

**Press Release**

**Everbright Water Announces 2022 Interim Results**

**Financial Summary**

(HK\$'000)	Six months ended 30 June		Change
	2022	2021	
<b>Revenue</b>	<b>3,478,939</b>	3,112,935	12%
<b>Gross profit</b>	<b>1,219,964</b>	1,239,551	(2%)
<b>Gross profit margin (%)</b>	<b>35</b>	40	(5ppt*)
<b>Earnings before interest, taxes, depreciation and amortisation (EBITDA)</b>	<b>1,066,673</b>	1,059,125	1%
<b>Profit attributable to equity holders of the Company</b>	<b>520,056</b>	548,178	(5%)
<b>Basic earnings per share</b>	(HK cents) <b>18.18</b>	19.16	(5%)
<b>Interim dividend per share</b>	(HK cents) <b>5.45</b> (equivalent to Singapore cents) <b>0.98</b>	5.75 1.01	(5%) (3%)

(\*ppt: percentage point)

**Singapore and Hong Kong, 11 August 2022** – 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 unaudited interim results of the Company and its subsidiaries (collectively, the “Group”) for the six months ended 30 June 2022 (“1HFY2022” or the “Review Period”).

In 1HFY2022, the Group demonstrated a steady and high-quality development momentum. The Group’s revenue in 1HFY2022 amounted to HK\$3.48 billion, representing an increase of 12% from the corresponding period last year; EBITDA increased slightly by 1% from the corresponding period last year to HK\$1.07 billion; profit attributable to equity holders of the Company was HK\$520.06 million, representing a slight decline of 5% from the corresponding period last year; basic earnings per share were HK18.18 cents, indicating a decrease of HK0.98 cent or 5% from the corresponding period last year;

overall gross profit margin was 35%, 5 percentage points lower than 1HFY2021. Meanwhile, the Group has ready access to various diversified financing channels, holds quality assets and sufficient funds, with a reasonable gearing ratio. In a nutshell, the Group is in a healthy financial position.

In relation to market expansion, the Group, during the Review Period, continued strengthening its advantageous market position in Shandong and Jiangsu Provinces as well as its traditional business areas, such as waste water treatment, reusable water and leachate treatment; and conducted in-depth research and planning in the industrial waste water treatment field. The Group secured 2 industrial waste water treatment projects, further advancing its experience in the market-oriented environmental management of industrial parks. While focusing on its traditional business areas and exploring beyond the water industry, the Group embraced adaptive workforces dedicated to various industry research topics and looked for opportunities arising from other “water-related” areas as part of its future development strategies. In 1HFY2022, the Group secured 2 waste water treatment projects, commanding a total investment of approximately RMB361 million, and undertook 2 operation and management (“O&M”) water treatment projects. Such projects contribute an additional designed daily water treatment capacity of 101,500 m<sup>3</sup> in total, including a daily municipal waste water treatment capacity of 40,000 m<sup>3</sup>, a daily industrial waste water treatment capacity of 30,000 m<sup>3</sup>, a daily reusable water supply capacity of 30,000 m<sup>3</sup>, and a daily leachate treatment capacity of 1,500 m<sup>3</sup>.

As at 30 June 2022, the Group invested in and held 153 environmental protection projects, with a total investment of approximately RMB28.65 billion. In addition, it undertook 4 engineering, procurement and construction (“EPC”) projects and 5 O&M projects. The Group has a total designed daily water treatment capacity of approximately 7,160,000 m<sup>3</sup> (including treatment capacity of the O&M projects).

In relation to project construction, as the COVID-19 situation continued to evolve, the Group, during the Review Period, insisted on developing high-quality projects and adopted a dynamic construction management mechanism for its projects. All such measures had reduced the delay in construction which would have occurred due to the COVID-19 pandemic. At the same time, the Group further integrated its resources on

various areas, such as design, budgeting and engineering, thereby ensuring the quality of construction work and reasonably reducing project costs. In 1HFY2022, the Group had 3 projects commencing construction, which have a designed daily industrial waste water treatment capacity of 20,000 m<sup>3</sup>; and 2 projects (including an EPC project) completing construction or commencing operation, which have a designed daily municipal waste water treatment capacity of 40,000 m<sup>3</sup>. As at 30 June 2022, the Group had 12 projects in the preparatory stage, with an aggregate designed daily water treatment capacity of 451,000 m<sup>3</sup>.

