

Press Release
Everbright Water Announces 3QFY2019 Results

(HKD'000)	3QFY2019	3QFY2018	Change
Revenue	1,374,105	1,036,511	↑33%
Gross profit	462,261	372,585	↑24%
Gross profit margin (%)	34	36	↓2ppt*
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	371,623	308,971	↑20%
Profit attributable to equity holders of the Company	182,617	144,277	↑27%
Earnings per share (HKD)	0.065	0.054	↑20%

(*ppt: percentage point)

Singapore and Hong Kong, 14 November 2019 – China Everbright Water Limited (“Everbright Water” or the “Company”, stock codes: U9E.SG and 1857.HK) (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 third quarter (“3QFY2019” or “period under review”) and the nine months ended 30 September 2019.

During the period under review, the Company recorded revenue of HKD1.374 billion, representing an increase of 33% compared to the corresponding period in 2018. Gross profit increased by 24% year-on-year (“yoy”) to HKD462 million, with a gross profit margin of 34%. EBITDA amounted to HKD372 million, representing an increase of 20% yoy. Profit attributable to equity holders of the Company increased by 27% yoy to HKD183 million. Earnings per share grew by HKD0.011 yoy to HKD0.065. As at 30 September 2019, gearing ratio stood at approximately 56%, demonstrating the Company’s reasonable debt level and good financial position.

In 3QFY2019, the Company recorded an additional designed daily waste water treatment capacity of 75,000 m³ and new investment of approximately RMB477 million in total, demonstrating its good momentum in business development. In particular, a mechanism that synchronizes investment, subsidy and tariff has been created for Shandong Zibo Zhangdian East Chemical Industry Park Industrial Waste Water Treatment Project. Such mechanism marks Everbright Water's first application of "market-oriented" operation model to an industrial park waste water treatment project, which brings great significance to the Company in further expanding its industry chain.

During the period under review, Everbright Water continued carrying out an organised construction work for various projects and recorded a total of 16 projects that were under construction. Out of which, 9 projects (including EPC projects) commenced construction and 1 project completed construction and commenced operation, during the period under review. In a nutshell, during the first three quarters of 2019, 10 projects completed construction and commenced operation. This brought an additional total designed daily waste water treatment capacity of 465,000 m³ for operating projects of the Company. As at 30 September 2019, the Company had 18 projects in preparatory stage, which have a total designed daily water treatment capacity of 1,080,000 m³. All these 18 projects have been progressing smoothly and provide a good project pipeline for the Company's future development.

As for the operations management, during the first three quarters of 2019, the Company received various subsidies exceeding RMB43 million in total. In addition, 9 waste water treatment plants received regulatory approval for tariff hikes, ranging from 4% to 61%.

Mr. An Xuesong, Executive Director and CEO of Everbright Water, said, "In 3QFY2019, Everbright Water continued its good development momentum from the first half of this year, and reported solid operating results. The Company has grown its businesses from municipal waste water treatment to a full-fledged business coverage, including raw water protection, water supply, industrial waste water treatment and river-basin ecological restoration, which offers a more comprehensive range of business scope. The Company's business model portfolio has also expanded from investment and operation to a full industry chain, including planning and design,

consultancy, technological research and development, engineering construction, operation and management, and so on. Moving forward, Everbright Water will apply such ‘parallel strategies’ on its business planning, with the aim of becoming a comprehensive water enterprise with unique advantages.”

Mr. Wang Tianyi, CEO of China Everbright International Limited and Chairman of Everbright Water, said, “Following the tightening of regulations on environmental protection and rising demand for ecological protection in recent years, the water industry has gradually transformed from focusing on ‘growing in scale’ to ‘enhancing its quality and efficiency’. With the unique advantages arising from its dual listing status in Singapore and Hong Kong, Everbright Water will closely follow the national policies and industry trends, continue adhering to its ‘capital-driven integration and innovation-driven development’ strategies for growth, and adopt a long-term view in its business planning. The Company is committed to achieving steady operating results to create good returns for its shareholders and provide constant support to the water environment management sector.”

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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 the Singapore Exchange Securities Trading Limited and the Main Board of The Stock Exchange of Hong Kong Limited (stock codes: U9E.SG and 1857.HK) with its direct controlling shareholder being China Everbright International Limited (stock code: 257.HK).

The Company has developed a full-fledged business coverage, which includes raw water protection, water supply, municipal waste water treatment, industrial waste water treatment, reusable water, river-basin ecological restoration, and sludge treatment and disposal. Meanwhile, the Company has also formed a full industry chain on the water business, including project investment, planning and design, technological research and development, engineering and construction, operations management, among others. The Company’s geographical footprint spans across East, Central, South, North, Northeast and Northwest China, including Beijing, Jiangsu, Zhejiang, Shandong, Shaanxi, Henan, Hubei, Guangxi Zhuang Autonomous Region, Liaoning and Inner Mongolia Autonomous Region, etc.

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

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