

**DUAL CARBONS BLUEPRINT FOR A NEW GREEN CHAPTER**  
**EVERBRIGHT ENVIRONMENT ANNOUNCES 2022 INTERIM RESULTS**

Financial Highlights

	SIX MONTHS ENDED 30 JUNE		
	2022 HK\$'000	2021 HK\$'000	CHANGE
<b>REVENUE</b>	21,448,683	26,495,324	-19%
<b>GROSS PROFIT</b>	7,628,811	8,500,732	-10%
<b>EBITDA</b>	7,047,794	8,197,532	-14%
<b>PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY</b>	2,811,148	3,887,378	-28%
<b>BASIC EARNINGS PER SHARE (HK CENTS)</b>	45.76	63.28	-28%
<b>INTERIM DIVIDEND PER SHARE (HK CENTS)</b>	15.0	19.0	-21%

**17 August 2022, Hong Kong** – China Everbright Environment Group Limited (“Everbright Environment” or the “Company” ) (257.HK) announces its unaudited interim results of the Company and its subsidiaries (collectively the “Group” ) for the six months ended 30 June 2022 (the “period under review” ).

During the period under review, the Group, despite the severe external challenges, was committed to its original aspiration of carrying out “Green Business”, focused on its major businesses, and insisted on developing high-quality and efficient environmental protection projects and services to protect the living and ecological environment in various locales. At the same time, the Group kept focusing on the 4 major areas, namely environment, resources, energy and climate, paid attention to “Reduction of Pollution and Carbon Emissions” and “Pursuit of Synergy and Efficiency”, continued the innovation-driven development approach, and moved forward despite all pressures and difficulties. As a result, the Group steadily carried out the strategic transformation and high-quality development, solidifying its overall competitiveness and its industry-leading position.

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In terms of operating results, the Group continued to adhere to a “steady” pace of development, focused on pursuing high-quality development, and steadily carried out various works relating to development transformation, technological innovation, corporate governance, engineering construction, operations management and others. In the first half of 2022 (“1H2022”), the Group's revenue amounted to HK\$21,448,683,000, a decrease of 19% from the first half of 2021 (“1H2021”); EBITDA amounted to HK\$7,047,794,000, a decrease of 14% from 1H2021; profit attributable to equity holders of the Company amounted to HK\$2,811,148,000, a decrease of 28% from 1H2021; basic earnings per share amounted to HK45.76 cents, a decrease of 28% from 1H2021.

During the period under review, the Group recorded a total revenue of HK\$20,844,753,000 from its environmental energy, greentech and environmental water sectors, of which revenue from construction services decreased by 44% from 1H2021 to HK\$8,835,019,000, and revenue from operation services increased by 17% from 1H2021 to HK\$9,211,286,000. The revenue from construction services, operation services and finance income accounted for 43%, 44% and 13% of the total revenue, respectively. The proportion of operation service revenue in total revenue increased significantly.

In terms of market development, during the period under review, the Group continued to consolidate its traditional business areas of waste-to-energy, water environment management, hazardous and solid waste treatment and solar energy. It also actively continued the expansion of synergistic businesses, in the face of a more competitive external market environment. In the meantime, the Group stepped up efforts to promote the development of asset-light businesses, such as waste sorting, resource recycling and energy-saving lighting. In addition, the Group established adaptive workforces to actively explore and follow up high-quality business opportunities in Hong Kong. In 1H2022, the Group signed 14 new projects, commanding a total investment of approximately RMB1.757 billion. It also undertook 2 environmental remediation services, 1 waste sorting service, 4 engineering, procurement and construction (“EPC”) projects and 2 operation and management (“O&M”) projects, with an aggregate contract value of approximately RMB161 million. In addition, the Group, during the period under review, won the bidding for multiple environmental protection projects, covering businesses such as waste-to-energy, waste water treatment, end-of-life tyre integrated utilisation, in Hubei, Hunan, Guangxi, Anhui, Yunnan and other provinces.

As at 30 June 2022, the Group had a business presence in over 210 locations across 25 provinces, municipalities, autonomous regions and special administrative region in China, with overseas business markets in Germany, Poland, Vietnam and Mauritius. It secured a total of 540 environmental protection

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projects, with an aggregate investment of approximately RMB154.077 billion; it also undertook 44 environmental remediation services, 3 waste sorting services, 26 EPC projects, 5 energy management contract projects and 6 O&M projects. As the world's largest waste-to-energy investor and operator, the Group had a total of 178 waste-to-energy projects (including an O&M project) under its environmental energy and greentech sectors, with an aggregated designed daily household waste processing capacity of 151,200 tonnes.

