

CHINA EVERBRIGHT WATER LIMITED

(Incorporated in Bermuda)

(Company Reg. No: 34074)

COMPLETION OF ISSUE OF THE FIRST TRANCHE OF CORPORATE BONDS

1. INTRODUCTION

1.1 Background. The Board of Directors (the “**Board**”) of China Everbright Water Limited (the “**Company**”) refers to the announcement dated 21 July 2017 (the “**First Tranche Bond Issue Announcement**”) relating to the following:

1.1.1 the proposed issuance by the Company of RMB-denominated corporate bonds (“**Corporate Bonds**”) of an aggregate principal amount of RMB1,000,000,000 (the “**First Tranche Corporate Bonds**”) to qualified investors (the “**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 “**First Tranche Issue**”); and

1.1.2 the entry into by the Company of an underwriting agreement (the “**Underwriting Agreement**”) with Everbright Securities Company Limited (“**Everbright Securities**”) in connection with the First Tranche Issue (such underwriting arrangement, the “**Underwriting Arrangement**”).

1.2 Completion of Issue. The Board is pleased to announce that the Company has completed the First Tranche Issue on 25 July 2017 (the “**Issue Date**”) and the First Tranche Corporate Bonds have been fully subscribed for by the Qualified Investors.

2. INTERESTED PERSON TRANSACTION

2.1 Interested Person Transaction. As stated in the First Tranche Bond Issue Announcement, under the Listing Manual of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”), Everbright Securities is considered to be an “associate” of a controlling shareholder of the Company, China Everbright Group Ltd. Therefore, for the purposes of Chapter 9 of the Listing Manual of the SGX-ST, Everbright Securities would be regarded as an “interested person” vis-à-vis the Company, which is regarded as an “entity at risk” for these purposes. Accordingly, the Underwriting Arrangement constitutes an “interested person transaction” (the “**IPT**”) between the Company and Everbright Securities under Chapter 9 of the Listing Manual of the SGX-ST.

2.2 Value of IPT

2.2.1 As stated in the First Tranche Bond Issue Announcement, the value of the IPT is an amount equivalent to the aggregate of:

- (i) the underwriting service fees payable by the Company to Everbright Securities, in consideration of the provision of the underwriting services and other services by Everbright Securities to the Company under the Underwriting Agreement (the “**Underwriting Service Fees**”), based on a rate of 0.5 per cent. of the aggregate principal amount of the issued Corporate Bonds. In respect of the First Tranche Issue, the Underwriting Service Fees amounts to RMB5,000,000, being 0.5 per cent. of the aggregate principal amount of the First Tranche Corporate Bonds, being RMB1,000,000,000; and
- (ii) the aggregate amount of interest (the “**Interest Amount**”) payable by the Company to Everbright Securities based on the interest rate of the First Tranche Corporate Bonds, being a simple interest of 4.55 per cent. to be paid on an annual basis, in respect of the actual aggregate amount of the First Tranche Corporate Bonds to be subscribed for by Everbright Securities on completion of the First Tranche Issue, on the basis that Everbright Securities holds the relevant First Tranche Corporate Bonds for their full maturity period, being five years from the Issue Date.

2.2.2 As stated above, the First Tranche Corporate Bonds have been fully subscribed for by the Qualified Investors and accordingly, the Interest Amount payable by the Company to Everbright Securities is nil and the actual value of the IPT, based only on the Underwriting Service Fees, is RMB5,000,000 (the “**Actual IPT Value**”).

2.3 **No Shareholder’s Approval Required.** As the Actual IPT Value represents less than five per cent. of the latest audited consolidated net tangible assets (“**NTA**”) of the Company and its subsidiaries (together, the “**Group**”) ¹, approval of the shareholders of the Company is not required for the Underwriting Arrangement under Chapter 9 of the Listing Manual of the SGX-ST.

¹ As stated in the First Tranche Bond Issue Announcement, as at 31 December 2016, five per cent. of the latest audited consolidated NTA of the Group is approximately HKD299 million (being approximately RMB258 million based on the assumed exchange rate of RMB1: HKD1.1570).

3. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDER

Save as disclosed in this Announcement and save for the shareholdings of the directors or substantial shareholders in the Company (if applicable), none of the directors or substantial shareholders of the Company has any direct or indirect interest in the IPT.

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By Order of the Board

CHINA EVERBRIGHT WATER LIMITED

An Xuesong

Executive Director and Chief Executive Officer

Date: 25 July 2017