

2025 Annual General Meeting

April 2025
China Everbright Water Limited

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01 Financial Review



(HK\$'000)	Full Year Ended 31 December		Year-on-Year ("YoY") Change (increase/(decrease))
	2024	2023	
Revenue	6,851,918	6,704,684	2%
Gross Profit	2,617,462	2,822,383	(7%)
Gross Profit Margin (%)	38	42	(4ppt*)
EBITDA[#]	2,197,255	2,469,511	(11%)
Profit Attributable to Equity Holders of the Company	1,019,609	1,187,412	(14%)
Basic Earnings per Share (HK cents)	35.64	41.51	(14%)
Final Dividend per Share (HK cents) (equivalent to Singapore cent(s))	5.81	5.81	No Change
	1.02	0.99	3%
Full-year Dividend per Share (HK cents) (equivalent to Singapore cents)	11.90	12.44	(4%)
	2.07	2.12	(2%)

* ppt.: percentage point

[#] EBITDA: Earnings before interest, taxes, depreciation and amortisation

(HK\$'000)	As at 31/12/2024	As at 31/12/2023	YoY Change (increase/(decrease))
Total Assets	35,889,362	34,220,661	5%
Total Liabilities	21,897,684	20,768,319	5%
Equity Attributable to Equity Holders of the Company	11,835,120	11,406,121	4%
Gearing Ratio (%) (total liabilities/total assets)	61.0	60.7	0.3ppt*
Return on Shareholders' Equity (%)	8.8	10.6	(1.8ppt*)
Dividend Payout Ratio (%)	33	30	3ppt*

- The Company holds quality assets and has ready access to various financing channels with a reasonable gearing ratio, and is in a healthy financial position.
- The constant and steady dividend payout over the years demonstrates the Company's adherence to its philosophy of "sharing fruitful operating results with its shareholders".

*ppt: percentage point

(HK\$'000)	As at 31/12/2024	As at 31/12/2023	YoY Change (increase/(decrease))
Short-term Borrowings	4,181,329	4,606,893	(9%)
Long-term Borrowings	12,208,281	10,798,480	13%
Total Borrowings[#]	16,389,610	15,405,373	6%
Current Ratio (%)	132	121	11ppt*
Unutilised Banking Facilities	3,627,433	1,603,579	126%
Bank Deposit Balance and Cash	1,847,805	1,881,401	(2%)
Cash and Banking Facilities Available[#]	5,475,238	3,484,980	57%

- As at 31 December 2024, the Group's bank deposit balance and cash were abundant, with the unutilised banking facilities of approx. HK\$3.627 billion, providing solid capital support for the Group's future development.
- As at 31 December 2024, the Group's total borrowings were approx. HK\$16.390 billion, with long-term borrowings accounting for 74% of the total.

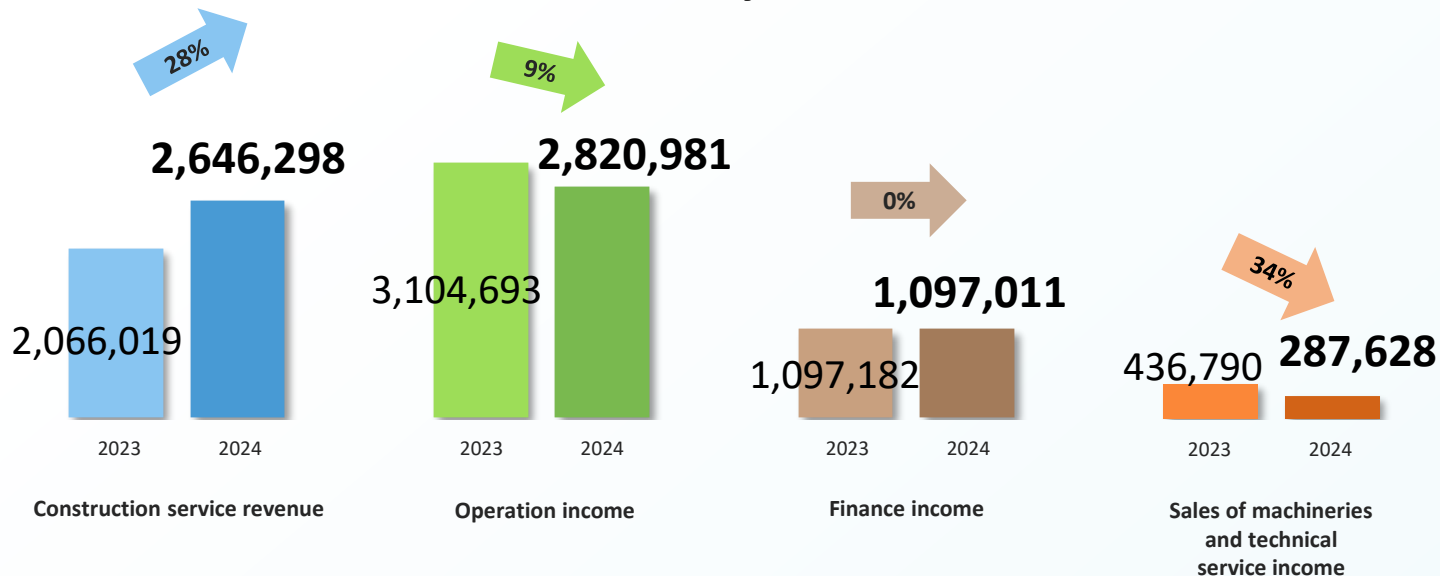
[#]Total borrowings = short-term borrowings + long-term borrowings