In terms of project construction, during the period under review, the Group continued to adhere to the 7 principles of "Productivity, Efficiency, Quality, Cost-Effectiveness, Legitimacy, Safety and Integrity". It gave full play to the dynamic management of the construction progress of each project in relation to areas of safety, quality, cost and compliance, minimising negative effect brought by the COVID-19 pandemic (the "Pandemic") and ensuring the orderly progress of various project construction works. In 1H2022, 20 projects completed construction and commenced operation, and 3 projects completed construction. 2 environmental remediation services and 3 EPC projects were completed and delivered. There were also 27 projects (including EPC projects) commenced construction and 5 services of different types began execution.

In terms of operations management, during the period under review, the Group, with a focus on "Cost Reduction and Efficiency Enhancement" and "Value Creation", continued to uphold stringent project operations management standards. On the basis of ensuring stable operation and compliance with relevant emission standards, the Group developed its safety and environmental management system. It also proactively adopted digitalisation and intelligent management methods to further reduce operation costs, increase operation efficiency, and continuously boost revenue from operation services.

The Group continued to expand its financing channels during the period under review and built up a portfolio of both long- and short-term financing tools. In addition, the Group made greater efforts to collect various types of accounts receivables, negotiated with banks to secure additional facility support, and obtained various domestic subsidies amounting to RMB184 million. As at 30 June 2022, the Group had cash on hand amounting to HK\$14.713 billion, a reasonable gearing level and a healthy financial position.

The Group has made steady progress in exploring "Reduction of Pollution and Carbon Emissions" and "Pursuit of Synergy and Efficiency", with the guidance of the national "Dual Carbons" goal. The Group's equipment manufacturing sector further optimised the rooftop solar energy facilities of its plants to enhance solar energy generation capacity to supplement the electricity demand of

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the plants. The waste-to-energy projects under the environmental energy sector carried out a “low-carbon steam” pilot programme, which supplies industrial steam to enterprises in industrial parks where the projects are located, effectively increasing the source of green energy in the parks. The environmental water sector further promoted its “in-plant solar energy” pilot programme to multiple projects, which further increased the portion of green energy consumed against the overall energy consumption at the projects; additionally, the sector tapped waste water recycling potential from its projects to increase the source of green energy. The envirotech sector further optimised the Group’s carbon calculation model and completed calibration of the Group’s contribution of 4.98 million tonnes of greenhouse gas emission reduction in 2021; carried out technology research and development (“R&D”) relating to carbon capture, and completed the development of 100kg-level solid amine carbon dioxide (CO<sub>2</sub>) capture materials; actively promoted the pilot development of carbon assets for the Group’s projects; promoted the development of a carbon asset management information platform and developed modules for carbon emission monitoring, data analysis and emission reduction project management and other functions, for waste-to-energy projects.

**Mr. Luan Zusheng, Executive Director and Chief Executive Officer of Everbright Environment,** said, “During 1H2022, volatility resulting from the Pandemic continued to drag on the global economic recovery and various industries faced multiple challenges. Notwithstanding the impact of the Pandemic and the adverse impact on the market, Everbright Environment tackled all difficulties resolutely and made steady progress with various tasks executed steadily. The Group has further solidified its comprehensive strength and industry-leading position. On the one hand, the Group closely followed the relevant national development strategies and continued to expand its business layout in major strategic regions, which led to positive results. On the other hand, the Group was determined to reinforce its core businesses and foster transformation, with significant improvement achieved in revenue structure, continued success in transforming its businesses, and sustained enhancement in technological competitiveness. With the gradual improvement of the economic situation in the second half of the year, the Group will take full advantage of development opportunities and proactively explore the market. It will also enhance efforts to carry out reform and innovation, unleash management potential, as well as consider the implementation of major national strategies as an opportunity to comprehensively plan for a new chapter of development.”

**Mr. Huang Haiqing, Executive Director and Chairman of the Board of Everbright Environment,** said, “Since this year, in the face of a complex and volatile external situation and the intermittent rebound of the Pandemic, the Chinese economy has been facing the heavy burdens resulted from shrinking

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demand, supply shocks and weakening expectations. However, China is unwavering in its determination to prevent pollution, and achieve the ‘Dual Carbons’ goal and green and low-carbon development firmly and steadfastly. The long-term favourable trend of the environmental protection industry remains unchanged. As the economy recovers, the market will pick up, and with the measures to stabilise the economy taking effect, the environmental protection market is expected to see opportunities for a new round of development. As a leading player in the environmental protection industry in China and an active participant in the circular economy and sustainable development, Everbright Environment will uphold its corporate mission of being ‘Devoted to Ecology and Environment for a Beautiful China’ to actively grasp the trend of ‘Dual Carbons’, promote the strategic transformation and high-quality development, so as to better fulfill the needs of environmental protection services and products from the country, the society and the public.”

