

Press Release
Everbright Water Announces 2022 Annual Results
Financial Highlights

(HK\$'000)	For the year ended 31 December		Change (increase/ decrease)
	2022	2021	
Revenue	6,727,967	6,912,371	(3%)
Gross profit	2,563,987	2,801,589	(8%)
Gross profit margin (%)	38	41	(3ppt*)
EBITDA	2,180,523	2,245,235	(3%)
Profit attributable to equity holders of the Company	1,010,565	1,200,329	(16%)
Basic earnings per share (HK cents)	35.32	41.96	(16%)
Final dividend per share (HK cents) (equivalent to Singapore cents)	5.14 0.86	6.83 1.19	(25%) (28%)
Total dividend per share (HK cents) (equivalent to Singapore cents)	10.59 1.84	12.58 2.20	(16%) (16%)

* ppt: percentage point

Singapore and Hong Kong, 28 February 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, today announced the consolidated annual results of the Company and its subsidiaries (collectively the “Group”) for the financial year ended 31 December 2022 (“FY2022” or “year under review”).

In terms of operating results for FY2022, the Group maintained the development momentum of high-quality and steady progress, and recorded a revenue of HK\$6.73 billion, representing a slight decrease of 3% from HK\$6.91 billion for the financial year ended 31 December 2021 (“FY2021”);

earnings before interest, taxes, depreciation and amortisation (“EBITDA”) were HK\$2.18 billion, representing a slight decrease of 3% from HK\$2.25 billion in FY2021; profit attributable to equity holders of the Company reached HK\$1.01 billion, representing a decline of 16% from HK\$1.20 billion in FY2021; basic earnings per share were HK35.32 cents, indicating a decrease of HK6.64 cents or 16% from HK41.96 cents in FY2021; overall gross profit margin was 38%, down 3 percentage points compared to FY2021. The Group has ready access to diverse long- and short-term financing channels, holds quality assets and sufficient funds with a reasonable gearing ratio, and is in a healthy financial position.

In relation to market expansion for FY2022, while focusing on the “water” business as its fundamental and the “water-related business” for development, the Group further solidified and deepened its footprints in its traditional business areas despite intense market competition. In the meantime, the Group broke its records in terms of the number and type of its asset-light business. Among which, it secured 2 overseas technological processes, demonstrating its actions in response to China’s “Belt and Road” initiative. In addition, by tapping on its specialised teams to conduct research on the various “water-related” industries and to explore its new business directions, the Group successfully implemented new projects in the fields of industrial waste water treatment and sludge treatment and disposal. During the year under review, the Group invested in and secured 10 projects with an investment of approximately RMB1.309 billion, covering municipal waste water treatment, industrial waste water treatment, reusable water and sludge treatment and disposal, with an increase in the designed daily waste water treatment capacity of 111,000 m³, a daily reusable water supply capacity of 50,000 m³, and a daily sludge treatment capacity of 625 tonnes. In addition, it undertook various asset-light projects and services, such as engineering, procurement and construction (“EPC”), operation and management (“O&M”), equipment supply and technical services, with a total contract value of approximately RMB595 million. Among which, the newly-undertaken O&M projects contribute a designed daily waste water treatment capacity of 26,500 m³.

As at 31 December 2022, the Group invested in and held 161 environmental protection projects, with a total investment of approximately RMB29.60 billion. In addition, it undertook various asset-light projects and services, such as O&M, EPC and equipment supply, with an aggregate contract



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value of approximately RMB936 million. All these projects have an aggregate designed daily water treatment capacity of approximately 7.25 million m³ (including treatment capacity of the O&M projects).

In terms of technological innovation, by emphasising on “Development Driven by Technological Innovation”, and making clear direction on the principle of “Taking a Market-Oriented Approach, Facilitating Project Needs, and Creating Value”, the Group boosted its efforts in the implementation of relevant works. In FY2022, the Group focused on its technological areas including the synergy between pollution and carbon reduction, monitoring and calculation of carbon emissions, ozone-oxygen separation, freeze-drying crystallisation and concentration, and developed a number of technological processes, which have been applied to various projects within and outside the Group. During the year under review, the Group provided its in-house developed technological processes to internal and external clients, which amounted to a total contract value of approximately RMB326 million; and was newly granted 33 patents and published 4 technical papers.

