

## EVERBRIGHT GREENTECH ANNOUNCES 2018 INTERIM RESULTS

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### LAYING A SOLID FOUNDATION AND KEEPING PACE WITH TIMES

#### Financial Highlights

	For the six months ended		
	<b>2018</b> <b>HK\$'000</b>	<b>2017</b> <b>HK\$'000</b>	Change
Revenue	<b>3,152,907</b>	2,047,075	54%
Gross Profit	<b>986,379</b>	660,444	49%
EBITDA	<b>1,029,065</b>	713,064	44%
Profit attributable to equity shareholders of the Company	<b>644,703</b>	457,416	41%
Basic earnings per share (HK cents)	<b>31.20</b>	28.23	11%
	<b>At 30 Jun</b> <b>2018</b>	At 31 Dec 2017	Change
Cash on hand (HK\$ million)	<b>2,391</b>	3,343	(28)%
Total assets (HK\$ million)	<b>16,587</b>	14,432	15%
Asset-liability ratio (total liabilities over total assets)	<b>43%</b>	39%	4ppt
Current ratio (current assets over current liabilities)	<b>173%</b>	216%	(43)ppt

**Hong Kong, 6 August 2018** – China Everbright Greentech Limited (the “Company” or “Everbright Greentech”, and together with its subsidiaries, the “Group”) (SEHK: 1257) today announced its unaudited interim results for the six months ended 30 June 2018.

The year of 2018 is the commencing year for China’s full implementation of the principles of the 19th National Congress of the Communist Party, as well as a crucial year for the further

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implementation of “13th Five-year Plan” underpinned by ongoing execution of existing initiatives and commencement of new ones. The report of the 19th National Congress of the Communist Party expressly stated that, in the new era, the idea of “Lucid waters and lush mountains are invaluable assets” must be firmly established and put into practice through the rigorous implementation of an ecological protection system. Subsequently, a number of heavy-weight policy documents on environmental protection came into effect in 2018 in a significant move to step up with reforms of the ecological civilisation regime and drive green development, providing robust driving force for a new cycle of demand of environment-related services.

In 2018, the Group acted in tandem with new trends to seize opportunities afforded by the nation’s strong efforts in pollution treatment. Solid progress was made as we pressed ahead with the development of our principal businesses, which include integrated biomass utilisation, hazardous waste treatment, environmental remediation, solar energy and wind power, in an efficient and pragmatic manner, and recorded encouraging growth in revenue and profitability. The Group’s revenue from construction services reached a historical high as compared to the same periods of previous years, thanks to enhanced management of the projects at the preparatory stage and steady progress of project construction. In connection with project operation services, revenues from the operational service segment continued to growth in line with the sustained increase in the volume of projects processed.

For the period under review, the Group’s revenue amounted to approximately HK\$3,152,907,000, an increase of 54% over HK\$2,047,075,000 for the same period last year. EBITDA amounted to approximately HK\$1,029,065,000, an increase of 44% over HK\$713,064,000 for the same period last year. Profit attributable to equity shareholders of the Company for the period was approximately HK\$644,703,000, 41% more than HK\$457,416,000 recorded for the same period last year. Basic earnings per share for the first half of 2018 amounted to HK31.20 cents, HK2.97 cents more than HK28.23 cents for the same period last year. The Group had ample cash flow and ready access to various financing options, as it reported sound financial indicators across the board.

