

Press Release – For Immediate Release

**EVERBRIGHT WATER OBTAINS PUBLIC-PRIVATE PARTNERSHIP
PROJECT FOR CONSTRUCTION OF “SPONGE CITY” OF ZHENJIANG**

Singapore, 18 April 2016 - China Everbright Water Limited (“**Everbright Water**” or the “**Company**”, SGX: U9E) (中国光大水务有限公司), an environmental protection company focusing on integrated environmental water services, is pleased to announce that it has won the tender for the public-private partnership (“PPP”) project for the construction of the “sponge city” of Zhenjiang, Jiangsu Province (the “Zhenjiang Sponge City Project” or the “Project”) with a leading score in the overall bidding process. The Company today entered into a PPP agreement with the Housing and Urban-Rural Development Bureau of Zhenjiang City (镇江市住房和城乡建设局) and a joint venture agreement with Zhenjiang Waterworks Corporation (镇江市水业总公司, “**ZWC**”), which is an indirect wholly-owned subsidiary of the State-owned Assets Supervision and Administration Commission of the Zhenjiang People’s Government (镇江市人民政府国有资产监督管理委员会).

The Zhenjiang Sponge City Project is one of 16 “sponge city” pilot projects which will receive financial support from the central government of the PRC, as jointly announced by the Ministry of Finance, the Ministry of Housing and Urban-Rural Development and the Ministry of Water Resources of the PRC. It is also one of the PPP demonstration projects of the Ministry of Finance of the PRC.

Pursuant to the joint venture agreement, the Company and ZWC will establish a joint venture company (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 Project Company will undertake the construction, renovation and operation of a 22 km² land area and 11.5 km² water area in Zhenjiang (the “**Project Area**”). 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 (the “**Government Subsidy**”) and a RMB1.385 billion investment to be contributed by the Project Company (the “**Project Investment**”). The concession period granted to the Project Company is 23 years.

The Zhenjiang Sponge City Project includes (i) the ecological restoration, repair, low impact development and renovation of pipeline networks, flooding and waterlogged areas within the Project Area, which is to be funded by the Government Subsidy (the “**Government Funded Portion**”) and (ii) the construction and operation of the Zhengrunzhou wastewater treatment plant (including (a) a waste water treatment expansion project with a daily designed capacity of 75,000 m³ which complies with the National Grade 1B water discharge standard and (b) an advanced waste water treatment facility with a daily designed capacity of 200,000 m³ which complies with the National Grade 1A water discharge standard), a series of rainwater pump stations, drainage networks, rainwater storage tanks and the ecological restoration and repair of certain rivers, which is to be funded by the Project Investment (the “**Project Company Funded Portion**”). The Project Company will be responsible for providing engineering management services in relation to the Government Funded Portion and for the construction and operation of the Project Company Funded Portion.

Mr. Wang Tianyi, Executive Director & Chairman of Everbright Water, said: “the concept for construction of a “sponge city” project is to build a city like a “sponge” with the function of storing water and “breathing” in order to effectively reduce the diffused pollution and to enhance the ability of preventing floods. Zhenjiang is a national model city of environmental protection with developed economy as well a favorable investment and commercial environment. The waste-to-energy project and photovoltaic energy project invested by China Everbright International Limited in Zhenjiang has been strongly supported by the local government in respect of project construction and operation management. By winning the Project, Everbright Water will devote to improving the progress of ecological restoration and clean water source with the support of the local government. With the joint effort of our management team, we believe that the Company

will take the lead to making Zhenjiang Sponge City Project as a demonstration project of national sponge city with good investment return.”

Mr. Wang Tianyi continued: “Only those enterprises that are equipped with the superiority in financing, engineering and operational capabilities as well as the ability to integrate these resources would stand a chance to win the bid for PPP projects as high requirements are imposed on environmental protection players - they will be evaluated in various aspects such as technology, funding, management and resources integration. The successful bid for the Project demonstrates that the Company’s overall strength and technical capabilities are highly recognized by the local government. This will further strengthen synergies between our projects in Jiangsu Province and improve the strategic layout of our business. Winning the bid for the Project is of great significance to the Company’s development in expanding into the sponge city construction market and building the Everbright Water’s sponge city industrial chain.”

A “sponge city”, also known as “low impact development rainwater system”, refers to a city with a water system which operates like a sponge to absorb, store, infiltrate and purify rainwater and to release the same for reuse when necessary. The construction of a “sponge city” involves (a) undertaking works to protect existing urban ecosystems, (b) the ecological restoration and repair of existing urban ecosystems and (c) the low impact development of new and existing urban ecosystems. A “sponge city” project is part of an integrated environmental water service, which involves the construction, maintenance and operation of grass channels, rain gardens, sunken green spaces, urban storm water drainage pipes, pump stations and waste water treatment plants.

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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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