In the aspect of operations management for FY2022, by carrying out practical experiments on “Cost Reduction and Efficiency Enhancement”, the Group achieved a steady reduction in project operating costs and a continuous increase in operating income. On the one hand, by carrying out various deployment works for its operating projects, the Group actively followed China’s strategic goals of “Peaking Carbon Emissions” and “Achieving Carbon Neutrality”. Through collaboration with local enterprises, the Group introduced alternative carbon sources, such as expired beverages, to reduce chemical consumption and project operating costs. The Group enhanced the implementation of its in-plant solar energy pilot programme and had completed the installation of 6 sets of solar power generation facilities at its projects, with the total capacity of such facilities installed in the pilot project plant areas exceeding 8 MW. The Group also tapped the potential of its water projects in Tianjin Municipality, and adopted measures such as in-plant solar energy, waste water thermal energy extraction, direct supply of reusable water to the community and sludge resource utilisation, which improved the recycling level of water resources and their by-products and facilitated the development of low-carbon demonstration projects. On the other hand, the Group continued to promote the development and application of information technology, completed the upgrading of its operations



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management system, and applied the system across its operating projects. It also implemented intelligent water source management and introduced the first intelligent operation means such as sampling by unmanned ships and image analysis of water source scenes. In FY2022, 8 waste water treatment plants of the Group received regulatory approval for tariff hikes, ranging from 3% to 39%, and subsidies of approximately RMB45 million in total were granted to the Group. Moreover, the Group treated approximately 1.770 billion m³ of waste water treatment and supplied approximately 43.63 million m³ of reusable water during FY2022.

In relation to project construction for FY2022, under various pressures from the impact of the novel coronavirus (“COVID-19”) pandemic and the continuous rise in material prices, the Group paid close attention to cost savings, implemented dynamic construction management in depth, strengthened budget supervision throughout the whole construction process and implemented projects in an orderly manner while ensuring the construction quality. This fully demonstrated the Group’s excellent engineering efficiency and project construction quality. During the year under review, the Group had 5 projects that commenced construction, with a designed daily waste water treatment capacity of 150,000 m³; 1 project that completed construction; and 3 projects that completed construction and commenced operation, with a designed daily waste water treatment capacity of 190,000 m³. As at 31 December 2022, the Group had 18 projects in the preparatory stage, with an aggregate designed daily waste water treatment capacity of 407,000 m³ and a designed daily sludge treatment and disposal capacity of 625 tonnes.

In terms of the capital market for FY2022, the Group actively explored and broadened its financing channels, aiming to continuously enhance the diversification of its financing instrument portfolio, liquidity level and capital structure, while effectively reducing financing costs and providing capital security for its future sustainable development. During the year under review, the Company successfully issued super and short-term commercial papers, medium-term notes (“MTN”) and perpetual MTN, which not only further enriched its experience in debt financing, but also marked the first equity financing arrangement in recent years, thus freeing up more room for the Group to flexibly deploy multiple financing tools and reasonably control financing costs in the future.



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Mr. Tao Junjie, Executive Director and CEO of Everbright Water, said: “In 2022, despite the external difficulties and challenges, Everbright Water adhered to the principle of pursuing steady progress. It proactively adopted various measures to overcome and reduce the negative impact on its business operation brought by various external challenges, such as the recurrence of the COVID-19 pandemic, shrinking market demand, intensified industry competition, and high operating costs. The Group carried out all aspects of work in an orderly manner, including market expansion, technological innovation, operations management and engineering construction, and recorded steady operating results. Stepping into 2023, the Group will focus on the traditional and new business directions, enhance technological and digital empowerment, and strengthen its operations, engineering, finance, procurement and safety and environmental management proficiencies, in a bid to build a new development paradigm.”

Mr. Hu Yanguo, Executive Director and Chairman of Everbright Water, said: “In 2022, Everbright Water worked hard to overcome the challenges, and all the achievements have not been easy. The industry adjustments guide and inspire relevant enterprises to explore and discover new development paths, apart from their traditional development models that are driven by investments. Moving forward, the environmental protection enterprises shall create their ‘second growth curves’ based on their own characteristics and needs, and by relying on new businesses, new models, new technologies, and new products and services. This will drive the next round of high-quality and sustainable development. Looking forward, the Group will continue to uphold its corporate value of ‘Creating Better Investment Value and Undertaking More Social Responsibility’, maintain its strategic stability despite difficulties and challenges, insist on seeking steady progress, and further implement the five development concepts of ‘Innovation, Coordination, Green, Openness and Sharing’. The Group will steadily implement the development vision of ‘Creating Value to Industries through Various Water-related Businesses’, in a bid to serve the national strategies with a higher status, bigger picture, longer vision and more practical actions.”

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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 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 7.2 million m³.

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

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