Cash and banking facilities available = unutilised banking facilities + bank deposit balance and cash

*ppt: percentage point

Revenue Analysis by Categories for the Full-year Period

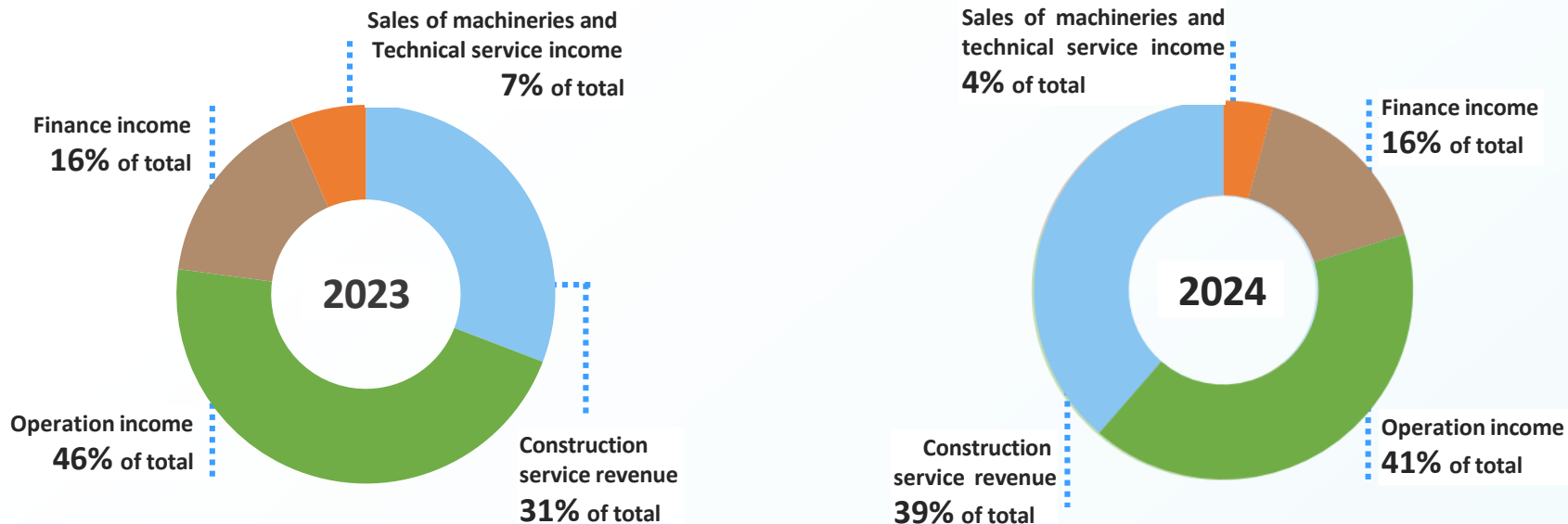
(HK\$'000)



