

Press Release – For Immediate Release

Everbright Water Announces 1QFY2016 Results

Singapore, 13 May 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 its first quarter ended 31 March 2016 (“1QFY2016” or “Period under review”).

For the Period under review, the Group’s revenue increased by 51% year-on-year (“yoy”) to HKD657.24 million. The increase in revenue was mainly due to the increase in construction revenue as several waste water treatment projects were under construction during the Period under review, and the construction revenue increased by 145% compared with the first quarter ended 31 March 2015. Gross profit grew 9% yoy to HKD236.37 million. The gross profit growth rate was lower than the revenue growth rate mainly due to recognition of a larger portion of the construction revenue in the mix of the total revenue yoy. Construction services have lower gross profit margin as compared to operation services in general. The Group recorded a net profit of HKD106.10 million and net profit attributable to owners of the Company of HKD103.14 million.

During the Period under review, the Group bought back an aggregate of 7,793,400 shares in its issued and paid up capital for a total consideration of approximately S\$3.84 million. This demonstrated the board of directors’ confidence in the Group’s future prospects.

During the Period under review, the Group commenced the construction of Ji’nan Xike Waste Water Treatment Project (Plant 4) Phase II. At the same time, Ji’nan Waste Water Treatment Project (Plant 1) Expansion, Dalian Liangjiadian Waste Water Treatment Project Phase I and Daxing Tiantanghe Waste Water Treatment Project Expansion and Upgrading have been progressing smoothly. Other projects in preparation have been progressing as planned. In addition, the Suzhou Wuzhong

Chengnan Waste Water Treatment Project Phase II and Upgrading completed construction in April 2016 and is currently under trial run. Pulandian Waste Water Treatment Project Phase II also commenced construction in April 2016.

The Group successfully secured the contract for Zhangqiu No. 1 Waste Water Treatment Plant Project and Zhangqiu No. 2 Waste Water Treatment Plant Project, based on the Public-Private Partnership (“PPP”) model with Zhangqiu municipal government in 1QFY2016. The total designed daily waste water treatment capacity of both projects will reach 90,000 m³. Currently, the total designed capacity of the waste water treatment projects invested by the Group in Zhangqiu City has reached 120,000 m³ per day, covering the entire waste water treatment market in the city.

In addition, during Period under review, the Group won the tender for the PPP project for the construction of the “sponge city” of Zhenjiang, Jiangsu Province (the “Zhenjiang Sponge City Project”) with the top score in the overall bidding process. On 18 April 2016, the Company entered into a PPP agreement with the Housing and Urban-Rural Development Bureau of Zhenjiang City and a joint venture agreement with Zhenjiang Waterworks Corporation (“ZWC”), which is an indirect wholly-owned subsidiary of the State-owned Assets Supervision and Administration Commission of the Zhenjiang People’s Government. Pursuant to the joint venture agreement, the Company and ZWC will establish a joint venture (the “Project Company”), in which the Company will hold a 70% equity stake with the remaining 30% equity stake to be held by ZWC. The total investment amount for the Zhenjiang Sponge City Project is estimated to be approximately RMB2.585 billion, which comprises a RMB1.2 billion subsidy from the PRC central government and a RMB1.385 billion investment to be contributed by the Project Company. The concession period granted to the Project Company is 23 years.

Mr Wang Tianyi, Executive Director and Chairman of Everbright Water, said, "In October 2014, the Ministry of Housing and Urban-Rural Development of the PRC issued the 'Technical Guidelines for Sponge City Construction' to encourage all provinces to explore, if the local conditions allow, the urban planning and construction of sponge city so as to reduce water pollution, conserve water resources, solve the waterlogging and thereby improve the urban environment. Zhenjiang Sponge City Project is one of the first 16 sponge city pilot projects which receive subsidy from the PRC central government, and also the first sponge city project adopting the PPP model. Under the PPP model, there are stringent requirements placed upon the environmental protection enterprises in areas such as technology, capital, management and resource integration capabilities, etc. Everbright Water's successful PPP practices, corporate brand, management capabilities and technical proficiencies have been recognized by the governments. Leveraging on this opportunity, Everbright Water will actively expand its capability along the sponge city value chain."

Mr. Wang added, "Going forward, the Group will continue to expand organically and through acquisitions, increase business development efforts, optimize construction and operation management and increase technology research and development investment and capability. Through our focus on technological transformation and innovation, we aim to achieve sustainable growth and create returns for shareholders. "

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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 integrated environmental water services, construction of sponge city, 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. Currently, the Company invested in and operated water treatment projects with a designed daily waste water treatment capacity of approximately 5.0 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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