

## News Release

### Everbright Water Announces 1HFY2018 Results

(HKD'000)	1HFY2018	1HFY2017	Change
<b>Revenue</b>	2,360,475	1,642,770	↑ 44%
<b>Gross profit</b>	788,030	554,310	↑ 42%
<b>Profit for the period</b>	400,772	288,639	↑ 39%
<b>Profit attributable to shareholders of the Company</b>	370,737	255,047	↑ 45%
<b>Earnings per share (HKD)</b>	0.141	0.098	↑ 44%
<b>Interim dividend per ordinary share (SGD)</b>	0.0049	N/A	N/A

**Singapore, 7 August 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 its first half ended 30 June 2018 (“1HFY2018” or “period under review”).

In 1HFY2018, the Company recorded revenue of HKD2.36 billion, representing an increase of 44% compared to the first half of 2017. The increase was mainly attributable to the increase in construction revenue, operation revenue and finance income. The increase in construction revenue was mainly attributable to the expansion and upgrading of several waste water treatment plants which were under construction, as well as the construction of the water supply project and several water environment management projects, during the period under review. Gross profit grew by 42% year-on-year (“yoy”) to HKD788 million, mainly due to higher gross profit from construction services. Overall gross profit margin for 1HFY2018 was 33%. Profit for 1HFY2018 increased by 39% yoy to HKD401 million compared to the previous corresponding period. For the period under review, profit attributable to shareholders of the Company rose by 45% yoy to HKD371 million. As at 30 June 2018, gearing ratio stood at approximately 52.8%, indicating the Company’s reasonable debt level and healthy financial position.

During the period under review, the Company proactively explored opportunities to enhance its core technology industrial chain and made substantial progress accordingly. It set up a joint venture with a German environmental protection company, with an aim of establishing overseas business channels and promoting its core technologies globally; it jointly established Hebei Xiong'an Huashen Water Engineering Technology Limited with its partners to focus on research and development of wading and hydraulic engineering technologies, equipment, new materials, among others; and it also acquired Xuzhou Municipal Engineering Design Institute Co., Ltd. to strengthen the Company's capabilities and experience in the field of municipal engineering design.

During the period under review, Everbright Water signed 4 waste water treatment projects and 1 sludge treatment project, with a daily water treatment capacity of 105,000 m<sup>3</sup>. This marks great significance to the Company in solidifying its position in the Shandong, Jiangsu and Liaoning provinces. Furthermore, the Company implemented multiple sub-projects under Shandong Ji'nan Zhangqiu Urban-Rural Integration Water Supply Project ("Zhangqiu Water Supply Project"). The total investment amount of these sub-projects accounts approximately 50% of the investment of Zhangqiu Water Supply Project. Besides, the Company signed Shandong Ji'nan Waste Water Treatment Project (Plant 1 & 2) Expansion on 20 July 2018. The project commands an investment of RMB1.043 billion and expands the treatment capacity of Ji'nan Waste Water Treatment Project (Plant 1 & 2) by 200,000 m<sup>3</sup>.

Separately, Everbright Water announced that it is proposing to seek a dual primary listing of its ordinary shares on the Main Board of The Stock Exchange of Hong Kong Limited (the "SEHK") (the "SEHK Listing") on 3 August 2018. In conjunction with the proposed SEHK Listing, the Company intends to undertake an offer of new shares for subscription by the public in Hong Kong (the "Hong Kong Public Offering") and a conditional placing of new shares (collectively with the Hong Kong Public Offering, the "Global Offering") to non-U.S. persons in offshore transactions outside the U.S. in reliance on Regulation S, including to professional investors in Hong Kong. For detailed information in relation to the SEHK Listing and the Global Offering, please refer to the Company's announcement dated 3 August 2018:

[http://www.ebwater.com/attachment/2018080321560001862365\\_en.pdf](http://www.ebwater.com/attachment/2018080321560001862365_en.pdf).

During the period under review, Everbright Water made steady progress in construction works, with multiple waste water treatment projects and a sub-project under Zhangqiu Water Supply Project commencing construction, and demonstrated smooth progress in its construction works relating to the Company's water environment treatment projects. In addition, during 1HFY2018, Ju County Chengbei Waste Water Treatment Project Upgrading in Shandong Province, Dalian Quanshui Waste Water Treatment Project Upgrading, Dalian Chunliuhe Waste Water Treatment Project Phase II Upgrading, and Lvshun Bailanzi Waste Water Treatment Project Upgrading in Liaoning Province, all commenced operation.

In terms of operations management, the Company proactively undertook a number of measures to improve the process flow and standardise the procedures, which has steadily improved the project operation efficiencies. During the period under review, the Company obtained approval for, or effected, tariff hikes for 8 waste water treatment projects, with the tariff hikes ranging from 1% to 165%. In addition, the Company received approval for multiple subsidies totaling RMB16.34 million in the first half of 2018 from various government authorities at central, provincial, city (county) and district levels. In the meantime, Jiangsu Xinyi Economic Development Zone Waste Water Treatment Project was listed among the "2017 Case Study on Third-party Service Providers for Industrial Park Environmental Pollution Treatment" by the Ministry of Ecology and Environment.

**Mr. An Xuesong, Deputy General Manager of China Everbright International Limited, Executive Director and CEO of Everbright Water**, said, "During the first half of 2018, Everbright Water made steady progress in the extension of its technology industrial chain, market expansion, project construction and operations management. It obtained recognitions and supports from government authorities at all levels, which helped to solidify its overall strength and market positions. Looking forward to the second half of 2018, Everbright Water will continue to harness its technological innovation as an important engine of development, engage in the comprehensive integration of its resources relating to technology research and development, explore new markets and business areas, leverage on industry and policy trends, in order to seize opportunities for development."

**Mr. Wang Tianyi, CEO of China Everbright International Limited and Chairman of Everbright Water**, said, "The newly-formed Ministry of Ecology and Environment has formulated an action plan to

tackle the tough battle concerning pollution prevention and control, with an emphasis on several water environment management areas such as treatment of urban black and odorous water bodies, protection and restoration of Yangtze River, and protection of water sources. This helps to form directions and general principles for the industry's future development and further unleash the market potential. Everbright Water will closely follow the development path of 'Taking Quality as the Top Mission and Keeping Efficiency as the Priority with Support by Scale' and 'Pursuing Marketisation, Professionalism and Internationalisation', commit to the ethos of development driven by technology and innovation, stay aligned with major national policies, embrace opportunities arising from market and policy, and actively innovate in the areas of business, technology and finance. In addition, the Company will continuously improve and integrate its resources and strengths in investment, construction, operation, management, technology and branding, to extend its business chain and effectively synchronise its asset-light and asset-heavy businesses. The Company will stay focused on the comprehensive management of water environment, comprehensive utilisation of water resources and comprehensive protection of water ecology, and spare no efforts in enhancing its scale, strengths and excellence."

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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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