVATE PARTNERSHIP PROJECT

1. Introduction

The Board of Directors of China Everbright Water Limited (the “**Company**”) is pleased to announce that a consortium led by the Company (the “**Consortium**”) has today entered into the following agreements in relation to the Hubei Suizhou High-Tech Industrial Park Piaoshui and Fuhe River Basin Integrated Water Environment Restoration Public-Private Partnership (“**PPP**”) Project (the “**Suizhou PPP Project**”, details of which are set out in the paragraph 3 below):

- (i) a joint venture agreement (the “**JV Agreement**”) with Suizhou High-Tech Industry Investment Co., Ltd. (随州高新技术产业投资有限公司, “**Suizhou Hi-Tech**”); and
- (ii) a PPP agreement (the “**PPP Agreement**”, together with the JV Agreement, the “**Agreements**”) with the Construction Bureau of Suizhou Hi-Tech Industry Zone (随州市高新技术产业园区建设局).

2. Consortium

The Consortium comprises the Company, Hubei Shuizong Water Resources & Hydropower Construction Co., Ltd. (湖北水总水利水电建设股份有限公司, “**Hubei Shuizong**”) and Beijing Orient Landscape & Environment Co., Ltd. (北京东方园林环境股份有限公司, “**Orient Landscape**”) (collectively, the “**Consortium Members**” and each a “**Consortium Member**”).

3. Agreements and Suizhou PPP Project

Pursuant to the JV Agreement, the Consortium Members and Suizhou High-Tech, a wholly-owned subsidiary of the Suizhou Municipal People’s Government (随州市人民政府), will establish a joint venture company (the “**Project Company**”) for the purposes of investing in, and undertaking the construction, operation and maintenance in relation to the Suizhou PPP Project. The Company will hold a 78.4 per cent. equity stake in the Project Company and Suizhou High-Tech will hold a 20 per cent. equity stake in the Project Company, with the remaining 1.6 per cent. equity stake to be held by the remaining Consortium Members. The Project Company will be established with a registered capital of RMB260 million.

The total investment amount for the Suizhou PPP Project is estimated to be RMB956 million. Such investment amount will be contributed by the Project Company through internal resources and external financing.

The Suizhou PPP Project will involve the investment in, and the financing, design, construction, operation and management and maintenance of:

- (i) the landscape and greeneries of both banks of the Fuhe River for a concession period of 13 years, including a two-year construction period;
- (ii) an industrial waste water treatment plant (the “**WWT Plant**”) in the Xihe County for a concession period of 25 years, including a one-year construction period, with phase I of the project designed to have a daily industrial waste water treatment capacity of 10,000m³ to comply with standards not lower than the Chinese national Grade 1B standard according to the Discharge Standard of Pollutions for Municipal Wastewater Treatment Plant (GB 18918-2002),
- (iii) a pipeline network in the Xihe County of approximately 53 kilometres in length, which will support and be connected to the WWT Plant, for a concession period of 25 years, including a one-year construction period; and
- (iv) the landscape and water environment restoration of Piaoshui Park for a concession period of 13 years, including a three-year construction period.

During the relevant concession period for each of the sub-projects mentioned above (the “**Sub-Projects**”) to be undertaken in relation to the Suizhou PPP Project, the Construction Bureau of Suizhou Hi-Tech Industry Zone (随州市高新技术产业园区建设局) will pay to the Project Company service fees on an annual basis in accordance with the terms of the PPP Agreement, save that the service fees for the services rendered by the WWT Plant will be paid on a monthly basis. The service fees for each of the Sub-Projects comprise an availability payment and a performance payment, each of which is subject to specific adjustment mechanisms throughout the relevant concession period.

The Suizhou PPP Project is expected to enhance long-term returns and value for shareholders of the Company.

4. Other Information

None of the Consortium Members are regarded as “interested persons” of the Company or associates of “interested persons” of the Company under the SGX-ST Listing Manual. None of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Suizhou PPP Project.

By Order of the Board

CHINA EVERBRIGHT WATER LIMITED

Wang Tianyi

Non-Executive Director and Chairman

Date: 28 March 2017