

**Press Release**

**Everbright Water Announces 2023 Interim Results**

**Financial Highlights**

(HK\$'000)	Six months ended 30 June		Change (increase/ decrease)
	2023	2022	
Revenue	3,082,000	3,478,939	(11%)
Gross profit	1,409,741	1,219,964	16%
Gross profit margin (%)	46	35	11ppt*
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	1,287,800	1,066,673	21%
Profit attributable to equity holders of the Company	632,188	520,056	22%
Basic earnings per share (HK cents)	22.10	18.18	22%
Interim dividend per share (HK cents)	6.63	5.45	22%
Interim dividend per share (equivalent to Singapore cents)	1.13	0.98	15%

(\*ppt: percentage point)

**Singapore and Hong Kong, 10 August 2023** – 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, announced today the unaudited interim results of the Company and its subsidiaries (collectively, the “Group”) for the six months ended 30 June 2023 (“1HFY2023” or the “Review Period”).

In 1HFY2023, the Group made steady progress and recorded a revenue of HK\$3.08 billion, representing a decrease of 11% from HK\$3.48 billion in the corresponding period last year; earnings before interest, taxes, depreciation and amortisation (“EBITDA”) increased by 21% from HK\$1.07 billion in the corresponding period last year to HK\$1.29 billion; profit attributable to equity holders of the Company increased by 22% from HK\$520.06 million in the corresponding period last year to HK\$632.19 million; basic earnings per share increased by 22% from HK18.18 cents in the corresponding period last year to

HK22.10 cents; overall gross profit margin was 46%, 11 percentage points higher than 35% for the corresponding period last year. The Group has ready access to various diversified financing channels, with a mix of short-term and long-term financing instruments, 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 Review Period, with the “water-related” business being the key focus, the Group continued its development on both the traditional and new business areas, balanced asset-light and asset-heavy businesses, and tapped into traditional business areas while exploring new business areas. Therefore, the Group achieved a remarkable result in business expansion. In order to solidify its strengths, the Group secured a number of upgrading and expansion projects for its existing waste water treatment projects and renewed the contract for Jiangsu Zhenjiang Zhengrunzhou Waste Water Treatment Plant Operation and Management (“O&M”) Project. In terms of expanding into new areas, the Group secured business based on an integration model of the water plant and the pipeline network in Shen County of Liaocheng City, Shandong Province, and for the first time, successively secured asset-light projects through the EPCO (Design-Procurement-Construction-Operation) model in Lianshui County, Huai’an, and Jiangyin High-Tech Zone, in Jiangsu Province respectively, which has further enhanced the Group’s ability in providing contracting services to external parties. In addition, the Group actively explored new business areas by carrying out research on areas such as ecological agriculture, actively responding to the national policy directions and the current industry trends.

During the Review Period, the Group invested in and held 5 waste water treatment projects and signed 1 supplementary agreement for existing project, involving a total investment of approximately RMB1.163 billion, with an additional designed daily municipal waste water treatment capacity of 45,000 m<sup>3</sup>, designed daily industrial waste water treatment capacity of 60,000 m<sup>3</sup>, and designed daily reusable water supply capacity of 15,000 m<sup>3</sup>. In addition, during the Review Period, the Group undertook 2 EPCO projects and other asset-light projects and services, involving a total contract value of approximately RMB1.07 billion; among which, the newly undertaken EPCO projects contribute an additional designed daily waste water treatment capacity of 60,000 m<sup>3</sup>.

As at 30 June 2023, the Group invested in and held 166 environmental protection projects, with a total investment of approximately RMB30.8 billion. In addition, it undertook various asset-light projects and services, such as O&M, engineering, procurement and construction, EPCO, equipment supply and technical services. All these projects have an aggregate designed daily water treatment capacity of approximately 7.43 million m<sup>3</sup> (including treatment capacities of the O&M and EPCO projects).

As for technological innovation, the Group has been adhering to “Development Driven by Technological Innovation” and boosting its efforts in the implementation of relevant works. During the Review Period, the Group improved various internal policies and guidelines related to design and technology, in order to strengthen technical support for its projects. Moreover, the Group identified over 10 key topics for its research and development, covering areas such as intelligent water treatment plants, the micro-electrolysis-Fenton process and biological denitrification. Additionally, the Group actively participated in the drafting of the organisational standards of “Technical Specification for Greenhouse Gas Monitoring of Sewage and Waste Water Treatment Plants”. In 1HFY2023, the Group provided its in-house developed technological processes to internal and external clients, which amounted to a total contract value of approximately RMB86.00 million; and was newly granted 14 patents.

