

CHINA EVERBRIGHT WATER LIMITED

Company Registration No.: 34074
(Incorporated in Bermuda)

INCORPORATION OF JOINT VENTURE COMPANY

Further to the press release dated 8 June 2016 relating to the entry by China Everbright Water Limited (the “**Company**”), through its wholly-owned subsidiary Everbright Water (Xuzhou) Holdings Limited (“**Everbright Xuzhou**”), into a joint venture with Xinyi City Investment Development Limited (新沂市城市投资发展有限公司) (the “**Xinyi City Investment**”), being a wholly-owned subsidiary of Xinyi Municipal Government, for the operation of (a) the Xinyi City Waste Water Treatment Plant and (b) the Xinyi Economic Development Zone Waste Water Treatment Plant (the “**Joint Venture**”), the Board of Directors of the Company wishes to announce that Everbright Xuzhou and Xinyi City Investment have incorporated a joint venture company, Everbright Water Operating (Xinyi) Limited (光大水务运营(新沂)有限公司) (“**EWX**”), in the People’s Republic of China pursuant to the terms of the Joint Venture.

EWX has been established with a registered capital of USD15,774,500 and a shareholding breakdown as follows:

| Name of Shareholders | Equity Stake |
|--|---------------------|
| Everbright Water (Xuzhou) Holdings Limited | 51% |
| Xinyi City Investment Development Limited | 49% |

The incorporation of EWX will result in EWX becoming an indirect subsidiary of the Company. The principal business activities of EWX include waste water treatment and provision of reusable water services, business management services and technology promotion services.

None of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the incorporation of EWX.

By Order of the Board

CHINA EVERBRIGHT WATER LIMITED

Wang Tianyi
Executive Director and Chairman

Date: 27 June 2016

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.