

CHINA EVERBRIGHT WATER LIMITED

Company Registration No.: 34074

(Incorporated in Bermuda)

ENTRY INTO CONCESSION AND WASTE WATER TREATMENT SERVICES AGREEMENT IN RELATION TO JIANGYIN CITY XILI CENTRE WASTE WATER TREATMENT PLANT AND ANCILLARY PIPELINE NETWORK AND PUMPING STATIONS PROJECT

1. Introduction

The board of directors of China Everbright Water Limited (the “**Company**”) is pleased to announce that Everbright Water Treatment (Jiangyin) Limited (光大水处理（江阴）有限公司) (the “**Project Company**”), an indirect wholly owned subsidiary of the Company, has on 5 June 2019 entered into a concession and waste water treatment services agreement (the “**Concession Agreement**”) with Jiangyin City Lin’gang Economic Development Zone (江阴市临港经济开发区) (“**Lin’gang Economic Zone**”), as authorised by the People’s Government of Jiangyin City, Jiangsu Province, the People’s Republic of China (“**PRC**”) (collectively, the “**Governmental Authorities**”), relating to the Jiangyin City Xili Centre waste water treatment plant and ancillary pipeline network and pumping stations project (the “**Project**”).

2. Background on the Project

The Project will be undertaken based on a Build-Operate-Transfer model by the Project Company in Lin’gang Economic Zone, Jiangyin City, Jiangsu Province, PRC, pursuant to the Concession Agreement.

Pursuant to the terms of the Concession Agreement, the Project consists of the investment, construction, operation of:

- (i) a waste water treatment plant with a designed daily waste water treatment capacity of 50,000 cubic metres;
- (ii) waste water pipeline network of approximately 49 kilometres in length; and
- (iii) nine waste water pumping stations.

The Project Company shall be responsible for the investment, construction and operation of the Project on an exclusive basis during the Concession Period (as defined below) subject to the terms and conditions in the Concession Agreement.

3. Rationale of the Project

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

4. Investment Amount

The investment amount of the Project is expected to be USD70,000,000 (equivalent to approximately RMB477,715,100).

5. Concession Rights

In accordance with the Concession Agreement, the concession period of the Project shall be for a period of 30 years (the “**Concession Period**”), commencing from the time that the Project commences commercial operation.

During the Concession Period, the facilities under the Project shall be held by the Project Company. Upon the expiry of the Concession Period, the Project Company shall transfer the facilities under the Project to Lin’gang Economic Zone or such other organisation as may be designated by Lin’gang Economic Zone at nil consideration.

6. Return on Investment

Pursuant to the Concession Agreement, during the Concession Period, the Project Company shall be entitled to a return on its investment by way of the waste water treatment service fees. The waste water treatment service fees shall be calculated based on a specified unit price (subject to specific adjustment mechanisms throughout the Concession Period) for each cubic metre of waste water to be treated by the Project.

7. Other Information

The Governmental Authorities are not regarded as “interested persons” of the Company or associates of “interested persons” of the Company under the listing manual of the Singapore Exchange Securities Trading Limited. None of the directors or controlling shareholders of the Company has any interest, direct or indirect, in the Project.

The Concession Agreement was entered into by the parties on arm's length basis and on normal commercial terms and the Project is of revenue nature and in the ordinary and usual course of business of the Company. To the best of the knowledge, information and belief of the board of directors of the Company having made all reasonable enquiries, the Governmental Authorities are third parties independent of the Company and the connected persons of the Company for the purpose of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

By Order of the Board

CHINA EVERBRIGHT WATER LIMITED

An Xuesong

Executive Director and Chief Executive Officer

Date: 6 June 2019