Total revenue in 2024: HK\$6,851,918,000

Total revenue in 2023: HK\$6,704,684,000

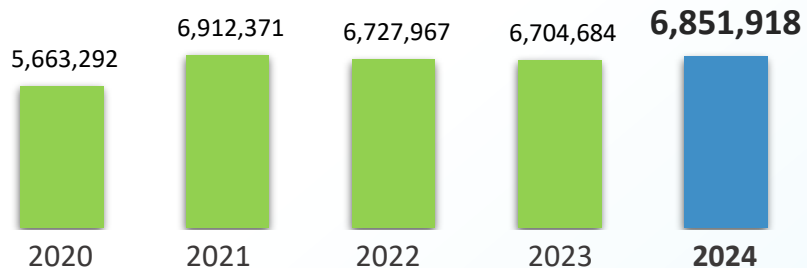
Proportion of Revenue in Each Category for the Full-year Period



- In 2024, as the Group's projects in the preparatory stage gradually commenced construction, the number of construction projects increased during the year, and the proportion of construction service revenue increased compared to 2023.
- Following the completion of construction and commencement of operation for projects currently in the preparatory stage or under construction, the operation income of the Group is expected to gradually increase in the future.

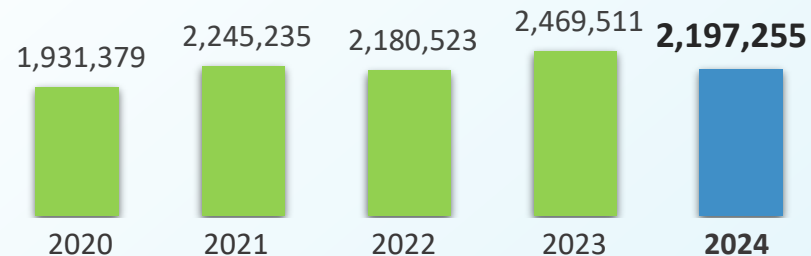
Revenue

(HK\$'000)



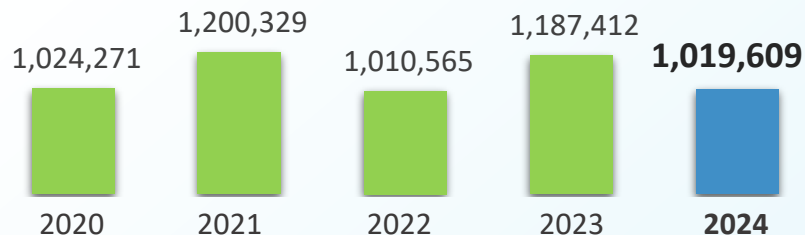
EBITDA

(HK\$'000)



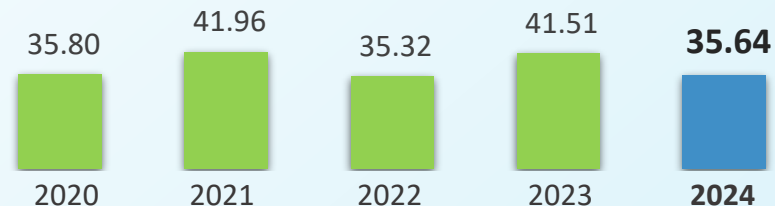
Profit Attributable to Equity Holders of the Company

(HK\$'000)



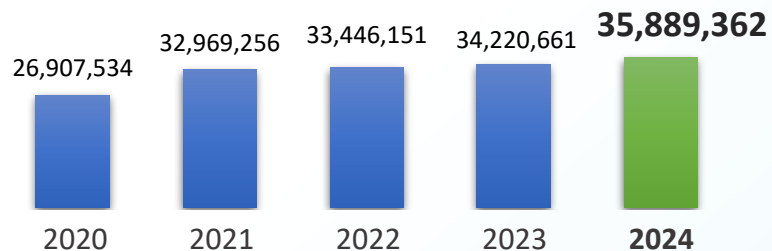
Basic Earnings per Share

(HK\$'000)

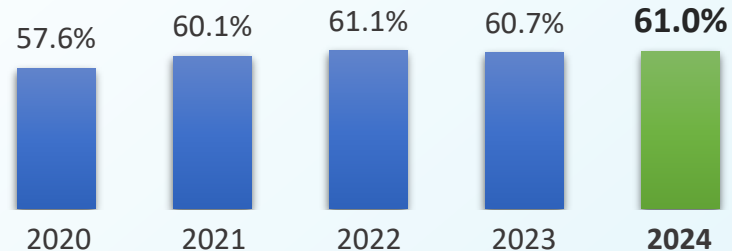


Total Assets

(HK\$'000)