## Business Review by Sectors

### ENVIRONMENTAL ENERGY

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In 1H2022, environmental energy actively responded to the industry adjustments and changes in the market environment, focused on both the existing and potential markets, continuously adjusted its market expansion strategies, improved its industrial chain deployment, consolidated its competitive advantage and leading position in the waste-to-energy industry and carried out the high-quality development of the business. During the period under review, environmental energy secured 7 new projects for a total investment of approximately RMB1.150 billion. These include 1 waste-to-energy project; and 6 waste-to-energy synergistic projects involving food waste treatment, fly ash treatment, slag treatment, amongst others, which further strengthened the Group’s synergistic business development strategy for waste-to-energy to promote the business synergy and efficiency in general. The newly secured projects contributed a designed daily household waste processing capacity of 500 tonnes and a designed daily food waste processing capacity of 990 tonnes.

In terms of project construction, during the period under review, environmental energy had 17 projects that completed construction and commenced operation, with a total designed daily household waste processing capacity of 10,650 tonnes and a designed daily food waste processing capacity of 400 tonnes. 13 projects commenced construction, with a total designed daily household waste processing capacity of 2,050 tonnes, a designed daily food waste processing capacity of 640 tonnes.

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In relation to operations management, environmental energy continued to explore potential opportunities to reduce cost and increase efficiency, while increasing investment in areas related to intelligent power station. During the period under review, multiple intelligent power station-related projects, such as the fieldbus technology, unattended slag hanging control system, and automated programming system (APS) solution that could start or stop relevant equipment with one single click and other innovations were implemented and took effect, significantly improving the efficiency of operations management. In 1H2022, the average electricity generated per tonne of waste incinerated at environmental energy's waste-to-energy projects was approximately 470 kWh, with an integrated power consumption ratio of approximately 15%.

## GREENTECH

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As of 30 June 2022, the Group held a 69.7% stake in China Everbright Greentech Limited ("Everbright Greentech").

In terms of market development, in 1H2022, Everbright Greentech secured 4 new projects, which commanded a total investment of approximately RMB229 million. It also undertook 2 environmental remediation services, with a total contract value of approximately RMB77.85 million. The new projects are designed to have an annual hazardous and solid waste processing capacity of 1,500 tonnes, household waste processing capacity of 146,000 tonnes, and solar power installed capacity of 3.20 megawatt ("MW").

With respect to project construction, during the period under review, Everbright Greentech had 2 projects that had completed construction and commenced operation, in addition to 2 projects that had completed construction, contributing a designed annual hazardous and solid waste processing capacity of 180,000 tonnes and a designed solar power installed capacity of 1.15 MW. 2 environmental remediation services were completed and delivered in 1H2022. Besides, 7 projects commenced construction, with a designed annual household waste processing capacity of 365,000 tonnes, and a designed solar energy power installed capacity of 6.10 MW. 3 environmental remediation services started their respective remediation work in succession.

## ENVIRONMENTAL WATER

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As of 30 June 2022, the Group held a 72.87% stake in China Everbright Water Limited ("Everbright Water").

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In terms of market development, in 1H2022, Everbright Water secured 2 projects, with a total investment of approximately RMB361 million, and also undertook 2 O&M projects. The new projects (including the O&M projects) are designed to have a daily waste water treatment capacity of 70,000 m<sup>3</sup>, daily reusable water supply of 30,000 m<sup>3</sup>, and daily leachate treatment capacity of 1,500 m<sup>3</sup>.

In terms of project construction, during the period under review, Everbright Water had 1 project that completed construction and commenced operation, with a total designed daily water treatment capacity of 40,000 m<sup>3</sup>; 3 projects commenced construction, with a total designed daily water treatment capacity of 20,000 m<sup>3</sup>.

## EQUIPMENT MANUFACTURING

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In 1H2022, the Group's equipment manufacturing sector leveraged Everbright Environmental Technical Equipment (Changzhou) Limited as the main platform to actively establish a new development paradigm that integrates traditional and new businesses. The sector also explored the development of zero-carbon plants, which further solidified its industry-leading position.

In terms of market expansion, during the period under review, equipment manufacturing signed 9 external sales contracts and sold 8 sets of equipment to external markets, including 5 sets of grate furnaces and 3 sets of leachate treatment systems. It secured contracts relating to the external sale of complete sets of equipment, which amounted to a total contract value of RMB154 million. In the consumer market, positive progress was made in the sales of the sector's water purifier products.

