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CHINA EVERBRIGHT ENVIRONMENT GROUP LIMITED

中國光大環境（集團）有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 257)

PROFIT WARNING

This announcement is made by China Everbright Environment Group Limited (the “**Company**”, together with its subsidiaries, collectively the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders and potential investors of the Company that based on a preliminary assessment of the unaudited consolidated management accounts of the Group, it is expected that the profit attributable to the equity holders of the Company for the year ended 31 December 2022 (the “**Year 2022**”) would record a decrease of approximately 30% to 35%, as compared with that for the year ended 31 December 2021. The decrease was primarily due to the following factors:

1. a substantial decrease in construction service revenue was recorded during the Year 2022, mainly resulting from a significant drop in the number of new projects in the industry; and
2. the Group has made a full goodwill impairment in the amount of approximately HK\$590 million for its subsidiaries in Poland during the Year 2022, which was mainly due to the sharply increasing rates of Poland government bonds, the severe inflation in Poland caused by geopolitical frictions and the substantially rising operating costs for the Poland project.

Against the backdrop of intense competition, the Group still maintained reasonable growth in its principal businesses. Based on the assessment of the unaudited consolidated management accounts of the Group, the Group maintained a good debt profile in the Year 2022. The Board considers that the overall financial, businesses and operating positions of the Group remain healthy, and is optimistic about the long-term growth and development of the Group.

The information contained in this announcement is based only on a preliminary assessment of the unaudited consolidated management accounts of the Group for the Year 2022, which have not been reviewed by the Audit Committee and audited by the auditor of the Company. The Company is finalising the consolidated financial results of the Group for the Year 2022, the actual information and data may differ from the information contained in this announcement. Shareholders and potential investors of the Company are advised to refer to the annual results announcement of the Group for the Year 2022, which is expected to be published in March 2023.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

By Order of the Board
China Everbright Environment Group Limited
Poon Yuen Ling
Company Secretary

Hong Kong, 24 February 2023

As at the date of this announcement, the Board comprises: (i) five Executive Directors, namely Mr. Huang Haiqing (Chairman of the Board), Mr. Luan Zusheng (Chief Executive Officer), Mr. Hu Yanguo (Vice President), Mr. Qian Xiaodong (Vice President) and Mr. An Xuesong (Vice President and Chief Financial Officer); and (ii) four Independent Non-executive Directors, namely Mr. Fan Yan Hok, Philip, Mr. Zhai Haitao, Mr. Suo Xuquan and Ms. Li Shuk Yin, Edwina.