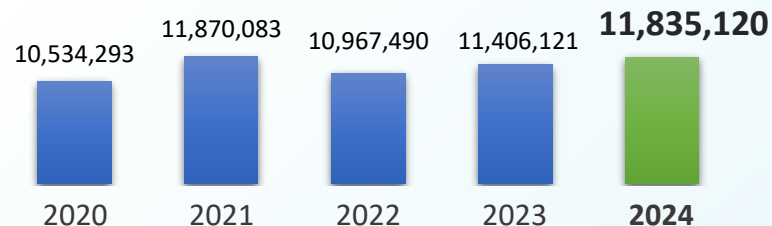


Gearing Ratio

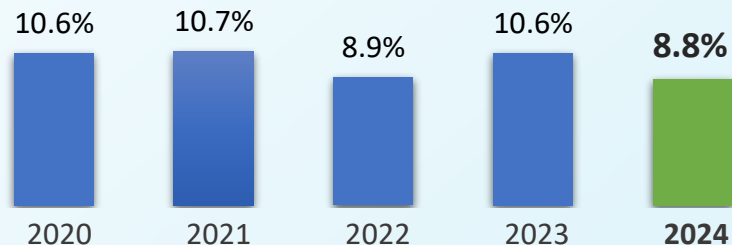


Equity Attributable to Equity Holders of the Company

(HK\$'000)



Return on Shareholders' Equity



02 Operating Results



2024 Operating Results

– Positive Momentum in Market Expansion

In 2024, Everbright Water adopted strategies that focused on strengthening its existing business areas and exploring new business fields while balancing both asset-light and asset-heavy businesses to foster synergistic growth.

Market in mainland China:

In terms of project investment, the Group reinforced its traditional business strength through investments and implementation of several municipal waste water treatment (“WWT”) projects, including Anyang Municipal WWT Centre Phase I Project in Henan Province.

In terms of asset-light business, the Group further improved synergistic development of both asset-light and asset-heavy businesses by achieving deeper integration of its technical service entities. Additionally, the Group secured Jiangsu Jiangyin Lingang Industrial WWT Plant and Ancillary Pipeline Network Phase I EPCO (Engineering Design-Procurement-Construction-Operation) Project, as well as Zhengzhou Airport Economy Zone WWT (Plant 4) Construction, Operation and Management (“O&M”) Project in Henan Province, expanding its business scope to include comprehensive industrial park WWT services.

Markets outside mainland China:

The Group strengthened its business expansion team for markets outside mainland China and optimised the relevant systems, with a particular focus on identifying expansion opportunities in regions such as Southeast and Central Asia.

The Group secured several asset-light projects, including a water supply equipment service project in Bengkulu, Indonesia, and a technological process service for a petrochemical WWT project in Egypt.

A Memorandum of Understanding was signed to explore opportunities for cooperation in the industrial estate of Siak Regency, Riau Province, Indonesia. The signing was supported by a delegation of relevant business representatives, with the aim of fostering business exchanges and collaboration in the water sector.



Newly-added Water
Treatment Capacity
192,000 m³/day



New Investment
approx.
RMB896 million



New Contract Value
approx.
RMB1.033 billion

2024 Operating Results

– Stable Growth in Business Scale[#]

Business Footprint

The Group had a business presence in over 60 districts, counties and cities across **13 provinces, municipalities and autonomous regions** in China, in addition to **1 overseas market**.



Total Number of Investment Projects

The Group invested in and held **171 projects** and undertook various asset-light businesses, including 12 O&M services.

Total Project Investment

approx.
RMB31.675 billion



Total Designed Water Treatment and Supply Capacity*

exceeding
7.60 million m³ /day

[#] As at 31 December 2024

^{*} Including treatment capacities of O&M and EPCO projects

2024 Operating Results

– Continued Enhancement of Operational Quality and Efficiency

In 2024, Everbright Water leveraged digitalisation, innovative models, the “Five Innovations” initiative*, and other key initiatives to enhance project operations management, diversify income streams, and improve efficiency, further exploring an operational service model that integrates operation, technology and data.

Cost control and efficiency enhancement

Some of the Group’s projects implemented energy management contracting, making technological energy-saving improvements to reduce costs and increase efficiency.

Some projects of the Group recycled residual oxygen to generate additional profit.

The Group further refined evaluation criteria for star-rated factories, continuously improving the quality and efficiency of intelligent water plant construction.

