



STRATEGIC FINANCIAL RELATIONS (CHINA) LIMITED  
縱橫財經公關顧問(中國)有限公司

[Press Release]



## China Everbright International Limited

### Everbright International Announced Termination of Transfer of Assets of Sewage Piping Network in the Urban Areas of Jiangyin City

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### Total Consideration of RMB561,329,396.78 for the Transfer has been Returned Waste Water Treatment Fee has been Adjusted

(Hong Kong, 14 September 2011) China Everbright International Limited (“Everbright International” or the “Group”) (SEHK: 00257) announced that its 70%-owned subsidiary Everbright Water (Jiangyin) Limited (“Jiangyin Water”) and the Jiangyin State-owned Assets Commission (“the Commission”) entered into the Termination Agreement and the Return Agreement on 8 September 2011. Pursuant to the agreements, the transfer of assets of the sewage piping network in the urban areas of Jiangyin City has been terminated by mutual consent and the Commission agreed to refund a total sum of RMB561,329,396.78 to Jiangyin Water.

Jiangyin Water has also entered into a second supplemental agreement in relation to the Waste Water Treatment Service Agreement with the Jiangyin Construction Bureau and the Jiangyin Finance Bureau on 8 September 2011. The Jiangyin Construction Bureau and the Jiangyin Finance Bureau has re-calculated and adjusted the waste water treatment fee accordingly after the termination of transfer of assets of the sewage piping network. The waste water treatment fee had been adjusted to RMB1.661 per cubic meter and the basic daily waste water treatment volume had been revised. The newly adjusted waste water treatment fee of RMB1.661 per cubic meter is higher than the original treatment fee of RMB1.36 per cubic meter when the Waste Water Treatment Agreement was initially signed.

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Mr. Chen Xiaoping, Chief Executive Officer of Everbright International, said, “The initial aim of the project, to take over four waste water treatment plants and sewage piping network in Jiangyin city, was to integrate the plants and the network and achieve urban-rural integration. However, during the past three years, there were still many immature conditions in the process of integrating the plants and the network and achieving urban-rural integration. We therefore consider it meaningless to acquire the sewage piping network. Although this acquisition of the sewage piping network in the urban areas of Jiangyin city has not been completed, the investment cost has been returned from the termination of the transfer agreement and can be used to support future business development of the Group. The anticipated reasonable increase in the waste water treatment fee should also improve our cashflow.”

“Since 2006 the Group has invested in environmental protection projects in Jiangyin City with a total investment cost of RMB1.75 billion including waste-to-energy, waste water treatment and reusable water projects. Jiangyin City is an important strategic investment zone for Everbright International and the Group has built a good cooperative relationship with the Municipal Government of Jiangyin City based on mutual trust. To continue safeguarding the water resources conservation in Jiangyin City, the Group and the City have agreed to terminate the transfer of sewage piping network in the urban areas of Jiangyin City. The Group continues both supporting the environmental protection business and contributing to energy conservation and emissions reduction in Jiangyin City. The total sum received from the termination of the transfer agreement is to be invested in various environmental protection projects to contribute the country’s green industry and generate greater returns for our shareholders.”

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#### **About China Everbright International Limited**

China Everbright International Limited focuses on its core businesses in green environmental protection and alternative energy. These mainly include waste-to-energy, biomass power generation, solar photovoltaic energy, wind power, methane-to-energy, solid waste landfill, waste water treatment, reusable water, environmental protection engineering, technological research and development, environmental protection equipment manufacturing as well as planning and construction of environmental protection industrial parks etc.

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