

Press Release – For Immediate Release

Everbright Water announces FY2015 Results

Financial Highlights

HKD'000	FY2015	FY2014	Change
Revenue	1,815,150	1,050,755	73
Gross Profit	824,224	596,471	38
Gross Profit Margin (%)	45.4	56.8	-11.4 pp
Net Profit Attributable to Owners of the Company	406,242	292,796	39
Earning Per Share* (HKD)	0.16	0.15	6
Dividend Per Ordinary Share (SGD)	0.0035	Nil	n.m.

ppt : percentage point

*Calculated based on the weighted average number of 1.969 billion shares and 2.571 billion shares for FY2014 and FY2015, respectively

Singapore, 19 February 2016 – China Everbright Water Limited (“Everbright Water” or “the Group”, SGX: U9E) (中国光大水务有限公司), an environmental protection company focusing on integrated environmental water business, announced the unaudited results for the full year ended 31 December 2015 (“FY2015” or “Period under review”).

During the period under review, the Group’s revenue increased by 73% year-on-year (“yoy”) to HKD1.8515 billion. The increase was mainly due to the increase of HKD479.81 million in construction revenue, HKD127.40 million in operation services income and HKD157.18 million in finance income. The increase in revenue from construction of waste water treatment plants was mainly attributable to the expansion and upgrading of several Build-Operate-Transfer (“BOT”) projects which were completed or under construction during FY2015. The increase in operation services income and finance income was mainly due to the full year effect of HanKore Group after the RTO, representing a total operation services and finance income of HKD295.83 million in

FY2015. Gross profit grew 38% yoy to HKD824.22 million. Net profit attributable to owners of the Company increased by 39% yoy to HKD406.24 million.

Mr Wang Tianyi, Executive Director and Chairman of Everbright Water, said, “2015 is the first year following the reverse takeover, which also marks the first year of a new round of growth of the Group. The Group became listed on Singapore Stock Exchange at the end of 2014. During the year, the Group achieved outstanding performance in market expansion, internal control and fund raising through a series of initiatives such as improving internal integration and risk management.”

During the period under review, the Group entered into subscription agreements on 19 January 2015 with International Finance Corporation (“IFC”) and Dalvey Asset Holdings Ltd, a wholly-owned subsidiary of RRJ Capital Master Fund II, L.P. which was established by RRJ Capital. Arising from the subscription, the Group received gross proceeds of about SGD113,449,500 via the allotment and issuance of 120,690,957 new shares. Besides, the Group has secured a long-term loan of USD140 million from IFC, which will be used as capital expenditure working capital to finance the development and expansion of the Group’s environment protection business in the PRC.

Regarding business expansion, the Group completed the acquisition of Dalian Dongda, which has a total of 17 waste water treatment projects, representing an additional contracted waste water treatment capacity of 1,125,000 m³ per day and operating treatment capacity of 945,000 m³ per day. The Group also secured Ju County Waste Water Treatment Project, Jinan Waste Water Treatment Project (Plant 1) Expansion Project, Ji’nan Xike Waste Water Treatment Project (Plant 4) Phase II, as well as Beijing Daxing Tiantanghe Waste Water Treatment Project Upgrading and Expansion Project. These four projects in aggregate contribute an additional designed daily waste water treatment capacity of 200,000 m³. Furthermore, the Group won the tender of Nanjing Pukou Reusable Water Project (“Nanjing Pukou Project”), with a designed daily reusable water

supply capacity of 40,000 m³. Phase I of Nanjing Pukou Project, whose service concession agreement has been executed, has a designed daily reusable water supply capacity of 20,000 m³.

On project construction, the construction of Yangzhou Jiangdu Development Zone Waste Water Treatment Project Phase II and Upgrading, Sanmenxia Industry Cluster Area Waste Water Treatment Project Phase I, Boxing Waste Water Treatment Project Phase II Expansion and Upgrading and Zibo Reusable Water Project Phase II have been completed and these projects have commenced operation during the period under review. The Group has completed the construction of Nanjing Pukou Waste Water Treatment Phase II and entered trial-run in FY2015 and has commenced commercial operation in January 2016. In addition, Ju County Waste Water Treatment Project has been successfully transferred to the Group. New projects under construction include Ji'nan Waste Water Treatment Project (Plant 1) Expansion, Daxing Tiantanghe Waste Water Treatment Project Expansion and Upgrading and Dalian Liangjiadian Waste Water Treatment Project Phase I. Furthermore, Suzhou Wuzhong Chengnan Waste Water Treatment Project Phase II and Upgrading has been progressing smoothly and is expected to commence operation in the first half of 2016. Other projects in preparation have been progressing as planned.