Based on industry exchanges and in-depth learning, the Group explored the development of a “dark factory” technical framework and an implementation roadmap that meets the Group’s needs. As of now, three WWT plants of the Group have ceased night shift operation.

Increase of revenue sources and efficiency enhancement

The Group further solidified the “Solar Power +” model that integrates new energy with environmental protection business scenarios. As at 31 December 2024, 7 projects of the Group had seen their solar power facilities commence operation, with a total installed capacity of approx. 14 MWp, generating over 13 million kWh of green electricity per annum.

Guangdong Nanxiong Livestock and Poultry Manure Resource Utilisation Project, as the Group’s first demonstration project in the area of “rural non-point source pollution management + comprehensive resource utilisation”, was completed and put into operation in 2024, laying a solid foundation for the Group to create new business growth.

Water treatment/supply volume[#]

The volume of waste water treated was approx. 1.763 billion m³, an increase of approx. 1% as compared with 2023.

The volume of reusable water supplied was approx. 48.50 million m³, an increase of approx. 6.5% as compared with 2023.

Tariff hikes/subsidies[#]

Five WWT plants of the Group received regulatory approval for tariff hike, ranging from 6% to 87%.

Subsidies of approx. RMB41 million in total were granted to the Group.

* The “Five Innovations” initiative refers to small inventions, small transformations, small innovations, small designs, and small suggestions

[#] In 2024

In 2024, Everbright Water focused on comprehensive management of projects under construction and in the planning stage, ensuring the orderly progress of all construction activities.



The Group closely monitored the construction of key projects to maximise investment returns.

It prioritised key projects, coordinating various resources, and reasonably advancing the construction of the projects.

It also improved procurement efficiency by optimising equipment selection and centralised purchasing. Construction costs have been effectively reduced through streamlined construction plans and enhanced on-site management.



The Group intensified the “Triple Three” safety and environmental management approach* to enforce accountability for safety and environmental management.

Nearly 60 project general managers and chief commanders of projects under construction passed the annual safety and environmental management qualification exam on the first attempt, further reinforcing their accountability for ensuring safe production.

The Group achieved the “three zeros” goal – zero incident in safety, environment, and occupational health – across all construction projects for the third consecutive year.

* The “Triple Three” safety and environmental management approach consists of three “Knows”, three “Understands” and three “Efforts”. Among them, the three “Knows” refer to knowing individual responsibilities, corporate risks, and channels and measures related to safety and environmental management; the three “Understands” involve understanding harmfulness of relevant accidents and incidents, the dynamic nature of such risks, and the exemplary role of safety and environmental management; and the three “Efforts” focus on enhancing the recognition and participation of safety and environmental management practices, improving intrinsic safety and environmental management level, and bolstering response capabilities in relevant emergency situations.

In 2024, Everbright Water focused on technology empowerment, driving technology research and innovation to address market pain points and challenges, while strengthening the application and commercialisation of technological innovation achievements.

Empowerment for development

Focusing on operational and technical improvements, the Group made progress in areas such as aerator cleaning in WWT projects, insitu sludge reduction technology, and sulfur-based autotrophic biological denitrification pilot experiment and research, further promoting cost reduction and efficiency enhancement in project operations.

Targeting specific areas relating to industrial waste water, one research and development base was established in Nanjing, Jiangsu Province, and another in Zibo, Shandong Province. These facilities provide technical support for business development and project operations.

Technological processes

Through follow-up technical services and systematic analysis of relevant issues, the Group actively refined and improved the quality of its self-developed technological processes. In 2024, it delivered a range of technological processes to both internal and external clients, with a total contract value of approx. RMB124 million.

Patents

The Group was newly granted 48 patents (including 8 invention patents) and published 2 key research papers.

