

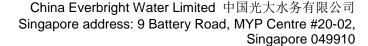
News Release

Everbright Water Announces FY2017 Annual Results

(HKD'000)	FY2017	FY2016	Change
Revenue	3,591,633	2,494,037	↑44%
Gross profit	1,230,587	905,652	↑36%
Profit for the year	580,793	372,615	↑56%
Profit attributable to shareholders of the Company	513,356	349,343	↑47%
Earnings per share (HKD)	0.196	0.134	↑46%

Singapore, 28 February 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, today announced the unaudited results of the Company for the financial year ended 31 December 2017 ("FY2017" or "year under review").

During the year under review, the Company's revenue increased by 44% from 2016 to HKD3.592 billion. The increase was mainly attributable to the increase of revenues from construction services, operation services and finance income; the increase in revenue from construction services was mainly attributable to the construction of several water environment management projects in addition to the expansion and upgrading of several waste water treatment projects that were under construction during FY2017. Gross profit grew 36% from 2016 to HKD1.231 billion, with gross profit margin at 34%. Profit for the year under review maintained a rapid growth momentum, rising by 56% from 2016 to HKD581 million, and profit attributable to shareholders of the Company increased by 47% from 2016 to HKD513 million. As at 31 December 2017, gearing ratio was approximately 52.7%, demonstrating the Company's reasonable debt level and good financial position.



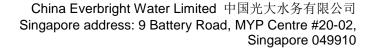


Mr. An Xuesong, Executive Director and CEO of Everbright Water, said, "The year of 2017 marked with steady growth at Everbright Water. The Company maintained a good development momentum, with notable improvement in the scale and quality of its operation and management. During the year under review, with the water industry continuing its upward trends and driven by the market and policy directions, Everbright Water solidified its existing market position, while boosting its efforts in market expansion. As a result, the Company successfully ventured into new business areas and expanded its presence into new geographical areas."

As at 31 December 2017, the Company held 94 projects in total, with a total water treatment capacity of 5.34 million m³/day, including: 68 projects in operation, 5 projects completing construction, 4 projects under construction and 2 projects in preparatory stage in the area of waste water treatment; 4 water environment management projects under construction, which involve sponge city construction and a series of ecological restoration works; 1 water supply project under construction; 5 reusable water projects in operation; 2 waste water source heat pump projects in operation; 2 sludge treatment and disposal projects in operation; in addition to 87 kilometers of pipeline network and 10 pump stations. In FY2017, the Company treated an aggregate of 1,187,615,000 m³ waste water.

During the year under review, Everbright Water actively expanded its business to new areas including urban-rural water supply, while strengthening its existing market positions in waste water treatment and water environment management areas. In addition, the Company ventured into the water environment management market in Hubei Province and Guangxi Zhuang Autonomous Region, marking its first project in the Southern region of China. During the year under review, Everbright Water secured 14 new projects, which command a total investment of approximately RMB6.081 billion, contributing an additional daily designed waste water treatment capacity of 140,000 m³ and daily water supply capacity of 370,000 m³.

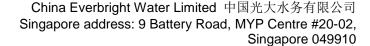
During the year under review, at the principle of "high quality and outstanding efficiency", Everbright Water carried out project construction works in an orderly manner. 2017 marked





an important year for project construction of the Company, with 11 projects commencing construction and 14 projects completing construction, setting a new record. In order to ensure the smooth progress, safety and efficiency of all project construction works, the Company actively streamlined the Environmental, Safety, Health and Social Responsibility (ESHS) construction management and risk management systems, amending and improving a number of systems and protocols, as well as tightening the rules and standards for the construction process.

