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You are cautioned not to place undue reliance on any forward-looking statements contained herein. We cannot give any assurance that these forward-looking statements will prove to have been correct. These forward-looking statements are not a guarantee of future performance and are subject to certain risks, uncertainties and assumptions. We do not have any obligation to publicly update or revise any forward-looking statements herein, whether as a result of new information, future events or otherwise.

(For Immediate Release)



China Everbright Water Limited
中國光大水務有限公司

Everbright Water Announces Proposed Listing on the Main Board of the Hong Kong Stock Exchange

**Offer Price Set Between HK\$2.99 to HK\$4.35 per Share
To Raise Gross Proceeds Between HK\$311 Million to HK\$452 Million
(subject to over-allotment option)**

***A leading integrated water environmental solutions provider in the PRC
Providing comprehensive and integrated water environment
management solutions***

***Business covers 27 cities in nine municipalities, provinces and
autonomous regions in the PRC***

(Hong Kong, April 24, 2019) A leading integrated water environmental solutions provider in the PRC - **China Everbright Water Limited** (“**Everbright Water**” or the “**Company**”, stock code: U9E.SG and 1857.HK), today announced the proposed listing of its shares on the Main Board of The Stock Exchange of Hong Kong Limited (“**Hong Kong Stock Exchange**”).

Everbright Water plans to offer 103,970,000 shares (subject to the over-allotment option), of which 93,572,000 shares will be international offer shares (subject to adjustment and the over-allotment option), representing approximately 90% of the initial offer shares; the remaining 10,398,000 shares will be Hong Kong offer shares (subject to adjustment), representing approximately 10% of the initial offer shares. Offer price is set between HK\$2.99 to HK\$4.35 per share. Everbright Water will open for Hong Kong Public Offering in Hong Kong at 9 a.m., April 24, 2019 (Wednesday), and close at 12:00 noon, April 29, 2019 (Monday). Dealings in shares of Everbright Water on the Main Board of the Hong Kong Stock Exchange is expected to commence on May 8, 2019 (Wednesday). The shares will be traded in

board lot of 1,000 shares each. The Company's stock code will be 1857.

- China International Capital Corporation Hong Kong Securities Limited and China Everbright Capital Limited are the Joint Sponsors.
- China International Capital Corporation Hong Kong Securities Limited and China Everbright Securities (HK) Limited are the Joint Representatives.
- China International Capital Corporation Hong Kong Securities Limited, China Everbright Securities (HK) Limited and CEB International Capital Corporation Limited are the Joint Global Coordinators.
- China International Capital Corporation Hong Kong Securities Limited, China Everbright Securities (HK) Limited, CEB International Capital Corporation Limited, ABCI Capital Limited, CMB International Capital Limited and Shenwan Hongyuan Securities (H.K.) Limited are the Joint Bookrunners.
- China International Capital Corporation Hong Kong Securities Limited, China Everbright Securities (HK) Limited, CEB International Capital Corporation Limited, ABCI Securities Company Limited, CMB International Capital Limited and Shenwan Hongyuan Securities (H.K.) Limited are the Joint Lead Managers.

Everbright Water is a leading integrated water environmental solutions provider in the PRC, providing a comprehensive range of environmental water services. The Company's business spans wastewater treatment, water environment treatment, integrated utilization of water resources and water ecological protection. According to Frost & Sullivan, the Company is the largest Central State-Owned Enterprise operating in the wastewater treatment industry in the PRC, as well as the third largest wastewater treatment service provider in the Bohai Economic Rim in terms of treatment capacity in 2017. Everbright Water is also one of the top 10 integrated water resources solutions providers in the PRC in terms of 2017 market share, and one of only three companies in the PRC that was ranked in the top 10 in both the municipal wastewater treatment market and the water environment management market in 2017. Everbright Water is listed on the Mainboard of Singapore Exchange Securities Trading Limited.