2024 Operating Results

– Smooth Financing Channels

Issuance of 2024 First Tranche Medium Term Notes (“MTN”)

Principal amount	RMB1.5 billion
Maturity period	5 years*
Interest rate	2.80%
Subscription rate	3.07 times
Use of proceeds	To replenish the working capital of the Company’s subsidiaries and repay the interest-bearing debts of the Group
Credit rating	The 2024 first tranche MTN and Everbright Water (as the issuer) had each been given a credit rating of “AAA”

Issuance of Asset-Backed Securities (“ABS”)

Principal amount	RMB2 billion <ul style="list-style-type: none">• Preference ABS: RMB1.9 billion• Subordinate ABS: RMB100 million
Maturity period	The preference ABS is classified into 7 classes, with maturity periods ranging from approx. 1 to 9 years
Composite interest rate	2.67% (Preference ABS)
Subscription rate	3.04 times
Use of proceeds	To repay the loans borrowed by the Group (in line with its financial management approach of replacing high-interest loans with low-interest ones) and replenish the Group’s working capital
Credit rating	The preference ABS had been given a credit rating of “AAAsf”

* With an interest rate adjustment option to be exercised by the Company and a resale option to be exercised by the noteholders at the end of the third interest-bearing year

Issuance of 2025 First Tranche MTN

Principal amount	RMB1.5 billion
Maturity period	5 years*
Interest rate	1.78%
Subscription rate	3.52 times
Use of proceeds	To replenish the working capital of the Company
Credit rating	The 2025 first tranche MTN and Everbright Water (as the issuer) had each been given a credit rating of “AAA”.

The 2025 First Tranche MTN have set a record-low interest rate for all the panda bonds with a three-year maturity period issued in the market.

Issuance of 2025 Second Tranche MTN

Principal amount	RMB1.0 billion
Maturity period	5 years*
Interest rate	1.90%
Subscription rate	3.28 times
Use of proceeds	To repay the outstanding debts of the Company
Credit rating	The 2025 second tranche MTN and Everbright Water (as the issuer) had each been given a credit rating of “AAA”.

* With an interest rate adjustment option to be exercised by the Company and a resale option to be exercised by the noteholders at the end of the third interest-bearing year

03 Business Prospects





* The Two Sessions refer to the annual meetings of the National People’s Congress and the Chinese People’s Political Consultative Conference National Committee

China’s Economy on the Rise

Implementing a more proactive and effective fiscal policy

The 2025 GDP growth target is set at approx. 5%.

Fiscal deficit is projected at RMB5.66 trillion, an increase of RMB1.6 trillion compared to 2024.

Launch of issuance plans for special treasury bonds and local government special bonds.

- Ultra-long special treasury bonds: RMB1.3 trillion (an increase of RMB300 billion compared to 2024)
- Special treasury bonds: RMB500 billion
- Local government special bonds: RMB4.4 trillion (an increase of RMB500 billion from 2024, with a focus on addressing outstanding payments owed by local governments to enterprises, etc.)
- The total debt scale: an increase of RMB2.9 trillion compared to 2024.

Implementing a moderately accommodative monetary policy

Optimise and innovate structural monetary policy tools to strengthen support for technological innovation, green development, major national projects and programs, security capacity in key areas, large-scale equipment renewals, trade-in of old consumer goods, and other areas.

Further improve the transmission channels of the monetary policy, enhance the interest rate formation and transmission mechanism, implement the policy of loan rollover without principal repayment, and strengthen credit enhancement, risk-sharing, and other support measures.

Promote a reduction in the overall cost of social financing and improve the accessibility and convenience of financial services.

Improvement in WWT Service Fees

- It is proposed to increase the local government debt ceiling by RMB6 trillion to swap existing implicit debt (RMB2 trillion per annum from 2024 to 2026);
- Starting from 2024, an amount of RMB800 billion from newly issued local government special bonds for five consecutive years will be allocated to supplement government fund resources, specifically for debt resolution and to implement a long-term mechanism to address the issue of arrears owed to enterprises.

(The *Opinions on Further Resolving the Risks of Implicit Local Government Debt* by the State Council in China)

Construction of Pilot Zones for Building a “Beautiful China”

- A tiered and categorised approach is emphasised for building “Beautiful China” Pilot Zones at the regional, provincial, and municipal levels;
- Regions: approx. five provinces, around 50 cities, and 100 counties will receive key support;
- By the end of 2027, a number of achievements in both practical innovation and institutional reforms are expected to be realised.

(The *Implementation Opinions on Constructing Pilot Zones for Building a Beautiful China* by the Ministry of Ecology and Environment of the PRC)

Building a “Beautiful Countryside”

- By 2027, the proportion of counties with fully developed “Beautiful Countryside” will reach 40%; and an additional 60,000 administrative villages will complete environmental improvements.
- By 2035, the construction of “Beautiful Countryside” will be fundamentally completed, preserving the charm of birdsong, blooming flowers, and scenic rural landscapes, creating a countryside where people can live and work in peace and contentment.

