

News Release

Everbright Water Announces 3QFY2017 Results

HKD ('000')	3QFY2017	3QFY2016	Change (%)
Revenue	746,136	553,492	↑35%
Gross profit	297,152	222,769	↑33%
Profit for the period	140,918	98,086	↑44%
Profit attributable to shareholders of the Company	122,763	91,101	↑35%
Earnings per share (HKD)	0.047	0.035	↑34%

Singapore, 13 November 2017 – 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 business, today announced the unaudited results of the Company and its subsidiaries (collectively the “Group”) for its third quarter (“3QFY2017” or “period under review”) and nine months ended 30 September 2017.

For the period under review, due to the increase of construction revenue, the Group recorded a revenue of HKD746 million, representing an increase of 35% compared to the corresponding period last year. The increase in construction revenue was mainly attributable to the construction of the sponge city construction project in Zhenjiang City and the river-basin ecological restoration project in Nanjing City, in addition to the expansion and upgrading of several waste water treatment projects that were under construction during the period under review. Gross profit rose by 33% year-on-year (“yoy”) to HKD297 million in 3QFY2017, mainly due to an increase in gross profit from construction services; the overall

gross profit margin in 3QFY2017 remained at the same level as 3QFY2016, being 40%. Profit for the period under review maintained its rapid growth momentum, increasing by 44% yoy to HKD141 million, and profit attributable to shareholders of the Company rose by 35% yoy to HKD123 million in 3QFY2017. As at 30 September 2017, gearing ratio was approximately 52.0%, demonstrating the Group's reasonable debt level and good financial position.

In 3QFY2017, Everbright Water made stable progress in developing all its business areas, with 6 newly-secured projects commanding a total investment of more than RMB1.8 billion and contributing an additional daily designed water treatment capacity of 130,000 tonnes. These project wins reinforced the Group's market position in municipal and industrial waste water treatment and integrated water environment restoration, among others. In particular, the Group secured Nanning Shuitang River Integrated Restoration Public-Private Partnership (PPP) Project in Guangxi Zhuang Autonomous Region, marking a breakthrough in the Southern region of China and expanding the Group's geographical footprint. During the period under review, Everbright Water's projects progressed smoothly - 4 projects that commenced construction further enhanced the Group's construction capabilities and relevant management experience and 2 projects that commenced operations further strengthened the overall environment services capabilities of the Group's operating projects.

During the period under review, Everbright Water successfully issued the initial tranche of the Company's first RMB-denominated corporate bonds, with a principal amount of RMB1 billion and a coupon rate of 4.55% for a five-year maturity. This further broadened the Group's financing channels, optimised its financing structure and effectively supported the

Group's sound and steady growth. While exploring the capital market, the Group also has a set of strict policies over the continued integration and full implementation of the Environmental, Safety, Health and Social Responsibility ("ESHS") management system and risk management system. A stable and desirable environment is thus established so that the internal management and the external development would complement each other. In addition, the Group continued increasing its technology R&D efforts. Currently, the Environmental Water Research Institute is carrying out research on various topics. The Group has also been collaborating with institutions of higher education, research institutes and corporate partners on research topics in the fields of water environment technology R&D and innovation. Accolades and recognition of provincial and municipal levels have been received for some of these topics.

Mr. An Xuesong, Executive Director and CEO of Everbright Water, said, "The central government of China recently emphasised again on the acceleration of the reform of ecological conservation system to build a beautiful China. It will involve strengthening the energy conservation, environmental protection and clean energy industries, with a focus on solving prominent environmental problems and accelerating the prevention and control of water pollution. In addition, a series of policies were issued to promote the PPP model, which will bring about a broader market. We believe, the "millennium plan" for ecological conservation in the country indicates that the golden era of the environmental protection industry will continue. Looking ahead, we will closely follow water environment management policies issued by governments at all levels, keep exploring new business areas, continuously improve core technological competitiveness, and strengthen our competitive

advantages in operation and management. Meanwhile, we will adhere to the philosophy of seeking long-term and sustainable development, to deliver sustainable positive returns for our shareholders and other stakeholders, and to emerge as a leading player in the water environment management industry of China.”

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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.

Everbright Water is principally engaged in integrated water environment restoration, 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, Liaoning and Inner Mongolia, etc. Currently, the Company invests in and operates water treatment projects with a total 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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