

**Press Release**

**Everbright Water Announces 2019 Annual Results**

| (HK\$'000)  |                                 | For the year ended 31 December |           | Change |
|---|---------------------------------|--------------------------------|-----------|--------|
|   |                                 | 2019                           | 2018      |        |
| <b>Revenue</b>  |                                 | <b>5,550,773</b>               | 4,768,318 | 16%    |
| <b>Gross profit</b>   |                                 | <b>1,892,441</b>               | 1,623,778 | 17%    |
| <b>Gross profit margin (%)</b>                              |                                 | <b>34</b>                      | 34        | 0ppt*  |
| <b>EBITDA</b>   |                                 | <b>1,647,064</b>               | 1,432,579 | 15%    |
| <b>Profit attributable to equity holders of the Company</b> |                                 | <b>833,483</b>                 | 676,459   | 23%    |
| <b>Basic earnings per share (HK cents)</b>                  |                                 | <b>30.07</b>                   | 25.58     | 18%    |
| <b>Final dividend per share</b>                             | (HK cents)                      | <b>3.74</b>                    | N/A       | N/A    |
|   | (equivalent in Singapore cents) | <b>(0.67)</b>                  | (0.50)    | (34%)  |
| <b>Total dividend per share</b>                             | (HK cents)                      | <b>7.48</b>                    | N/A       | N/A    |
|   | (equivalent in Singapore cents) | <b>(1.32)</b>                  | (0.99)    | (33%)  |

(\*ppt: percentage point)

**Singapore and Hong Kong, 27 February 2020** – China Everbright Water Limited (“Everbright Water” or the “Company”, stock codes: U9E.SG and 1857.HK) (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 consolidated annual results of the Company and its subsidiaries (collectively the “Group”) for the financial year ended 31 December 2019 (“FY2019” or “year under review”).

During the year under review, the Group recorded steady growth in its key indicators, such as revenue and profit. Its revenue amounted to HK\$5.55 billion, representing an increase of 16% from FY2018. Earnings before interest, taxes, depreciation and amortisation (“EBITDA”) increased by 15% from FY2018 to HK\$1.65 billion in FY2019. Profit attributable to equity holders of the Company for FY2019 was HK\$833 million, up 23% from FY2018. Basic earnings per share for FY2019 were HK30.07 cents, indicating an increase of HK4.49 cents from FY2018. In addition, the Group has ready access

to diversified financing channels, with sufficient funds, reasonable gearing ratio and healthy financial position.

The Group achieved a major milestone in FY2019. On 8 May 2019, the Company became officially listed on the Main Board of The Stock Exchange of Hong Kong Limited, achieving its dual primary listing status in Singapore and Hong Kong. This helped the Company further expand its international financing platforms to be well prepared for the next round of operation and development.

In relation to market expansion, during the year under review, the Group continued promoting growth in scale and innovative development, and broke the records by expanding to new geographical areas and new business areas, as well as developing a new business model. It ventured into the water market of Zhejiang Province by securing Zhejiang Tongxiang West Area Drinking Water Sources Protection Public-Private Partnership (“PPP”) Project (“Tongxiang Project”). The Tongxiang Project was also the Group’s first project in the area of raw water protection and supply, expanding its business coverage. Shandong Zibo Zhangdian East Chemical Industry Park Industrial Waste Water Treatment Project marked the Group’s first adoption of market-oriented operation model for the industrial park waste water treatment business, which is of great significance to the Group’s further expansion of industry chain. During the year under review, the Group secured 18 new projects and signed 1 supplementary agreement for existing project, commanding a total investment of approximately RMB4.743 billion. In addition, the Group undertook 2 engineering, procurement and construction (“EPC”) projects and 1 operation and management project, with a total contract value of approximately RMB146 million. The new projects contributed to the increases in daily waste water treatment capacity by 655,000 m<sup>3</sup>, daily reusable water supply capacity by 85,000 m<sup>3</sup>, daily water supply capacity by 600,000 m<sup>3</sup>, and daily sludge treatment and disposal capacity by 200 tonnes.