In terms of market development, the Group continued its business expansion with strong momentum during the first half of the year and reported encouraging results. The Group launched a record-high number of new projects during the period under review, it secured 12 new projects involving a total investment of approximately RMB3.162 billion (including Anqing Solid Waste Integrated Treatment Project, in which 49% interests held by the Group, with an investment amount of approximately RMB576 million). Such new projects included 3 integrated biomass and waste-to-energy projects, 2 biomass electricity and heat cogeneration projects, 5 hazardous waste

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treatment projects and 2 environmental remediation projects. Our aggregate power generation designed capacity was increased by 85.5MW, while our biomass processing designed capacity, household waste treatment designed capacity and hazardous waste treatment designed capacity were increased by approximately 580,000 tonnes per year, 1,300 tonnes per day and 217,000 tonnes per year, respectively. In addition, the Group has not only achieved a breakthrough in expansion of scope of business by successfully securing 2 new environmental remediation projects, but also made a breakthrough in new regions by including debuts in the environmental markets of 5 new provinces, namely, Hebei, Zhejiang, Gansu, Fujian and Liaoning, which enlarged the geographic coverage of the Group's environmental business in China to 14 provinces/municipalities, as a result, further consolidating the Group's industry position.

Among such projects, there were 2 environmental remediation projects involving contract amounts of approximately RMB48.18 million which were principally engaged in the provision of investigation, risk assessment and restoration services relating to site pollution by industrial parks and household waste landfill, all developed on an EPC (Engineering-Procurement-Construction) basis.

In terms of project construction, the Group upheld the principle of "Excellence in Quality, Standard, Technology and Efficiency" in its engineering operations, as it carried on with its project construction in a steady manner. During the period under review, 10 projects started construction, 25 projects were under construction at one point and 7 projects completed and commenced operation, all of which represented record high levels. As at 30 June 2018, the Group had 18 projects under construction which are scheduled to be completed and commenced operations in the second half of 2018 and in 2019.

As at 30 June 2018, the Group had 93 environmental protection projects involving a total investment of approximately RMB23.089 billion (including Anqing Solid Waste Integrated Treatment Project, in which 49% interests held by the Group, with an investment amount of approximately RMB576 million), 38 completed and operating projects involving a total investment of approximately RMB8.145 billion, 18 projects under construction involving a total investment of approximately RMB5.281 billion and 37 projects in the preparatory stage involving a total investment of approximately RMB9.663 billion.

### **Integrated Biomass Utilisation**

During the period under review, the Group had 19 integrated biomass utilisation projects in operation, generating approximately 1,085,128,000kWh of on-grid electricity, an increase of 78% over the same period last year. Approximately 1,310,000 tonnes of biomass raw materials and

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344,000 tonnes of household wastes were processed, representing increases of 74% and 310%, respectively, over the same period last year. The Group supplied approximately 139,000 tonnes of steam during the period under review, an increase of 104% over the same period last year. The Group had 13 integrated biomass utilisation projects under construction with an aggregate power generation designed capacity of 327MW, annual biomass processing designed capacity of approximately 2,550,000 tonnes and daily household waste processing designed capacity of approximately 2,200 tonnes.

During the period under review, EBITDA of the Group's integrated biomass utilisation projects was approximately HK\$735,120,000, an increase of 43% over the same period last year. Net profit contributions from the integrated biomass utilisation projects amounted to approximately HK\$466,059,000, an increase of 36% over the same period last year. The increase in profit reflected mainly the increase in revenue generated from construction services in tandem with the steady progress of several projects under construction during the period under review, as well as the substantial increase in revenue generated from project operation services in line with ongoing growth in the aggregate volume of on-grid electricity supplied by the projects.

### **Hazardous Waste Treatment**

During the period under review, the Group had 10 hazardous waste treatment projects in operation processing safe disposal of approximately 69,000 tonnes of hazardous wastes, an increase of 25% over the same period last year. There were 4 hazardous waste treatment projects under construction with an aggregate annual processing designed capacity of 100,000 tonnes.

During the period under review, the Group's hazardous waste treatment projects contributed an EBITDA of approximately HK\$204,350,000, an increase of 61% over the same period last year. Hazardous waste treatment projects contributed net profit attributable of approximately HK\$142,295,000, an increase of 57% over the same period last year. The increase in profit was mainly attributable to stable business development and the increase in aggregate processing capacity of our operating projects.