In respect of technology R&D, during the year under review, with the "Technology Leads" Development" ethos in mind, Everbright Water optimised and improved its organisational structure, boosted efforts in talent recruitment, continued implementing the industrialacademic collaboration model with research institutes and higher education institutes, and enhanced the construction of its R&D system. As a result, the Company achieved a series of key technological breakthroughs and accomplishments in areas, such as: biological deodorisation system, low-temperature sludge drying, biological aerated filter, highefficiency sedimentation tank, ozone catalytic oxidation, nonpoint source pollution purification treatment, and rainwater treatment system. Some of these technologies have been successfully applied and installed to the Company's projects, greatly enhancing the technological proficiency, construction quality and progress of projects under construction. These technologies also improved the quality and efficiency of the projects in operation. During FY2017, the Company was granted 21 patents, and the number of patent applications filed in FY2017 exceeded the total sum of the patent applications filed in previous years. In addition, Everbright Water recently incorporated a joint-venture company in Germany known as E+B Umwelttechnik GmbH, through a wholly-owned subsidiary of the Company, with RBH Reinhold Brenner Holding GmbH ("RBH"). RBH is an environmental protection company in Germany with a number of key water technologies and a strong background in the water industry. Everbright Water holds an 80% equity stake in the jointventure 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 and enhance international exchanges and





collaborations. It 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.

In respect to operations management, Everbright Water had 8 waste water treatment projects which effected water tariff hikes in FY2017. The water tariff hikes are approximately 30% for Sanmenxia Waste Water Treatment Project in Henan Province; 64% and 46% for Nanjing Pukou Waste Water Treatment Project and Xinyi City Waste Water Treatment Project respectively in Jiangsu Province; 86% for Daxing Tiantanghe Waste Water Treatment Project in Beijing Municipality; 23% for Zibo Waste Water Treatment Project (Southern & Northern Plants) and Upgrading, 24% for Zibo High-tech Zone Waste Water Treatment Project, 32% for Zibo Zhoucun Waste Water Treatment Project, and 8% for Qingdao Waste Water Treatment Project (Maidao and Haibohe Plants) in Shandong Province.

During the year under review, Everbright Water rolled out a long-term plan to enhance its overall financial strength, while ensuring its cash flow and healthy debt level. During FY2017, the Company received approvals from the Shanghai Stock Exchange and the China Securities Regulatory Commission to issue RMB-denominated corporate bonds of up to RMB2.5 billion in aggregate principal amount in a single or multiple tranches to qualified investors in the People's Republic of China. The initial tranche of the bonds was issued in July 2017, with a principal amount of RMB1 billion and bearing a coupon rate of 4.55% for a five-year maturity. The successful issuance of the initial tranche of the bonds demonstrated the Company's good progress in diversifying its financing channels. This would facilitate the Company to further broaden its financing channels and optimise financial structure. Furthermore, it would provide more flexible financial sources to support the Company's development in the future. In addition, during the year under review, Everbright Water replaced short-term borrowings with long-term loans to improve its loan structure and reduce the financing cost, which would provide a better financial support to safeguard the Company's next phase of development.



Mr. Wang Tianyi, CEO of China Everbright International Limited and Chairman of Everbright Water, said, "The water environment management industry presented both opportunities and challenges over the past year. Riding on the good momentum of the industry trends, Everbright Water actively explored new business and markets, and therefore achieving satisfying results. Going forward, the Company will follow its "Technology Leads Development" ethos together with the development path of "Taking Quality as the Top Mission and Keeping Efficiency as the Priority with Support by Scale" set by its parent company China Everbright International Limited ('Everbright International'). Backed by the resources and support from Everbright International and emphasis on business synergy and sharing of resources, Everbright Water will focus on the water market, and devote its efforts to water environment management, integrated utilisation of water resources and water ecological protection, in order to further enhance the Company's scale, strength and excellence."

Mr. An Xuesong said, "Everbright Water believes that, under the guidance of the 'sustainable development strategies' for China's ecological conservation, the water environment management sector will continue its golden era and keep the strong development momentum. The Company will continue paying close attention to the country's water environment management policies at all levels, exploring new development models for the sector, strengthening its R&D capability, enhancing the corporate management proficiency with intelligent and information systems, further promoting its talent development strategies, optimising financing channels and financial structure, and striving to maintain its momentum of 'making steady progress and forging ahead for the future', in order to work its way through opportunities and challenges."

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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). Everbright Water is the sole water business platform of China Everbright Group.

The Company is principally engaged in water environment management, sponge city construction, riverbasin 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 m³.

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

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