

**CHINA EVERBRIGHT WATER LIMITED**

Company Registration No.: 34074

(Incorporated in Bermuda)

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**INCORPORATION OF JOINT VENTURE COMPANY**

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Further to the press release dated 2 March 2016 relating to the entry by China Everbright Water Limited (the “**Company**”), through its wholly-owned subsidiary Everbright Water (Ji’nan) Holdings Limited (“**Everbright Ji’nan**”), into a joint venture with the municipal government of Zhangqiu City (the “**Zhangqiu Government**”) for the operation of the Zhangqiu No. 1 Waste Water Treatment Plant and the Zhangqiu No. 2 Waste Water Treatment Plant (the “**Joint Venture**”), the Board of Directors of the Company wishes to announce that Everbright Ji’nan and the Zhangqiu Government have incorporated a joint venture company, Everbright Water (Zhangqiu) Operating Limited (光大水务(章丘)运营有限公司) (“**EWZ**”), in the People’s Republic of China pursuant to the terms of the Joint Venture.

EWZ has been established with a registered capital of RMB 65,507,600 and a shareholding breakdown as follows:

<b>Name of Shareholders</b>	<b>Equity Stake</b>
Everbright Water (Ji’nan) Holdings Limited	95%
Zhangqiu Waste Water Treatment Plant (章丘市污水处理厂)	2.65%
Zhangqiu No.2 Waste Water Treatment Plant (章丘市第二污水处理厂)	2.35%

The incorporation of EWZ will result in EWZ becoming an indirect subsidiary of the Company. The principal business activities of EWZ include undertaking research and development, the construction and operation of waste water treatment projects and the provision of waste water treatment, reusable water and technological consultation and services.

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

By Order of the Board

**CHINA EVERBRIGHT WATER LIMITED**

Wang Tianyi

Executive Director and Chairman

Date: 15 April 2016

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*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.*