In the aspect of operations management, while ensuring high-quality operation of its projects, the Group, during the Review Period, improved the overall efficiency of the projects by tapping on the potential of its operating projects and making positive progress in pollution reduction and carbon emissions reduction, energy saving and cost reduction. By actively **adopting the carbon source substitution technology**, a number of the Group's projects introduced alternative carbon sources, such as expired beverages and brewery waste water, through collaboration with local enterprises. Therefore, the Group reduced the chemical consumption and increased the economic benefits of its projects. The Group also continued the **widespread application of its in-plant solar energy pilot programme** by installing 6 sets of solar power generation facilities at its projects, which have an additional solar power generation capacity of 14MW. In addition, the Group's water projects in Tianjin Municipality ventured into **waste water recycling business** by directly supplying reusable water to the local residential areas, thereby increasing the projects' revenue. In the meantime, the Group continued **encouraging digital transformation** and launched a new version of its operations management system across its projects. These laid a good foundation for big data control and analysis of operating projects throughout their life cycles. In 1HFY2022, 3 waste water treatment plants of the Group received regulatory approval for tariff hikes, ranging from 3% to 36%, and subsidies of more than RMB3 million in total were granted to the Group.

As for technological innovation, the Group has been adhering to "Innovation-driven Development" and boosting its efforts in providing support for the related works. While adhering to its strategic directions, the Group, during the Review Period, focused its technology research and development on areas including the synergy between pollution reduction and carbon emissions reduction, monitoring and calculation of carbon emissions, and ozone-oxygen separation. Moreover, the Group developed

a number of technological processes including shortcut nitrification and denitrification, biochemical treatment E-BioFAS, FBR-Fenton, and freeze crystallisation and concentration, which have been applied to various projects. The Group, during the Review Period, provided its in-house developed technological processes to internal and external clients, which amounted to a total contract value of approximately RMB255 million; and was newly granted 14 patents. Two research topics, in which the Group's subsidiaries participated as key participants, won the first prize of the 2021 Environmental Protection Science and Technology Award and the first prize of the 2021 Jiangsu Science and Technology Award, respectively.

In terms of capital market, the Group, during the Review Period, actively expanded its financing channels, and effectively diversified its financing instrument portfolio, liquidity and capital structure. The Company had further enriched its experience in debt financing by issuing super & short-term commercial papers ("SCP") and medium-term notes ("MTN"). Moreover, the Company had actively explored equity financing by issuing the first tranche of perpetual MTN. All these enabled the Group to create multiple financing tools and to reasonably control its financing cost for future development. The Group's major financing arrangements in 1HFY2022 are summarised in the table below:

<b>Issuance date</b>	<b>Financing arrangements and uses of proceeds</b>	<b>Issuance size (RMB)</b>
June 2022	Issuance of the first tranche of perpetual MTN to institutional investors (the "Institutional Investors") in the national inter-bank bond market of mainland China, the proceeds of which were used to repay the outstanding debts of the Group.	700 million
April 2022	Issuance of the third tranche of MTN to the Institutional Investors in mainland China, the proceeds of which were used to replenish the working capital of the Company's subsidiaries	1 billion
January 2022	Issuance of the second tranche of SCP to the Institutional Investors in mainland China, the proceeds of which were used to replenish the working capital of the Company's subsidiaries.	1 billion



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

**Mr. Tao Junjie, Executive Director and CEO of Everbright Water**, said, “In 1HFY2022, against the backdrop of increasingly complex external environment, Everbright Water maintained its strategic position. By leveraging on its strengths in project investment, engineering construction, operations management, and techniques and processes, and focusing on its major business areas, the Group solidified its strengths and explored new areas. As a result, the Group steadily carried out work relating to business expansion, operations management, and technological innovation, and maintained a steady operational momentum and financial position. Moving forward, the Group will unleash the potential of the traditional businesses, explore new business areas, optimise its existing assets, explore synergy and efficiency, enhance its core advantages and promote cooperation for win-win situation, in an attempt to carry out transformation steadily and pursue high-quality development.”

**Mr. Hu Yanguo, Executive Director and Chairman of Everbright Water**, said, “Despite tremendous challenges arising from external environment, China’s economy is posed for a stable growth. Through disciplined implementation of China’s goals for ‘Peaking Carbon Dioxide Emissions’ and ‘Achieving Carbon Neutrality’ and the comprehensive green transformation of economy and social development, the environmental protection industry is undergoing a change from ‘rapid development’ to ‘high-quality development’. In the long term, the industry still has big growth potential. The future remains uncertain yet filled with opportunities. Therefore, Everbright Water will endeavour to drive its development by prioritising stability and progress and firmly adhere to its philosophy of ‘Innovation-driven Development’. Additionally, it will enhance its strategic vision to be more market-oriented, professional and international. By focusing on its own capabilities, the needs of the nation and the people’s expectations, the Group is looking forward to soaring to greater and stable heights. With the diligence and persistence of all its staff, the Group is determined to create value to industries through various water-related businesses and develop a new landscape that is innovation-driven, green and low-carbon.”

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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, and operations management, among others. 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.

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

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