### **Environmental Remediation**

Environmental remediation represents a new business segment of the Group covering restoration of industrial contaminated sites, restoration of contaminated farmland, restoration of mines and landfills, treatment of industrial gas emission, integrated treatment of oil sludge, treatment of river/lake sediments and industrial sludge, construction and operation of wetland parks,

environmental housekeeping services and anti-seepage at landfill sites.

During the period under review, the Group was making strong efforts to win new projects as a key task for the year. As at 30 June 2018, the Group had secured 2 environmental remediation projects, both of which are located in Jiangsu Province, with a total contract amount of approximately RMB48.18 million, including 1 project under construction with a contract amount of approximately RMB25.99 million for the restoration of polluted sites with a total area of approximately 74,000 square metres.

### **Solar Energy and Wind Power**

During the period under review, the Group's solar energy and wind power projects sold approximately 172,272,000 kWh electricity, generating EBITDA of approximately HK\$130,708,000, an increase of 23% over the same period last year. Solar energy and wind power projects contributed net profit attributable of approximately HK\$68,478,000, an increase of 17% over the same period last year. The increase in profit was attributable to the increase in on-grid electricity of wind power projects.

**Mr. QIAN Xiaodong, CEO of Everbright Greentech**, said, "During the first half of 2018, fully supported by China Everbright Group ("Everbright Group") and our controlling shareholder, China Everbright International Limited ("Everbright International"), the Group delivered satisfactory results. Going forward, we shall continue to promote technological, business and management innovations, and be committed to achieving business sustainable development by extending our value chain, deepening our market penetration and broadening our business scope synchronously. Meanwhile, the Group will continuously promote the idea of green development to more new counties and cities by launching our innovative business model-- urban-rural integration into more new districts and regions, as well as enhance its influence in the industry through such premium model."

**Mr. WANG Tianyi, CEO of Everbright International and Chairman of Everbright Greentech**, said, "The year of 2018 will be an extraordinary year in the building of ecological civilisation in China. Contents relating to "ecological civilisation" have been incorporated into the Constitution; National Conference on Ecological and Environmental Protection with the highest order ever seen has been held to further emphasise the importance of the building of ecological civilisation as a "fundamental blueprint" for the lasting development of the Chinese race; Environmental pollution prevention and control was listed as one of the three tough battles of the nation's economic work, indicating the development of environmental industry is going to next chapter. With the support of favourable

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government policies and the excellent guidance from the Company's management team, we are full of confidence in Everbright Greentech's development. We wish Everbright Greentech will remain true to our original aspiration and keep our mission firmly in mind, striving to become a leader in China's environmental industry with its extensive operating experience and strong market expansion capability."

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### **About China Everbright Greentech Limited**

China Everbright Greentech Limited is a specialty environmental protection service provider in China, focusing on biomass integrated utilisation, hazardous waste treatment, environmental remediation, solar energy and wind power. The Company was listed on the Main Board of The Stock Exchange of Hong Kong Limited ("Hong Kong Stock Exchange") on 8 May 2017. As of 31 December 2016, the Company's aggregate biomass power generation designed capacity ranked fourth in China, and its aggregate hazardous waste disposal designed capacity ranked third in China and the first in Eastern China. Everbright Greentech adheres to development driven by business innovation and initiated the country's urban-rural integration project. Its businesses span across 14 provinces and municipalities in China and Germany. Leveraging its unique and diversified business models, strategic layout, robust supply networks, a strong pipeline of projects, and high level of technologies and management capabilities, Everbright Greentech is well positioned in China's environmental protection service industry.

The Company's controlling shareholder, China Everbright International Limited ("Everbright International", a listed company on the Mainboard of the Hong Kong Stock Exchange, stock code: 257) is a leader in China's environmental protection industry, whereas China Everbright Group Ltd., the parent company of Everbright International, is a conglomerate among the Fortune Global 500.

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