

**News Release**

**Everbright Water Announces FY2018 Annual Results**

(HKD'000)	FY2018	FY2017	Change
<b>Revenue</b>	4,768,318	3,591,633	↑33%
<b>Gross profit</b>	1,623,778	1,230,587	↑32%
<b>Profit for the year</b>	736,755	580,793	↑27%
<b>Profit attributable to shareholders of the Company</b>	676,459	513,356	↑32%
<b>Earnings per share (HKD)</b>	0.256	0.196	↑31%

**Singapore, 20 February 2019** – 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, is pleased to announce the unaudited results of the Company for the financial year ended 31 December 2018 (“FY2018” or “year under review”).

During the year under review, the Company’s revenue increased by 33% over FY2017 to HKD4.768 billion. 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 construction of the sponge city project and the water supply projects, in addition to the expansion and upgrading of several waste water treatment projects which were under construction during FY2018; the increase in operation revenue was a result of commencement of operation of new projects during FY2018, tariff hikes for several projects effected during FY2018, and recognition of one-off income arising from retrospective tariff adjustment in relation to two waste water treatment projects; and the increase in finance income was due to the increase in service concession financial receivables. During the year under review, gross profit grew by 32% over FY2017 to HKD1.624 billion, with gross profit margin remaining the same level as FY2017 at 34%. Profit for the

year under review increased by 27% over FY2017 to HKD737 million, and profit attributable to shareholders of the Company increased by 32% over FY2017 to HKD676 million. As at 31 December 2018, gearing ratio was approximately 55.8%, demonstrating the Company's reasonable debt level and good financial position.

During the year under review, the Company strengthened the market position at its existing footprints. It secured 15 new projects and signed 4 supplementary agreements for existing projects in Shandong, Jiangsu and Liaoning provinces, which command a total investment of approximately RMB3.579 billion. These new projects contribute an aggregate designed daily water treatment capacity of 476,600 m<sup>3</sup>. They include several upgrading and expansion projects and auxiliary facilities to the Company's existing projects, which laid a good foundation for water treatment services with higher standards and efficiency in the future.

As at 31 December 2018, Everbright Water held 111 projects in total, with an aggregate investment of approximately RMB18.7 billion and a total daily water treatment capacity of more than 5 million m<sup>3</sup>. These projects include: 94 waste water treatment projects, 6 water environment management projects, 3 water supply projects, 5 reusable water projects, 1 leachate treatment project and 2 waste water source heat pump projects. In the year under review, the Company treated an aggregate of 1,271,248,000 m<sup>3</sup> waste water (FY2017: 1,187,615,000 m<sup>3</sup>).

In terms of project construction, 2018 marked an eventful year for Everbright Water, with a total of 19 projects undergoing construction throughout the year. These include 9 projects that commenced construction and 9 projects that completed construction and commenced operations. Several projects received construction subsidies of more than RMB56 million. In terms of operations management, the Company enhanced the implementation of the environment, safety, health and social responsibility ("ESHS") management system and risk management system at all levels of the Company. During the year under review, a total of 18 waste water treatment plants received regulatory approval for tariff hikes, ranging from 1% to 165%. In addition, a number of projects received awards and recognitions at national, provincial and municipal levels for their high-quality construction works and operations management.

During the year under review, the Company explored opportunities and made good progress in enhancing its core technology industrial chain. It set up a joint-venture company in Germany, E+B Umwelttechnik GmbH, with an aim of establishing overseas business channels and enabling its core technologies to achieve the international standards; it jointly incorporated Hebei Xiong'an Huashen Water Engineering Technology Limited with its partners, focusing on research and development of wading and hydraulic engineering technologies, equipment, new materials, among others; the Company also acquired Xuzhou Municipal Engineering Design Institute Co., Ltd., strengthening its capabilities and enriching its experience in the field of municipal engineering design.

During the year under review, Everbright Water proactively explored the capital market and made progress accordingly. In August 2018, the Company applied for a listing of its shares on the Main Board of The Stock Exchange of Hong Kong Limited, to achieve a dual primary listing status in both Singapore and Hong Kong, with an aim of attracting different investors, broadening its shareholder base and promoting the long-term development. The dual listing process is currently underway smoothly. Separately, Everbright Water issued its second tranche of RMB-denominated corporate bonds ("Panda Bonds") with an aggregate principal amount of RMB800 million in August 2018, to further broaden its financing channels. Subsequently in January 2019, the Company completed the issuance of third tranche of Panda Bonds with an aggregate principal amount of RMB700 million. This marked the completion of the Company's first Panda Bonds issue, which helped the Company improve its financing structure and make good use of financial leverage.

**Mr. An Xuesong, Executive Director and CEO of Everbright Water**, said, "Against the backdrop of China's key policies and regulations providing clearer directions and more stringent regulatory guidance for future industry growth, ranging from the water environment management sector to the environmental protection industry, Everbright Water will continue adhering to the 'Technology Leads Development' ethos and enhancing its support to technological research and development. In addition, Everbright Water will expand its technology industrial chain, explore new business areas and models, improve level of intelligence in operations management, and discover diverse investment and financing channels. By leveraging on various measures, Everbright Water will

continue stable growth and seek for opportunities in a rapidly changing market environment to further enhance its overall strength and influence, with an aim of facilitating the continuous improvement of the water environment.”

**Mr. Wang Tianyi, CEO of China Everbright International Limited and Chairman of Everbright Water,** said, “Despite the downward economic trend, ever-changing market conditions and tightened industry regulations, Everbright Water achieved steady growth and stable progress in 2018. It proactively expanded into new business areas and markets and achieved solid operation results. Looking into the new year, the Company will adhere to the development philosophy of ‘Taking Quality as the Top Mission, Keeping Efficiency as the Priority, and Pursuing Growth in Business Scale’ and stick to the development path towards ‘marketisation, professionalism and internationalisation’. Amid the volatile market environment, the Company will navigate its direction and keep its strategic focus. By focusing on the water industry, Everbright Water will be devoted to comprehensive management of water environment, comprehensive utilisation of water resources and comprehensive protection of water ecology, so as to enhance its strength and excellence, generate returns to its shareholders and give back to the society.”

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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 million m<sup>3</sup>.

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

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