

Press Release

## Everbright Water Announces 2024 Interim Results

### Financial Highlights

(HK\$'000)	Six months ended 30 June		Change (increase/ (decrease))
	2024	2023	
Revenue	3,352,595	3,082,000	9%
Gross profit	1,269,233	1,409,741	(10%)
Gross profit margin (%)	38	46	(8ppt*)
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	1,196,486	1,287,800	(7%)
Profit attributable to equity holders of the Company	581,146	632,188	(8%)
Basic earnings per share (HK cents)	20.31	22.10	(8%)
Interim dividend per share (HK cents)	6.09	6.63	(8%)
per share (equivalent to Singapore cents)	1.05	1.13	(7%)

(\*ppt: percentage point)

**Singapore and Hong Kong, 13 August 2024** - 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 2024 (“1HFY2024” or the “Review Period”).

In terms of its operating results for 1HFY2024, the Group maintained a steady development momentum despite facing headwind. It recorded a revenue of HK\$3.35 billion, representing an increase of 9% from the corresponding period last year; earnings before interest, taxes, depreciation and amortisation (“EBITDA”) decreased by 7% from the corresponding period last year to HK\$1.20 billion; profit attributable to equity holders of the Company decreased by 8% from the corresponding period last year to HK\$581.15 million; basic earnings per share decreased by 8% from the corresponding period last year to HK20.31 cents; overall gross profit margin was 38%,

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8 percentage points lower from the corresponding period last year. The Group has ready access to diversified financing channels, including both short- and long-term financing instruments. It holds quality assets and sufficient funds, maintaining a reasonable gearing ratio, and a healthy financial position.

In relation to market expansion, during the Review Period, the Group continued to focus on the development of both traditional and new business areas and promote a better synergistic development of asset-light and asset-heavy businesses. In particular, securing Anyang Municipal Waste Water Treatment Centre Phase I Project in Henan Province marked a significant business breakthrough for the Group in Henan's water market, following the securing of Sanmenxia Waste Water Treatment Project. Moreover, the signing of multiple asset-light business contracts related to industrial waste water treatment represented the Group's transition from focusing solely on end-treatment services to providing comprehensive industrial park waste water treatment services. These efforts have further integrated the Group's expertise across design and consulting, engineering construction, and operations management, deploying a robust industrial waste water treatment business chain that strategically balances asset-heavy and asset-light businesses. Additionally, in its efforts to expand its business outside China, the Group leveraged its German joint venture company, E+B Umwelttechnik GmbH, to actively pursue business opportunities. It also strengthened the development of its business development team and optimised its business expansion system, laying a solid foundation for exploring opportunities in Southeast Asian markets.

In 1HFY2024, the Group invested in and secured 3 new projects, involving a total investment of approximately RMB1.371 billion, with an additional designed daily municipal waste water treatment capacity of 200,000 m<sup>3</sup>. It also undertook various new asset-light projects and services such as operation and management ("O&M"), technical services and technological processes, involving a total contract value of approximately RMB67 million. As at 30 June 2024, the Group invested in and held 169 environmental protection projects, with a total investment of approximately RMB32.151 billion. In addition, it undertook various asset-light projects and services, such as O&M, engineering, procurement and construction, EPCO (Design-Procurement-Construction-Operation), equipment supply and technical services.

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As for technological innovation, during the Review Period, the Group remained dedicated to the philosophy of “Development Driven by Technological Innovation” by focusing on strengthening technology applications and promoting industrial-academic collaboration. These initiatives empowered the Group to advance its various development works. For instance, the Group provided comprehensive technical support, which covered technical management, upgrading and transformation, for projects that were newly developed, constructed and operated by the Group. Research and development activities were conducted and pilot programs were launched in key areas such as rural non-point source pollution control and intelligent and precise control systems for the entire waste water treatment process, aiming to address limitations and challenges encountered in actual production. In 1HFY2024, the Group provided its in-house developed technological processes to internal and external clients, which amounted to a total contract value of approximately RMB40 million; and was newly granted 4 patents and published 1 key paper.