(The *Implementation Plan for Building a Beautiful Countryside* by the Ministry of Agriculture and Rural Affairs of the PRC)

China’s “Dual Carbons” * Strategic Goals

- Promoting the deep integration of new energy and environmental protection.
- Accelerating the application of digitalisation and smart technologies to enhance the value creation of existing assets.

New Investment Opportunities within and outside China

- Upholding an open and mutually beneficial approach, actively exploring and seizing new opportunities for investment and development both domestically and internationally.

* The term “Dual Carbons” refers to Peaking Carbon Dioxide Emissions and Achieving Carbon Neutrality.

Driving endogenous growth

Enhancement of efforts to collect trade receivables

- To strengthen the implementation of emergency management and control mechanisms for the collection of trade receivables.
- To effectively utilise debt resolution policies.
- To explore diversified approaches to mitigate risks, such as extension of concession periods and asset swaps.

Improvement of quality and efficiency of existing assets

- To deeply integrate and synergise existing projects with new energy initiatives.
- To enhance the application of digital and intelligent technologies through measures such as precision aeration and “dark factory” operations.
- To further integrate and extend the upstream and downstream industrial chain, enhancing its deployment and layout.
- To improve and enrich the utilisation of resources, such as reusable water, sludge, and transform the traditional services into products such as energy management, to increase diversified revenue streams.

Facilitating external development

Precise and effective expansion

- To promote the simultaneous development of both asset-light and asset-heavy businesses.
- To strengthen collaboration with local environmental protection groups and government platforms and explore diversified business cooperation models.
- To strengthen business expansion in markets outside mainland China, particularly Southeast Asia.
- To strengthen efforts in innovating and exploring investment models to identify new business growth opportunities.

Technology-driven business

- To transit towards a business model focused on technology and product development.
- To drive technology-driven innovation through forward-looking, proactive, and practical strategies.

Leveraging the “Dual Excellence” Comprehensive Management to Promote the Sustainable and Healthy Development of the Group

Talent Development

To focus on key positions, cultivate innovative talents, and develop training mechanisms

Capital Management

To leverage the more favourable monetary policy environment in reducing financing costs and optimising capital utilisation efficiency

New-Quality Productive Forces

To drive technological innovation and industrial upgrading, cultivate a workforce aligned with new-quality productive forces, and utilise new types of labour information and workforces, to facilitate the green, low-carbon and high-quality development of the Group



Safety and Environmental Management

To strengthen safety and environmental management practices, and enhance their quality and effectiveness, to facilitate the Group’s high-quality development

Incentive Mechanism

To optimise long-term incentive mechanisms and drive organic growth within the Group

Corporate Culture

To cultivate a corporate culture of “Upholding the Laws, Promoting Accountability, and Pursuing Dream”

04 Q&A Session



EVERBRIGHT
WATER

05 AGM Resolutions



- **Resolution 1:** To receive and consider the Directors' Statement and Audited Financial Statements of the Company for the financial year ended 31 December 2024 and the Auditors' Report thereon.
- **Resolution 2:** To declare and pay a final one-tier tax exempt dividend of 5.81 Hong Kong cents (equivalent to 1.02 Singapore cents) per ordinary share for the financial year ended 31 December 2024 as recommended by the board (the "Board") of directors (the "Directors") of the Company.
- **Resolution 3:** To approve the payment of Directors' fees of S\$357,582 for the financial year ended 31 December 2024 (2023: S\$340,000).
- **Resolution 4:** To re-elect Mr. Tao Junjie, Ms. Hao Gang and Ms. Chan Pui Shan Sandy pursuant to Bye-law 86(1) or Bye-law 85(6) (as the case may be) of the Company's Bye-laws, and who, being eligible, will offer themselves for re-election as the Directors.

- **Resolution 5:** To re-appoint KPMG LLP and KPMG as the Auditors of the Company in Singapore and Hong Kong respectively, to hold office until the conclusion of the next Annual General Meeting and to authorise the Board to fix their remunerations.
- **Resolution 6:** Authority to allot and issue shares.
- **Resolution 7:** Authority to allot and issue shares under the China Everbright Water Limited Scrip Dividend Scheme.
- **Resolution 8:** Renewal of the share buy-back mandate.
- **Resolution 9:** Renewal of the interested person transaction mandate.



**DEDICATED TO
CLEAR WATER**

CLEAR WATER
DEDICATED TO