In terms of operations management, during the Review Period, by continuously focusing on “Cost Reduction and Efficiency Enhancement”, the Group continued launching its “Five Innovations” initiative, carrying out organisation-wide counselling for improvement in operations management practices, developing its intelligent water system, and promoting the “in-plant solar energy” pilot programme, to further enhance the efficiency and proficiency of its operations management. Among which, the Group accelerated the development of its intelligent water system at all levels, launched a master data platform for its projects, and enhanced the application of its digital tools. The Group’s precision dosing system also entered the trial stage at various projects, and the “Building a Star Intelligent Factory” Programme was launched. As at 30 June 2023, the Group successfully put 5 such pilot projects under operation, with a total installed capacity of 9.01 MWp, which are expected to generate 5.1 million kWh of green electricity to the projects annually; in addition, 3 pilot projects were under construction, and 6 were in the preparatory and planning

stages, with an expected total installed capacity of over 10 MWp. In 1HFY2023, 1 waste water treatment plant of the Group received regulatory approval for tariff hike, with an increase of 5%, and subsidies of approximately RMB17.50 million in total were granted to the Group. Moreover, the Group treated approximately 846 million m<sup>3</sup> of waste water and supplied approximately 21.60 million m<sup>3</sup> of reusable water during the Review Period.

In relation to project construction, the Group, during the Review Period, prioritised quality and adopted a dynamic construction management mechanism for all of its construction works, strengthening the monitoring and control of the budget, progress and quality throughout the entire construction process, to cut costs and boost efficiency for project construction through refined and standardised management. In 1HFY2023, the Group had 9 projects that commenced construction, with a designed daily waste water treatment capacity of 40,000 m<sup>3</sup> and a designed daily sludge treatment capacity of 625 tonnes; 3 projects that completed construction, with a designed daily waste water treatment capacity of 40,000 m<sup>3</sup>; and 4 projects that completed construction and commenced operations, with a designed daily waste water treatment capacity of 90,000 m<sup>3</sup>. As at 30 June 2023, the Group had 16 projects in the preparatory stage, with a designed daily waste water treatment capacity of 547,000 m<sup>3</sup>.

In relation to the capital market, the Group, during the Review Period, continued to solidify its diversified financing channels, deployed different financing tools in a timely and appropriate manner to enhance the liquidity level, and optimised the capital structure to safeguard its overall operation and development. In 1HFY2023, the Company successfully issued the 2023 first tranche super & short-term commercial papers and the 2023 first tranche medium term notes, with a total issuance size of RMB2 billion.

**Mr. Tao Junjie, Executive Director and CEO of Everbright Water**, said, “In 1HFY2023, despite the complex internal and external environment and intensified competition in the industry, Everbright Water continued to progress amidst stability. It focused on the ‘water-related’ business field, continued to solidify its strengths and explore new areas, boosted efforts in technological innovation, and improved its management proficiency. As such, the Group recorded a positive result

in its major operating indicators with healthy financial position, laying a solid foundation for its sustainable development. In the future, the Group will continue to enhance its foundation in different aspects, including strategy, operation and management, and to stabilise its future development. It will also continue to drive and pursue its sustainable and high-quality development through innovative approaches in different areas, such as concepts, markets, technology and management.”

**Mr. Hu Yanguo, Executive Director and Chairman of Everbright Water**, said, “2023 marks Everbright Water’s 20th anniversary – this represents the Group’s unwavering determination, great fortitude and strong resilience in these two decades. These have laid a solid foundation for the Group’s future development and transformation. As China’s social and economic development has accelerated greening and low carbonisation and entered into a high-quality development stage, the environmental protection industry is experiencing a period of transformation and upgrading. Despite the uncertainties of the future, the Group will continue forging ahead, navigating through the challenges and seizing the opportunities with full determination and confidence. With the strategic directions of the board of directors of the Company and the confidence and support from its stakeholders, the Group will continue focusing on the ‘water-related’ business and forge ahead with determination towards its development vision of ‘Creating Value to Industries through Various Water-Related Businesses’, building a new development paradigm, and complying with the national strategies.”

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

### **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 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, and operations management, among others. It is determined to create value to industries through various water-related businesses. The Company’s geographical footprint spans across East, Central, South, North, Northeast and Northwest China, covering 12 provinces, municipalities and autonomous regions, namely Beijing, Tianjin, Hebei, Jiangsu, Zhejiang, Shandong, Shaanxi, Henan, Hubei, Guangxi Zhuang Autonomous Region, Liaoning and Inner Mongolia Autonomous Region. The Company also has a business presence in Mauritius. To date, the Company’s designed daily water treatment capacity exceeds 7.4 million m<sup>3</sup>.

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

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