In terms of operations management, during the Review Period, the Group continued to adopt various approaches, such as the “Five Innovations” initiative (small inventions, small transformations, small innovations, small designs, and small suggestions) and digitalisation to improve its refined and intelligent management and to further enhance its operations management efficiency. To control costs and enhance efficiency, the Group carried out cleaning work on key operating equipment, namely aerators, across its waste water treatment projects. This resulted in reduced failure rates, leading to savings in operating costs like energy consumption and maintenance expenses, and improved waste water treatment efficiency. Additionally, the Group searched for carbon source alternatives and implemented precise dosing and precise aeration control systems in multiple projects. To increase revenue sources and enhance efficiency, the Group continued to carry out the “in-plant solar energy” programme smoothly. As at 30 June 2024, the Group had put solar power facilities into operation at 6 projects, with a total installed capacity of 10.76 MWp, expected to generate approximately 12 million kWh of green electricity to the projects annually. In 1HFY2024, 2 waste water treatment plants of the Group received regulatory approval for tariff hike, ranging from 11% to 31%, and subsidies of approximately RMB10 million in total were granted to the Group. Moreover, in 1HFY2024, the volume of waste water treated was

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approximately 800 million m<sup>3</sup> and the volume of reusable water supplied was approximately 22 million m<sup>3</sup>.

In relation to project construction, during the Review Period, while paying close attention to major construction works, the Group continued to focus on cost control and efficiency enhancement through various aspects, such as: procurement and tender process, construction planning, on-site management, and construction services. In 1HFY2024, the Group had 3 projects that commenced construction, with a designed daily reusable water supply of 9,000 m<sup>3</sup> and a designed daily livestock and poultry manure treatment capacity of 300 tonnes; 1 project that completed construction; and 2 projects that completed construction and commenced operations, with a designed daily waste water treatment capacity of 25,000 m<sup>3</sup>. As at 30 June 2024, the Group had 9 projects in the preparatory stage, with a designed daily waste water treatment capacity of 483,000 m<sup>3</sup>.

In terms of capital market, during the Review Period, the Group managed its financing activities in an orderly manner, continuously reducing financial costs by optimising the loan tenures, currencies and interest rates, thus providing solid support for its development and operations. The Group also continued to enhance its collection of trade receivables to mitigate capital risks. In 1HFY2024, the Company issued the 2024 first tranche medium term notes and asset-backed securities, with a total principal amount of RMB3.5 billion.

**Mr. Tao Junjie, Executive Director and CEO of Everbright Water**, said: “In 1HFY2024, Everbright Water continued to progress with stability. With robust development momentum and continuously fostering its ‘water-related’ business, the Group achieved steady market expansion, significant improvements in operational efficiency, and maintained an overall healthy financial condition. These effectively drove the Group’s green, low-carbon, and high-quality development, further solidifying its industry-leading position. In the next step, the Group will unwaveringly promote green, low-carbon and high-quality development, by focusing on achieving its full-year tasks and goals; reinforcing the cultivation of corporate culture and safety and environmental management as the two core areas; prioritising four areas including cost control and efficiency enhancement, business

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expansion, and engineering construction; and ensuring six key pillars relating to talent, capital, technological innovation, etc.”

**Mr. Luan Zusheng, Non-Executive Director and Chairman of Everbright Water**, said: “Since the beginning of 2024, the Chinese economy has steadily recovered and is on a long-term upward trajectory. China remains a stable force for global economic growth and plays a crucial role in global efforts to combat climate change and achieve sustainable development goals. The Group firmly believes that the global consensus on addressing climate change will remain steadfast, as will China’s dedication to ‘Building a Beautiful China’, pursuing high-quality development with a high-quality ecological environment. The Chinese environmental protection industry is embracing a new journey with new opportunities, new concepts, and new directions. Looking forward, the Group will remain committed to its core mission of providing clear and sustainable water management solutions, maintain unwavering confidence, embrace responsibility, and advance with courage and determination. Adhering to the principle of ‘Making Progress with Stability and Promoting Stability through Progress’, the Group will develop a new growth model with ‘One Body and Two Wings’, continue to strengthen its own advantages and actively pursue development breakthroughs. With the goal of becoming China’s leading operational service provider in the ‘water-related’ business, the Group will advance with determination and support China’s strategic goals with vigour, while pursuing a new business growth with a focus on greenness, low carbon, and high quality.”

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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 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 13 provinces, municipalities and autonomous regions, namely Beijing, Tianjin, Hebei, Jiangsu, Zhejiang, Shandong, Shaanxi, Henan, Hubei, Liaoning, Guangdong, Guangxi Zhuang Autonomous Region, and Inner Mongolia Autonomous Region. The Company also has a business presence in Mauritius. To date, the Company’s designed daily water treatment capacity is approximately 7.67 million m<sup>3</sup>.

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

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