In relation to operations management, during the year under review, the Group continuously maintained stable daily operation of projects and strict compliance with relevant standards, as well as optimising and adjusting its operational process to develop a more robust long-term environmental management mechanism. In the meantime, the Group continued enhancing the

implementation of the Environmental, Safety, Health and Social Responsibility Management System and Risk Management System and promoting the application of its “Intelligent Water” management system. During the year under review, a total of 10 waste water treatment plants of the Group received regulatory approval for tariff hikes, ranging from 4% to 61%.

In relation to project construction, during the year under review, the Group adhered to its project construction philosophy of “Safety is Paramount while Quality is the Key to Survival”, and all of its construction works progressed smoothly. In FY2019, the Group had 18 projects which commenced construction; a total of 18 projects completed construction and commenced operation, with a daily waste water treatment capacity of 440,600 m<sup>3</sup>, a daily reusable water capacity of 40,000 m<sup>3</sup>, a daily water supply capacity of 150,000 m<sup>3</sup>, and a daily sludge treatment capacity of 50 tonnes. As at 31 December 2019, the Group had 16 projects in the preparatory stage, with a daily water treatment capacity of 1,150,000 m<sup>3</sup>.

During the year under review, backed by high-quality construction work and operations management of the Group, subsidies of approximately RMB65.27 million in total were granted to the Group.

In relation to technological research and development (“R&D”), the Group adhered to the “Innovation-driven Development” ethos and strived to develop new technologies with characteristics. During the year under review, the Group continuously focused on technological R&D and acquisition of technologies, in the areas such as advanced waste water treatment, water environment management, and sludge treatment and disposal. It also developed technologies and products, such as Membrane Aerated Bioreactor (MABR), accurate dosing and aeration, and new ozone catalysts, to meet the market demands. In terms of commercialisation of research results, the Group’s in-house technologies have been applied to its projects, to safeguard stable operation and compliance with relevant discharge standards. The Group had also signed agreements for multiple projects to provide its in-house technologies. In FY2019, the Group was granted 25 patents (11 invention patents inclusive) and published 27 scientific papers.

**Mr. An Xuesong, Executive Director and CEO of Everbright Water**, said, “In spite of various challenges in 2019, the Group successfully seized timely opportunities arising from consolidation and adjustment of the industry, and maintained a good development momentum. As an environmental protection company focusing on water environment management, the Group upholds its development philosophy of ‘capital-driven integration and innovation-driven development’, and had gradually formed a full-service business chain in the water industry. In the future, the Group will continue pursuing its stability with good progress, change and improvement. It will embark a new and good quality development journey by focusing on areas such as market expansion, operations management, engineering design and construction, and technological R&D.”

**Mr. Wang Tianyi, CEO of China Everbright International Limited and Chairman of Everbright Water**, said, “Following the escalation of ecological environmental protection and management to a new level as national strategies, the Chinese government placed emphasis of unprecedented level on its environmental protection and ecological conservation. With the reinforced instructions from the top level, a well-established policy environment and more stringent industry regulations, the environmental protection enterprises must ride through the challenges, keep moving forward, explore directions and seize opportunities, so as to stand out in a crowd and embark a new round of development. Looking back on the development in the past five years since the Company’s listing in Singapore, it is obvious to all that the Group has made substantial improvement in various respects, such as business scale, profitability, asset scale and employee size. Looking forward, the Group is confident to continue aligning with relevant national policies, keeping pace with market trends, and seeking development through technology and innovation, in order to achieve comprehensive development and stable business performance. It will in turn bring sustainable and favourable returns for its shareholders. The Group will strive to build a sustainable living environment for the society with high-quality environmental protection services and products. Leveraging on its outstanding advantages, the Group aims to emerge as a leader in the water environment management industry of China.”

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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 International 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 on 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>.

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