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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)

TERMINATION OF DISCLOSEABLE AND CONNECTED TRANSACTION IN RELATION TO THE WASTE WATER TREATMENT PLANT PHASE II AND PHASE I UPGRADING (CONCESSION RIGHT) PROJECT AT ZHANGCUN RIVER, QINGDAO CITY, SHANDONG PROVINCE

Reference is made to the announcement of the Company dated 13 March 2024 (the “**Announcement**”) in relation to the securing of the phase II and phase I upgrading (concession right) project for the waste water treatment plant located at Zhangcun River, Laoshan District, Qingdao City. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings given to them in the Announcement.

BACKGROUND

On 13 March 2024, the Company, Qingdao Environmental Energy and Laoshan Urban Management Bureau entered into the Concession Agreement, pursuant to which the concession right of the Project was granted to the Project Company on an exclusive basis for the investment in, financing, construction, implementation, operation, maintenance and transfer of the Waste Water Plant, the provision of waste water treatment services, as well as the receipt of waste water treatment service fees.

The board of directors of the Company (the “**Board**”) hereby announces that, due to changes in the regulatory framework governing public-private partnership projects, and in order to comply with the Guiding Opinions on Standardising the Implementation of the New Mechanism for Public-Private Partnership (Letter No. 115 [2023]) (《關於規範實施政府和社會資本合作新機制的指導意見》(國辦函[2023]115號)) jointly issued by the National Development and Reform Commission of the PRC and the Ministry of Finance and approved by the General Office of the State Council of the PRC, the Company has entered into the Termination Agreements to terminate the Project.

TERMINATION AGREEMENTS

The Company has on 5 June 2026 executed the Termination Agreements with the relevant parties to terminate the Concession Agreement, pursuant to which the parties agreed to release and discharge each other from their respective rights and obligations thereunder. It was further agreed between the parties that the Group shall be reimbursed for the relevant expenditures and costs incurred in connection with the Project.

As at the date of this announcement, the Project Company has not been established. Upon the execution of the Termination Agreements, the Group will not proceed with the Project.

The Board considers that the execution of the Termination Agreements is in the interests of the Company and the Shareholders as a whole, and has no material adverse impact on the existing business, operations or financial condition of the Group.

INFORMATION OF THE PARTIES

The Company

The Company is principally engaged in water environment management, municipal waste water treatment, industrial waste water treatment, water supply, reusable water, sludge treatment and disposal, sponge city construction, river-basin ecological restoration, livestock and poultry manure resource utilisation, research and development of water environment technologies and engineering construction, etc.

Qingdao Environmental Energy

Qingdao Environmental Energy is principally engaged in the development of and investment in municipal and environmental protection infrastructure and related construction projects such as water plants, waste water treatment, waste treatment, and eco-agriculture; the development, investment and information consulting services relating to new energies, such as water source heat pumps, geothermal heat pumps, wind energy, solar energy and cogeneration; the investment in the industrialisation of scientific and technological achievements and new and high-end technologies (excluding securities, fund-raising and private borrowing); the entrustment of corporate management; and the leasing of equipment.

As Qingdao Environmental Energy is a substantial shareholder of Everbright Qingdao, Qingdao Environmental Energy is a connected person of the Company at the subsidiary level pursuant to Rule 14A.06(9) of the SEHK Listing Rules. Save as aforesaid, to the best knowledge, information and belief of the Directors, after making all reasonable enquiries, Qingdao Environmental Energy and its ultimate beneficial owners are not in any other way connected to the Company.

Laoshan Urban Management Bureau

Laoshan Urban Management Bureau is a governmental authority under the People's Government of Laoshan District, Qingdao City.

IMPLICATIONS OF THE SEHK LISTING RULES

As Qingdao Environmental Energy is a substantial shareholder of Everbright Qingdao, it is a connected person of the Company at the subsidiary level under Chapter 14A of the SEHK Listing Rules. Accordingly, the transaction contemplated under the Concession Agreement constituted a connected transaction of the Company under Chapter 14A of the SEHK Listing Rules. As the applicable percentage ratio exceeded 5% but was less than 25%, the transaction contemplated under the Concession Agreement also constituted a discloseable transaction of the Company under Chapter 14 of the SEHK Listing Rules. Pursuant thereto, the Company released the Announcement in respect thereof on 13 March 2024.

As the transaction under the Concession Agreement was terminated, the Company is subject to the announcement requirements under Rule 14.36 and Rule 14A.35 of the SEHK Listing Rules respectively.

DEFINITIONS

In this announcement, the following expressions have the following meanings unless the context requires otherwise:

“Company”	China Everbright Water Limited (中國光大水務有限公司), an exempted company incorporated in Bermuda with limited liability, the shares of which are listed on the Mainboard of the SGX-ST (stock code: U9E) and the Main Board of the SEHK (stock code: 1857)
“Concession Agreement”	the concession agreement dated 13 March 2024 entered into among the Company, Qingdao Environmental Energy and Laoshan Urban Management Bureau in relation to the Project, as supplemented from time to time
“Everbright Qingdao”	Everbright Water (Qingdao) Limited (光大水務(青島)有限公司), a company incorporated in the PRC with limited liability and a non-wholly owned subsidiary of the Company, which is indirectly owned as to 60% equity interests by the Company, and directly owned as to 40% equity interests by Qingdao Environmental Energy
“Group”	the Company and its subsidiaries from time to time
“Laoshan Urban Management Bureau”	Qingdao Laoshan District Urban Management Bureau (青島市嶗山區城市管理局), a governmental authority under the People’s Government of Laoshan District, Qingdao City
“Project”	The phase II and phase I upgrading (concession right) project in relation to the waste water treatment plant located at Zhangcun River, Laoshan District, Qingdao City, details of which are set out in the announcement of the Company dated 13 March 2024
“Qingdao Environmental Energy”	Qingdao Water Group Environmental Energy Co., Ltd. (青島水務集團環境能源有限公司), a company incorporated in the PRC with limited liability and a connected person of the Company at the subsidiary level

“Termination
Agreements”

The (i) termination agreement with Qingdao Environmental Energy and Laoshan Urban Management Bureau in relation to the termination of the Concession Agreement; and (ii) termination agreement with Qingdao Environmental Energy in relation to the termination of the consortium agreement and the project cooperation agreement, both of which were executed by the Company on 5 June 2026.

Accordingly, the relevant parties have agreed to terminate the Concession Agreement; and the Group shall be reimbursed for the relevant expenditures and costs incurred in connection with the Project.

By Order of the Board
China Everbright Water Limited
Kwan Yun Fui
Legal Counsel and Joint Company Secretary

Hong Kong, China and Singapore, 5 June 2026

In this announcement, the English names of PRC government authorities or entities and notices published thereunder are translations of their Chinese names and included herein for identification purpose only. In the event of any inconsistency, the Chinese names shall prevail.

As at the date of this announcement, the Board comprises: (i) a non-executive Director, namely Mr. Luan Zusheng (Chairman); (ii) an executive Director, namely Mr. Xiong Jianping (Chief Executive Officer); and (iii) four independent non-executive Directors, namely Ms. Hao Gang, Mr. Ng Joo Hee Peter, Mr. Soh Kok Leong and Ms. Chan Pui Shan Sandy.