

News Release

Everbright Water Announces 1HFY2017 Results

HKD ('000')	1HFY2017	1HFY2016	Change (%)
Revenue	1,642,770	1,325,737	↑24%
Gross profit	554,310	464,012	↑19%
Profit	288,639	187,522	↑54%
Profit attributable to shareholders of the Company	255,047	180,634	↑41%
Earnings per share (HKD)	0.098	0.069	↑42%

Singapore, 7 August 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, announced the unaudited results of the Company for its first half ended 30 June 2017 (“1HFY2017” or “period under review”) today.

For 1HFY2017, Everbright Water recorded a revenue of HKD1,643 million, an increase of 24% as compared to the corresponding period in last year, which was mainly attributable to the increase in construction revenue. 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 upgrading of several waste water treatment projects that were under construction during the period under review. Gross profit rose by 19% year-on-year (“yoy”) to HKD554 million in 1HFY2017,

mainly due to an increase in gross profit from construction services. Overall gross profit margin for 1HFY2017 was 34% (1HFY2016: 35%). Profit for 1HFY2017 increased significantly by 54% yoy to HKD289 million, and profit attributable to shareholders of the Company in 1HFY2017 rose by 41% yoy to HKD255 million. As at 30 June 2017, gearing ratio was approximately 49.4%, which was similar to that recorded at the end of last year, demonstrating the Company's reasonable debt level and good financial position.

During the period under review, Everbright Water made stable progress on the development of its project portfolio, and achieved good results in market expansion, with newly-secured projects for the period under review commanding a total investment of approximately RMB4,264 million. In 1HFY2017, the Company secured six new projects, solidifying its position in water environment management as well as expanding its business portfolio to urban-rural integration water supply sector. The new projects include Hubei Suizhou High-tech Industrial Park Piaoshui and Fuhe River Basin Integrated Water Environment Restoration Public-Private Partnership Project, Shandong Ji'nan Zhangqiu Urban-Rural Integration Water Supply Project, and the upgrading of four waste water treatment projects, of which three were originally from Dalian Dongda Water Co., Ltd. This marked a smooth progress in the Company's integration of the acquired projects, and laid a good foundation to raise water tariff upon the commencement of their operation in the future. Once the construction of the four upgrading projects is completed, 88% of the Company's waste water treatment projects in operation (in terms of treatment capacity) will comply with the national Grade 1A discharge standard or above.

While proactively expanding into new markets, the Company also steadily continued its growth momentum in project construction. During the period under review, the Company commenced construction of four waste water treatment upgrading projects and operation of seven projects. In particular, Shandong Zibo Zhoucun Waste Water Treatment Project Phase I Upgrading was secured, started construction and commenced operation within 1HFY2017, demonstrating high quality and outstanding efficiency of the Company's construction team.

Furthermore, following the water tariff hike of approximately 30% and 60% for Henan Sanmenxia Waste Water Treatment Project and Jiangsu Nanjing Pukou Waste Water Treatment Project respectively in the first quarter of 2017, the water tariff for Shandong Zibo Waste Water Treatment Project (Southern & Northern Plants) and Upgrading, Zibo High-tech Zone Waste Water Treatment Project and Beijing Daxing Tiantanghe Waste Water Treatment Project increased by approximately 23%, 19% and 86% respectively during the second quarter of 2017.

During the period under review, Everbright Water targeted to achieve a milestone by developing new technologies and aimed to establish its own core technologies. The Company established the Environmental Water Research Institute, built up a technical team, and carried out research on various key water environment management topics, such as biological deodorisation and sludge dehydration. It also proactively participated in relevant collaborations and exchanges at home and abroad and enhanced strategic collaboration with domestic and international research institutes. At the same time, Everbright Water strived to enhance its operation management model and the implementation of the

Environmental, Safety, Health and Social Responsibility (“ESHS”) management system and the risk management system. With the management being refined, standardised and institutionalised, the Company also kept risks under control, thereby safeguarding the long-term development of all business and technology R&Ds in the future.

Mr. An Xuesong, Executive Director and CEO of Everbright Water, said, “In 1HFY2017, the Chinese government continued to roll out a series of environmental protection policies across all levels. This further defined the roles and responsibilities of the governments at all levels in ensuring water environment quality, and reaffirmed the Chinese government’s commitment and support to technological innovation in the environmental protection sector, leading the industry towards higher level of standard, technology and innovation. This is in line with Everbright Water’s long-term development philosophy to build projects of “First Class Quality, High Standard, Advanced Technology and Outstanding Efficiency”. Moving forward, we will continue devoting significant resources to technology R&D and innovation to enhance our core technological capabilities and brand influence. In addition, we will continue actively exploring new business opportunities and innovative business models to strengthen our market position. We will also continue optimising our management system and enhancing our operation efficiency and management proficiency to improve our strengths in various aspects. This will enable us to convert ‘potential’ into ‘profits’ and turn ‘challenges’ into ‘opportunities’. Lastly, we will strive to deliver long-term positive returns for our shareholders and other stakeholders.”

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About China Everbright Water Limited

China Everbright Water Limited (“Everbright Water” or the “Company”) is an investment and operation 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, waste water treatment, reusable water, water supply, waste water source heat pump, sludge treatment, river-basin ecological restoration, research and development of water environment management technologies, and engineering construction, etc. The Company’s geographical footprint spans across East, Central, North, Northeast and Northwest China, including Beijing, Jiangsu, Shandong, Shaanxi, Henan, Hubei, Liaoning and Inner Mongolia Autonomous Region, etc. Currently, the Company invests in and operates water treatment projects with a designed daily treatment capacity of 5.0 million m³.

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

For media inquiries, please contact:

China Everbright Water Limited

Corporate Communications

Arlene Wong / Chen Chen

Email: arlenewong@ebwater.com /
chenchen@ebwater.com

Tel : +852 2823 4877 / +852 2823 4863

Citigate Dewe Rogerson i.MAGE

Chia Hui Kheng

Email: huikheng.chia@citigatedrimage.com

Tel : +65 6534-5122 (O) / +65 9690-3841 (M)