



Epure Pumps Up Net Attributable Profit by 30% to RMB30.8m in First Quarter 2008

- Higher gross profit margin of 38% as Group undertakes larger & more complex projects, in line with strategic focus
- Strong cash position of RMB736m to support orderbook
- Move to Design-Build-Operate model for large centralised water & wastewater treatment projects will further enhance competitive edge

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FOR IMMEDIATE RELEASE

Epure International Ltd (Epure, the Group or 伊普国际), a leading turnkey water and wastewater treatment solutions provider in China, reported a strong 30% year-on-year (yoy) rise in Group net attributable profit to RMB30.8 million for the three months ended 31 March 2008 (1Q08) on a 11% higher turnover of RMB126.5 million.

The higher level of percentage completion of major projects were the main contributors to revenue and earnings this quarter, largely from the Group's on-going Xi'an Changan Wastewater Treatment, Hubei E'zhou Wastewater Treatment and Jingzhou Wastewater Treatment projects.

The Group also continued to exercise prudence in managing its distribution and administration expenses which declined by 6% yoy to RMB8.7 million in 1Q08. This also helped to lift profit even though other operating income, comprising mainly interest income, declined to RMB3.4 million from last year's first quarter of RMB6.8 million.

Mr Wang Zhili, Epure's CEO said: "Although the firm demand for water and wastewater treatment in China has presented us with numerous opportunities for growth, we took a strategic stance to bid for larger contracts where our value-add can be higher. I am pleased that these efforts have started to impact our earnings positively."

Epure's gross profit margin improved by 4.4 percentage points to 38% in 1Q08, but Mr Wang explained that Epure's margins tended to fluctuate from quarter to quarter but is more stable at more than 30% level. The Group's balance sheet remained robust with a cash position of RMB736 million as at 31 March 2008.



About prospects and his vision for Epure, Mr Wang said: “We expect to ink more contracts this year. We will take up more build, operate and transfer investments where opportunities arise to develop our recurrent income base. At the same time, we want to transform Epure from a mainly engineering, procurement and construction contractor into a vertically integrated player with strong Design-Build-Operate capabilities which can support our customers’ total water and wastewater treatment requirements across industries.”

The Group is quickly crystallizing this vision with the recently clinched RMB103 million contract which calls for Epure to procure, construct, install and commission a central processing system for the treatment of industrial water, wastewater, polluted water and sludge, as well as the system’s piping network facilities for a large steel plant owned by Jilin Iron and Steel Co., Ltd.

ABOUT THE COMPANY

www.epure.com.sg
SGX mainboard listing: October 2006

Epure is one of China’s leading turnkey water & wastewater treatment solutions providers. Backed by extensive R&D and technical expertise, it has successfully completed many award-winning projects.

The Group develops proprietary technologies and customises them into effective turnkey solutions for industrial and municipal projects. It has a strong marketing network in China, where it is much sought after for its strong design and engineering project management capabilities.

In 2006, Epure diversified into the management of water treatment plants. It is also looking to co-invest in BOT (build-operate-transfer) and TOT (transfer-operate-transfer) projects. The Group plans to expand into other parts of the supply chain, orchestrating the entire eco-protection process as it becomes a fully integrated services provider.

International Finance Corporation, the World Bank arm that promotes socially and environmentally sustainable private-sector investments, is a substantial shareholder.

In 2007, Epure was named one of the 10 Most Influential Water Companies in China and the Top 10 EPC Companies in China’s water industry. Non-executive chairman Wen Yibo ranked second among the 10 Most Influential People in the industry.



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