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## **CHINA EVERBRIGHT WATER LIMITED**

**中國光大水務有限公司**

*(Incorporated in Bermuda with limited liability)*

(Hong Kong Stock Code: 1857)

(Singapore Stock Code: U9E)

### **RESPONSES TO QUESTIONS RECEIVED FROM SHAREHOLDERS**

China Everbright Water Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) would like to thank all the shareholders of the Company (the “**Shareholders**”) who submitted their questions in advance of the Company’s Annual General Meeting (the “**AGM**”) which will be held at Pan Pacific Singapore, Ocean 4 & 5 Room, Level 2, 7 Raffles Boulevard, Marina Square, Singapore 039595 on Wednesday, 23 April 2025 at 9:30 a.m. (Singapore time).

The Company’s responses to the questions received from the Shareholders are set out below.

#### **Questions received from the Shareholders:**

- 1. As disclosed on page 237 of the Company’s 2024 Annual Report, as at 31 December 2024, trade receivables amounted to HK\$5.293 billion, of which HK\$1.849 billion had been overdue for more than 13 months. This represents an increase compared to the figure as at 31 December 2023. Please provide the collection rate of trade receivables in 2024.**
- 2. It has been observed that the Company has ceased disclosing the collection rate of trade receivables in the results presentation. Could you please clarify the reason for this? We propose reinstating this disclosure to provide the Shareholders with a better understanding of the Company’s efforts and commitment to collecting customer payments.**

## **The Company’s consolidated response to the above questions:**

The Group has a business presence across 13 provinces, municipalities and autonomous regions in China. The varying financial conditions in these regions do have an impact on the collection of trade receivables.

In terms of policy trends, the Chinese government has placed significant importance on addressing overdue trade receivables in the environmental protection sector. Special meetings were convened last year to tackle the issue faced by enterprises in respect of overdue trade receivables, with a clear directive to resolve the outstanding balance of trade receivables. At the same time, the government announced a special refinancing bond issuance plan aimed at resolving local government debt through the “swap of existing implicit debt”. Additionally, in the fourth quarter of 2024, the People’s Bank of China introduced a robust monetary easing policy. These national-level macro policies have created favourable conditions for the recovery of outstanding trade receivables.

In response to relevant challenges and pressures, the Group has in recent years made the collection of trade receivables a top priority. The Group has implemented a range of strategies to closely monitor the progress of trade receivable collections and ensure a smooth and orderly process. These strategies include holding regular specialised meetings to analyse the overall status of trade receivables, formulating specific working plans and collection strategies, and refining performance evaluation criteria related to trade receivables collections. As a result, the Group’s collection rate of trade receivables has gradually improved, rising from 72% in 2022 to 79% in 2024.

The Group remains committed to the importance of information disclosure. With reference to industry peers and market expectations, the Group regularly reviews the content and format of its disclosure, striving to communicate key financial information to the Shareholders in a clear and effective manner. The Group recognises the Shareholders’ concerns on the collection of trade receivables. In response, it has arranged to directly address these concerns at the AGM and has resumed in-person engagements with the Shareholders following the COVID-19 pandemic.

To provide the Shareholders with a clearer understanding of the Company’s efforts and commitment in this area, the Group’s responsive measures for managing trade receivables risk are outlined in the “Chief Executive Officer’s Report” on page 34 of the Company’s 2024 Annual Report.

Looking ahead, the Group will continue to enhance its disclosure mechanisms in light of industry practices and market demands, so as to maintain a high standard of transparency and to meet the information disclosure expectation of the Shareholders.

## **IMPORTANT NOTICE**

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By Order of the Board  
**China Everbright Water Limited**  
**Kwan Yun Fui**  
*Legal Counsel and Joint Company Secretary*

Hong Kong and Singapore, 17 April 2025

*As at the date of this announcement, the board of directors of the Company comprises: (i) a non-executive director, namely Mr. Luan Zusheng (Chairman); (ii) two executive directors, namely Mr. Tao Junjie (Chief Executive Officer) and Mr. Wang Yuexing; and (iii) five independent non-executive directors, namely Mr. Zhai Haitao, Ms. Hao Gang, Mr. Ng Joo Hee Peter, Mr. Soh Kok Leong and Ms. Chan Pui Shan Sandy.*