

Press Release
Everbright Water Announces 2020 Annual Results
Financial Highlights

(HK\$'000)	For the year ended 31 December		Change
	2020	2019	
Revenue	5,663,292	5,550,773	2%
Gross profit	2,200,536	1,892,441	16%
Gross profit margin (%)	39	34	5ppt*
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	1,931,379	1,647,064	17%
Profit attributable to equity holders of the Company	1,024,271	833,483	23%
Basic earnings per share (Hong Kong cents)	35.80	30.07	19%
Final dividend per share (Hong Kong cents)	6.07	3.74	62%
(equivalent to Singapore cents)	1.04	0.67	55%
Total dividend per share (Hong Kong cents)	9.81	7.48	31%
(equivalent to Singapore cents)	1.71	1.32	30%

(*ppt: percentage point)

Singapore and Hong Kong, 25 February 2021 – China Everbright Water Limited (“Everbright Water” or the “Company”, stock codes: U9E.SG and 1857.HK) (中國光大水務有限公司), an environmental protection company focusing on water environment management, is pleased to announce the consolidated annual results of the Company and its subsidiaries (collectively the “Group”) for the financial year ended 31 December 2020 (“FY2020” or “year under review”).

With steady operation in FY2020, the Group’s revenue amounted to HK\$5.66 billion, representing an increase of 2% over the financial year ended 31 December 2019 (“FY2019”). EBITDA increased by 17% from FY2019 to HK\$1.93 billion in FY2020. Profit attributable to equity holders of the Company for FY2020 was HK\$1,024.27 million, up 23% from FY2019. Basic earnings per share for FY2020 were

35.80 Hong Kong cents, indicating an increase of 5.73 Hong Kong cents or 19% from FY2019. Gross profit margin stood at 39%, representing an increase of 5 percentage points from FY2019. The Group has ready access to diverse financing channels, holds quality assets and sufficient funds with a reasonable gearing ratio, and is in a healthy financial position.

In relation to market expansion, during the year under review, the Group focused on traditional business sectors like waste water treatment, and continued solidifying its market position in regions such as the Yangtze River Economic Belt and the Bohai Economic Rim. In FY2020, the Group secured 9 new projects, commanding a total investment of approximately RMB1.19 billion, in addition to 1 engineering, procurement and construction (“EPC”) project and 1 operation and management (“O&M”) project. Such projects contribute an additional designed daily waste water treatment capacity (inclusive of the O&M project and exclusive of the EPC project) of 290,000 m³ and an additional designed daily reusable water supply capacity of 30,000 m³. As at 31 December 2020, the Group invested in and held 138 environmental protection projects, commanding a total investment of approximately RMB24.68 billion. In addition, it undertook 3 EPC projects and 2 O&M projects. These projects have an aggregate designed daily water treatment capacity exceeding 6,500,000 m³ (inclusive of treatment capacity of the O&M projects).

In relation to project construction, during the year under review, the Group was dedicated to implementing the joint prevention and control mechanisms amid the novel coronavirus (“COVID-19”) pandemic. By ensuring the staff’s health and safety, as well as complying with the relevant regulations of government authorities at all levels, the Group managed to proceed with its construction work in an orderly manner. In FY2020, the Group had 15 projects that commenced construction (inclusive of 1 EPC project), with a designed daily waste water treatment capacity of 340,000 m³, a designed daily reusable water supply capacity of 83,000 m³, and a designed daily water supply capacity of 600,000 m³; a total of 8 projects completed construction and commenced operation, with a designed daily waste water treatment capacity of 230,000 m³, a designed daily reusable water supply capacity of 40,000 m³, and a designed daily sludge treatment capacity of

200 tonnes. As at 31 December 2020, the Group had 9 projects in the preparatory stage, with a designed daily water treatment capacity of 312,000 m³.

In relation to operations management, during the year under review, the Group ensured that its operating projects operated stably and were in compliance with the relevant discharge standards. During the critical period of the COVID-19 pandemic, the Group responded swiftly by carrying out effective pandemic prevention and control measures. Not only did the Group ensure zero infection of its staff, but also it established a multi-level managerial and coordination mechanism. As a result, the Group's projects operated at full swing, providing high-quality water treatment services to the local communities. In addition, while enhancing the effort to implement the "Intelligent Water" management system, the Group published the "China Everbright Water Limited Intelligent Water Whitepaper", which analyses and discusses the application scenarios, technical options and implementation methods relating to "Intelligent Water" in the future. During the year under review, a total of 3 waste water treatment plants of the Group received regulatory approval for tariff hikes, ranging from 9% to 26%, and subsidies of RMB125.32 million in total were granted to the Group.