Everbright Water offers comprehensive and integrated water environment management solutions to the customers, including municipal and industrial wastewater treatment, sludge treatment and disposal, water environment treatment, sponge city construction, reusable water, wastewater heat source pump, leachate treatment, research and development of water environment technologies and engineering construction. As at April 15, 2019, Everbright Water had a scalable project portfolio of an aggregate of 94 wastewater treatment projects, 6 water environment treatment projects and 11 other projects in 27 cities in nine municipalities, provinces and autonomous regions in the PRC. The Company has built a nationwide network of projects across the PRC, encompassing East, Central, South, North and Northeast China, including Beijing, Jiangsu, Shandong, Shaanxi, Henan, Hubei, Liaoning and Guangxi Zhuang Autonomous Region and Inner Mongolia Autonomous Region. The Company focused the operations in major cities in these provinces, in particular within the Bohai Economic Rim and the Yangtze River Delta Region, which generally have higher population density, more extensive economic development, higher per capita income and therefore present attractive opportunities and significant demand for better management of water resources.

Everbright Water has a strong track record of growth in the water industry in the PRC. The Company's total revenue was HK\$2,494.0 million, HK\$3,591.6 million and HK\$4,768.3 million for the years ended December 31, 2016, 2017 and 2018. The Company's gross profit was HK\$905.7 million, HK\$1,230.6 million and HK\$1,623.8 million for the same years respectively. For the same years, the Company's wastewater treatment line of business accounted for 97.6%, 64.9% and 74.7% of the revenue and 96.5%, 78.3% and 75.9% of the gross profit, respectively. According to Frost & Sullivan, from 2015 to 2017, the growth rates of the Company's revenue and net profit were one of the highest as compared with companies listed on the Hong Kong Stock Exchange with a similar business scope of providing water management solutions, and the Company's total assets increased from HK\$14,081.2 million as at December 31, 2016 to HK\$19,584.4 million as at December 31, 2018.

The Company has strong research and development capabilities. The Company has also continuously improved its core technology strength through various means such as in-house research and development, technology import and collaboration with leading academic institutions. The Company had a total of 126 registered patents as at April 15, 2019 in relation to a variety of technologies, including a biological deodorization device, a sludge drying device and a sludge compression machine, etc., and the Company achieved a series of key technological breakthroughs and accomplishments in areas such as biological deodorization systems, low-temperature sludge drying, biological aerated filter, high-efficiency sedimentation tank, ozone catalytic oxidation, non-point source pollution purification treatment, and rainwater treatment systems. Moreover, the Company possesses unparalleled competitive edge and growth prospects founded on the "Everbright" brand. Everbright Water's controlling shareholder, China Everbright International Limited ("CEIL"), is a market leader in the environmental protection industry in China. The parent company of CEIL, China Everbright Group Ltd. ("China Everbright Group"), a large-scale conglomerate among the Fortune Global 500 with a well-recognized brand image, has a diversified business portfolio and an outstanding track record for its business performance with a national presence. As a member of China Everbright Group, Everbright Water has benefited from the reputation, business network and the strong track record of China Everbright Group and CEIL, and has been able to grow in the environmental protection service industry.

Mr. Wang Tianyi, non-executive director and Chairman of China Everbright Water Limited, said, "Following the lead of the PRC government's 'One Belt, One Road' strategy, more and more infrastructure investments, including water projects, are encouraged to be deployed and funded to neighboring countries and regions, which allow those players in the water industry to further expand their services to other foreign markets through Public-Private-Partnership and other investment methods. Capitalizing on the Company's strong government relationships, impressive track record, significant project pipeline, strong research and development capabilities, and the recognition of the "Everbright" brand, Everbright Water will take advantage of future trends and directions of the PRC water industry, further enhance core competitiveness, and strengthen the Company's leading position in the water industry in the PRC."

As at December 31, 2018, Everbright Water had a total of 101 projects in the Bohai Economic Rim and

the Yangtze River Delta, representing approximately 91.0% of the total number of projects and approximately 93.1% of the total designed wastewater treatment capacity. The Company will continue to strengthen its industry position in the Bohai Economic Rim and the Yangtze River Delta by expanding its business into other cities and counties in Shandong province and Jiangsu province, including Ji'nan, Xinyi and Jiangyin. In addition, the Company will seek to expand its services to other economically developed areas, such as the Guangdong-Hong-Kong-Macau Greater Bay Area, the Pearl River Delta, as well as their surrounding suburban and rural areas. As the PRC government has adopted numerous policies to promote the rapid development of the environmental protection industry, the Company will seize policy opportunities in the PRC water industry, further expand its market share and continue to diversify the project portfolio through organic growth and acquisitions and create synergies between the existing projects.