The Group proactively negotiates with the government and customers for tariff adjustments by leveraging on continuous improvement of the Group's operating capability. During the period under review, there are 10 projects in total which have confirmed a tariff hike, i.e. Boxing Waste Water Treatment Project increased by 17.3%, Jiangyin Waste Water Treatment Project increased by 5.3%, Ji'nan Waste Water Treatment Project (Plant 1 & 2) increased by 5.7%, Yangzhou Jiangdu Development Zone Waste Water Treatment Project increased by 16.9%, Nanjing Liuhe Waste Water Treatment Project increased by 57.1%, Xianyang Waste Water Treatment Project Phase I increased by 52.7%, Binzhou Development Zone Waste Water Treatment Project increased by 3.8% and Ji'nan Licheng Reusable Water Project, Zibo Reusable Water Project and Jiangyin Reusable Water Project increased by 12.3%, 17.0% and 10.0%, respectively.

As of 31 December 2015, the Group's daily contracted water treatment capacity was approximately 4,600,000 m³. The Group currently owns and operates a total of 53 waste water treatment plants with a daily designed capacity of 3,480,000 m³, 4 reusable water projects with a daily designed capacity of 61,600 m³, 2 waste water source heat pump projects with service area covering 312,000 m², completed 2 Build-Transfer ("BT") waste water treatment projects with a daily designed capacity of 110,000 m³, 59km pipeline network and 10 pump stations.

Mr Wang Tianyi, Executive Director and Chairman of Everbright Water, said, "2016 is the first year of the PRC's 13th Five-Year Plan. In the context of the economic 'new normal', environmental protection and related industries would experience a huge growth. The central government of the PRC is vigorously advocating the five main principles underpinning the policies for the PRC's future development, namely innovation, coordination, green development, opening-up and sharing. The National People's Congress adopted the revised Environmental Protection Law to further enhance the strategic position of environmental protection, and to integrate environmental protection into economic and social development. Issuance of the Water Pollution Prevention and Control Plan provided a new driver for the development of water environment management industry. Further, Implementation Opinions on Cooperation between Government and Social Capital on Water Pollution Prevention and Treatment facilitates the full opening up of the water industry to social capital through policies, and it also encourages adoption of Public-Private Partnership ("PPP") model in areas of water pollution prevention and treatment. Market share of the water industry is expected to be continuously released to social capital.

Issuance of a series of environmental policies would bring along development opportunities to the environmental protection industry and would also have significant impact on the development mechanism of the industry. Stringent policies would stimulate the restructuring of the water treatment industry, eliminate weaker participants and make leaders emerge. The industry would develop towards the direction of transformation, upgrading and greening. Through visionary strategic planning, the Group follows the market closely and actively shoulders eco-responsibility.

With strong support from China Everbright Group, the Group will enhance its overall competitiveness by taking high-level social responsibility, implementing advanced management philosophy and achieving great operating efficiency. Through both of self-development and acquisition, the Group has full confidence in our healthy and steady future development.”

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About China Everbright Water Limited

China Everbright Water Limited (“Everbright Water” or the “Company”) is a company focusing on integrated environmental water services. The Company is listed on the Mainboard of Singapore Exchange Limited (SGX: U9E) with its direct controlling shareholder being China Everbright International Limited (HKSE: 00257). Everbright Water is the sole water platform of China Everbright Group.

The Company is principally engaged in waste water treatment, reusable water, waste water source heat pump, sludge treatment, research and development of environmental water technologies, engineering and construction and etc. The Company’s geographical footprint spans across East, Central, North, Northeast and Northwest China, including Beijing, Jiangsu, Shandong, Shaanxi, Henan, Liaoning and Inner Mongolia Autonomous Region etc. As of December 2015, the Company invested in and operated water treatment projects with a designed daily waste water treatment capacity of approximately 4.6 million m³.

For more information, please visit us at <http://www.ebwater.com>.

Issued for and on behalf of China Everbright Water Limited By Financial PR Pte Ltd

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