In relation to technological research and development, during the year under review, the Group leveraged on technologies to drive the development of asset-light businesses, boosting the effort in providing technology services and products for external markets. In FY2020, the Group secured a number of projects from internal and external clients to provide its in-house developed technological processes, with a total contract sum of approximately RMB168 million. During the year under review, the Group was granted 25 patents (including 22 utility models, 1 invention patent, 1 software copyright and 1 design patent).

In relation to the capital market, during the year under review, the Group achieved good progress in exploring various financing channels to facilitate its business development. In June 2020, the Company issued its first asset-backed securities ("ABS") to qualified investors in mainland China with a size of issue of RMB300 million (including the preference ABS and the subordinate ABS). The proceeds from the ABS issuance were used to replenish the working capital of the Group. In August

2020, the Company issued its first tranche of medium-term notes (“MTN”), with a principal amount of RMB1 billion, to institutional investors in the inter-bank bond market in mainland China. The proceeds from the MTN issuance were used to replenish the working capital of the Company’s subsidiaries. The issuance of the ABS and the first tranche of MTN helped optimise the Group’s financing structure and kept its financial costs within a reasonable range.

Mr. An Xuesong, Executive Director and CEO of Everbright Water, said, “In 2020, amid the opportunities and challenges in the external environment, Everbright Water focused on the ‘Innovation-driven Development’ ethos and made a concerted effort to steadily forge ahead. As a result, the Group made good progress in the synergy and development of asset-light and asset-heavy businesses, refined management and expansion of financing channels. In addition, it demonstrated a stable progress in its overall business, thereby further cementing its fully-fledged business coverage and full industry chain in the area of water environment management. In the future, the Group will, under the premise of effective pandemic prevention and control, seize opportunities arising from the national policies; continue its optimisation of the asset-light and asset-heavy allocation; pursue development that is led by innovation; accelerate the development of digitalisation across the Group; strengthen refined management and create value by ‘resource recovery’; and leverage on its dual listing status in Singapore and Hong Kong to drive business integration with capital. The Group will fully embark on a new journey of high-quality development.”

Mr. Wang Tianyi, Chairman of the Board of Directors and CEO of China Everbright Environment Group Limited and Chairman of Everbright Water, said: “Stepping into 2021, amid the complicated global trends and the stable and improving domestic environment in China, China’s ‘14th Five-Year Plan’ and long-range goals for 2035 have clearly specified the requirements on ecological environmental protection. The water environment management has been elevated to an unprecedented strategic level as an important mission of China’s ecological conservation and pollution prevention and control. ‘High-quality development’ will become a key focus for the water environment management industry and the relevant enterprises during the ‘14th Five-Year Plan’ period. Looking into the new year, with challenges and opportunities ahead, Everbright Water will



China Everbright Water Limited
(Incorporated in Bermuda with limited liability)
(Stock Codes: U9E.SG, 1857.HK)

adhere to its corporate mission of being ‘Devoted to Ecology and Environment for a Beautiful China’, grasp opportunities presented by the national strategies and policies, carry out in-depth analysis of industry opportunities, and seek flexible balance between asset-light and asset-heavy businesses. The Group will fully leverage on the advantages of its technology platform, actively explore and develop various investment and financing channels, continue strengthening its corporate governance, and fully enhance its operation and management efficiencies to steadily achieve high-quality growth. Everbright Water will also strive to create sustainable returns for its shareholders and contribute the Everbright strength to the development of the water environment management industry!”

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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 Environment Group 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 in 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>.

For media inquiries, please contact:

China Everbright Water Limited
Corporate Communications
Email: media@ebwater.com

Citigate Dewe Rogerson

Samantha Koh (Singapore)
Email: samantha.koh@citigatedewerogerson.com
Tel: +65 6534 5122

Celia Fong (Hong Kong)
Email: celia.fong@citigatedewerogerson.com
Tel: +852 3103 0125

For investor relations inquiries, please contact:

China Everbright Water Limited
Investor Relations
Email: ir@ebwater.com