In light of the increasingly stringent regulations relating to wastewater treatment, Everbright Water intends to continue to focus on enhancing the research and development capabilities in order to strengthen its technical competitiveness. The Company has established a technology center which focuses on the research of applied technologies, and the Company has continuously improved the core technology capability through various means such as in-house research and development, technology import and collaboration with leading academic institutions. The Company established the ESHS system and risk management system in 2016 to ensure compliance with applicable laws and regulations related to health, environment and safety and social responsibility, and controllability of operation risks including finance, market, reputational, operational, construction, regulatory and human resources, to improve the quality and efficiency of the Company's operation and ensure its sustainable and stable development.

Mr. Wang Tianyi concluded, "Water shortage is further exacerbated by the PRC's growing demand for water due to increasingly urbanized population, as well as pollution. As a leading integrated water environmental solutions provider in the PRC, Everbright Water will continue to pioneer new service offerings in water industry, enhance the quality and core competitiveness and achieve sustainable development. After the listing, the Company will continue to strengthen the presence in the Bohai Economic Rim and the Yangtze River Delta. Meanwhile, the Company will enhance the core technologies through innovative research and development initiatives to increase the Company's technical competitiveness, improve operational management, and better control operational risks. Everbright Water is ready to make full use of Hong Kong's unique financing platform and its competitive advantages, further improving its capability to create the greatest value for the shareholders."

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China Everbright Water Limited
中國光大水務有限公司

Fact Sheet

Information on the Global Offering:

Number of Offer Shares under the Global Offering	: 103,970,000 Shares (subject to the Over-allotment Option)
Number of Hong Kong Offer Shares	: 10,398,000 Shares (subject to adjustment)
Number of International Offer Shares	: 93,572,000 Shares (subject to the Over-allotment Option and adjustment)
Maximum Offer Price	: HK\$4.35 per Offer Shares, plus brokerage fee of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005% (payable in full on application in Hong Kong dollars and subject to refund)
Board Lot	: 1,000 Shares
Offer Price	: HK\$2.99 to HK\$4.35
Start of the Hong Kong Public Offering	: 9:00 a.m., April 24, 2019 (Wednesday)
End of the Hong Kong Public Offering	: 12:00 noon, April 29, 2019 (Monday)
Expected Price Determination Date	: April 29, 2019 (Monday)
Announcement of Allotment Results	: May 7, 2019 (Tuesday)
Expected Listing Date	: May 8, 2019 (Wednesday)
Stock Code	: 1857

Use of Proceeds

Assuming an Offer Price of HK\$3.67 per Share (being the mid-point of the Offer Price range as stated in the prospectus of the Company) and assuming the over-allotment option is not exercised, the net proceeds from the Global Offering will be approximately HK\$321.6 million (after deducting underwriting commissions, fees and anticipated expenses payable by the Company in connection with the Global Offering). The Company intends to use the net proceeds for the following purposes:

Use of Proceeds:	Approximate Amount (HK\$ million)	As a Percentage of Total Amount
➤ Expanding the market share in the PRC water industry and diversifying the project portfolio and creating synergies	273.3	85%
➤ Enhancing the core technologies through innovative research and development initiatives and acquisitions of advanced technologies	32.2	10%
➤ Working capital and other general corporate purposes	16.1	5%

Financial Summary:

	Year ended 31 December		
	2016 (HK\$'000)	2017 (HK\$'000)	2018 (HK\$'000)
Revenue	2,494,037	3,591,633	4,768,318
Gross profit	905,652	1,230,587	1,623,778
Profit before tax	537,476	844,605	1,051,739
Profit for the year	372,615	580,793	736,755

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