

## News Release

### Everbright Water Announces 1QFY2018 Results

(HKD'000)	1QFY2018	1QFY2017	Change
<b>Revenue</b>	1,041,107	774,053	↑35%
<b>Gross profit</b>	361,607	259,782	↑39%
<b>EBITDA</b>	370,622	269,433	↑38%
<b>Profit for the period</b>	191,107	130,010	↑47%
<b>Profit attributable to shareholders of the Company</b>	178,119	114,497	↑56%
<b>Earnings per share (HKD)</b>	0.068	0.044	↑55%

**Singapore, 10 May 2018** – 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 water environment management, announced the unaudited results of the Company for the first quarter ended 31 March 2018 (“1QFY2018” or “period under review”).

For the period under review, the Company recorded revenue of HKD1.041 billion, representing an increase of 35% compared to the first quarter of 2017. The increase was mainly attributable to the increase in construction revenue, operation service income and finance income. The increase in construction revenue was mainly attributable to the construction of several water environment management projects and a water supply project, as well as the expansion and upgrading of several waste water treatment projects that were under construction, during the period under review. Gross profit grew by 39% year-on-year (“yoy”) to HKD362 million, with gross profit margin at 35%. EBITDA increased by 38% yoy to HKD371 million. Profit for 1QFY2018 increased by 47% yoy to HKD191 million compared to the first quarter of 2017. In 1QFY2018, profit attributable to shareholders of the Company

rose by 56% yoy to HKD178 million. As at 31 March 2018, gearing ratio stood at approximately 51.0%, indicating the Company's reasonable debt level and healthy financial position.

During 1QFY2018, Everbright Water made steady progress in several aspects, such as business expansion, operations management and technology R&D. During the period under review, the Company implemented multiple sub-projects under Ji'nan Zhangqiu Urban-Rural Integration Water Supply Project ("Ji'nan Zhangqiu Project"). It is noteworthy that the investment amount of such sub-projects is approximately 50% of the total investment of Ji'nan Zhangqiu Project. Additionally, the Company secured Shandong Dezhou Ling County Waste Water Treatment Project Plant 2 Upgrading, which will employ more stringent techniques to stabilise the quality of the discharged water.

In terms of operations management, during 1QFY2018, the Company effected tariff hikes for two waste water treatment plants, namely Lianyungang Dapu Waste Water Treatment Project and Lianyungang Xugou Waste Water Treatment Project in Jiangsu Province. The water tariff hike was approximately 13% for each of the two projects.

Everbright Water is devoted to pursuing development driven by technology and innovation. During the period under review, the Company, through its wholly-owned subsidiary, incorporated a joint-venture company in Germany known as E+B Umwelttechnik GmbH, with RBH Reinhold Brenner Holding GmbH. RBH Reinhold Brenner Holding GmbH is an environmental protection company in Germany with a number of key water technologies and a strong background in the water industry. The Company holds an 80% equity stake in the joint-venture company. By leveraging the strength of the joint-venture company as the Company's key "technology R&D, application and commercialisation" platform, Everbright Water will create its overseas business channels, enhance international exchanges and collaborations. The joint-venture company will also help to acquire world-class talent and technologies from overseas, promote the Company's core technologies globally and explore more opportunities for future growth.

During the period under review, Everbright Water continued to proactively explore its financing channels and optimise its financial structure. This will provide a solid financial foundation for the Company's healthy and stable development in the medium and long term. At the same time, by enhancing its Environmental, Safety, Health and Social Responsibility (ESHS) management system and risk management system, the Company will materialise its goal to provide a systematic guidance and guarantee for the continuous development and day-to-day management of its business.

**Mr. An Xuesong, Deputy General Manager of China Everbright International Limited, Executive Director and CEO of Everbright Water**, said, "Everbright Water marked a promising start to year 2018 by steadily expanding its business development, project construction and operations management during 1QFY2018. Undoubtedly, this has strengthened the Company's overall capability and industry recognition. Moving forward, the Company will continue to closely follow governmental policies at all levels, and explore and pursue innovation on various aspects, such as business expansion, technology R&D, operations management, among others, in order to work its way through opportunities and challenges."

**Mr. Wang Tianyi, CEO of China Everbright International Limited and Chairman of Everbright Water**, said, "The Chinese government unveiled the institutional reform plan of the State Council during 1QFY2018. In accordance with the plan, the Ministry of Ecology and Environment was established to replace the Ministry of Environmental Protection. The new ministry consolidates all responsibilities which were previously assigned to various government departments. It is also in charge of supervision, regulation and enforcement with respect to the ecology and all types of pollutant emissions in urban and rural areas. This reform further boosted China's efforts in environmental pollution control. Various policies and measures are expected to be further implemented to deliver better performance and outcome. Guided by the principle of 'making all-out efforts to protect the river, and forbidding large-scale development of it', the new model for the development of the Yangtze River Economic Belt is unlocking a broader market for the water environment management sector. In addition, the concept that 'lucid waters and lush mountains are invaluable assets'

has been striking deep roots amongst the public. Under these circumstances, Everbright Water will focus on the water industry, actively embrace development opportunities, confidently overcome all challenges, and further enhance its scale, strength and excellence. Everbright Water aims to become a leader in the industry.”

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### **About China Everbright Water Limited**

China Everbright Water Limited (“Everbright Water” or the “Company”) is an environmental protection company focusing on water environment management. 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).

The Company is principally engaged in water environment management, sponge city construction, river-basin ecological restoration, water supply, waste water treatment, reusable water, waste water source heat pump, sludge treatment and disposal, research and development of water environment management technologies, and engineering construction, etc. The Company’s geographical footprint spans across East, Central, South, North, Northeast and Northwest China, including Beijing, Jiangsu, Shandong, Shaanxi, Henan, Hubei, Guangxi Zhuang Autonomous Region, Liaoning and Inner Mongolia Autonomous Region, etc. Currently, the Company invests in and operates water treatment projects with a designed daily treatment capacity exceeding 5.0 million m<sup>3</sup>.

For more information, please visit the Company’s official website at <http://www.ebwater.com>.

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