In terms of equipment supply and services, during the period under review, equipment manufacturing commenced 11 service items. It provided 11 sets of grate furnaces to projects of the Group and external clients, which have a designed daily waste processing capacity of 5,300 tonnes in total. In addition, it sold 54 sets of equipment, covering grate furnace systems and leachate treatment systems.

In terms of after-sales services, during the period under review, equipment manufacturing signed 46 contracts in relation to external aftersales services, worth a total contract value of approximately RMB21.21 million. Throughout 1H2022, equipment manufacturing provided 115 after-sales service projects, including 81 internal ones and 34 external ones.

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During the period under review, equipment manufacturing continued to promote technology R&D and carried out a number of research projects, covering equipment, technologies and processes. The domestic selective catalytic reduction (SCR) technology was successfully applied to the Group's environmental protection projects in Zhejiang Province with satisfactory results. The Group completed the installation of the main equipment of the medical waste incineration technology in its environmental protection projects in Sichuan Province. The higher heating value water-cooled grate furnace system was successfully implemented in the Group's environmental protection projects in Anhui, Jiangsu and Sichuan Provinces, with installation and trial run of the equipment being gradually carried out. The R&D work of a set of equipment on solid waste treatment (processing capacity below 200 tonnes/day) was carried out in an orderly manner.

## ECO-RECYCLING

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In 1H2022, the Group's eco-recycling sector continued to closely follow the "Five Points in One Line" process model for waste sorting to expand markets, with a focus on 3 main business areas, namely waste sorting and zero-waste cities, environmental sanitation integration, and resource recycling.

The Group secured Jiangsu Yancheng Renewable Resources Project and undertook public restroom operation and maintenance service for the Miaogang of Qidu Town in the Wujiang District of Suzhou City, laying a solid foundation for the subsequent implementation of the environmental sanitation integration in Qidu town. In addition, it undertook the food and kitchen waste collection and transferring project in the Huaiyin District of Ji'nan City, Shandong Province, helping to achieve synergy at the back end with the Group's kitchen waste treatment project in Ji'nan, which is of big significance for the Group to carry out the collection and transferring of food waste and household waste in the future in Ji'nan. In addition, during the period under review, eco-recycling closely followed up on business opportunities involving waste sorting and environmental sanitation integration in Anhui, Jiangsu, Hubei, Guizhou, Yunnan and other provinces.

## GREENERGY

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In 1H2022, the Group's greenergy sector focused its efforts on R&D, design, manufacturing and sales of energy-saving healthy lighting products, to provide lighting services for urban streets, tourism sites and education purposes, as well as for the development of intelligent industrial parks and smart cities.

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In terms of market expansion, during the period under review, greenery signed 3 energy-saving lighting projects based on an EPC model in Ji'nan and Linyi Cities, with a contract value of approximately RMB16.80 million. The sector also signed 35 contracts for the direct sales of the Everbright New Sodium Lamps and other lighting products, with a contract value of approximately RMB4.55 million.

In terms of construction work, during the period under review, 2 EPC projects completed construction and 3 EPC projects commenced construction in an orderly manner.

In terms of product R&D, during the period under review, greenery carried out optimisation and upgrading of management systems and functions relating to its core products. The intelligent industrial park management platform has integrated the “Dual Carbons” management and other functions and successfully commenced a trial run at Greenergy Intelligent Industrial Park. The smart light poles management platform and system were applied in multiple projects. The smart gateway themes, single lamp controller, centralised controller and prefabricated equipment compartment with independent intellectual property rights began production and were applied in multiple projects. More function modules and types of products were added to the study desktop lamps and classroom lamps, which were also used by multiple projects of the Group.

## ENVIROTECH

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In 1H2022, being the Group's technology R&D and innovation engine, the envirotech sector continued leveraging its “Four-in-One” technological innovation and R&D layout with platforms in Hong Kong, Shenzhen, Nanjing and Qingdao City, to foster and accelerate the Group's strategic transformation, structure optimisation and new business development.

In terms of R&D layout, during the period under review, envirotech focused on the development of traditional business, new business and the future development needs, while promoting R&D work, with relevant R&D works covering various technological fields such as energy-saving and efficiency-enhancing technologies for waste-to-energy plants, advanced leachate treatment systems, core technologies relating to intelligent internet of things, satellite remote sensing carbon monitoring technologies, waste plastic pyrolysis technologies, efficient biomass pyrolysis and gasification technologies and technologies and equipment for waste incineration at small scales, which helped to build up momentum and provide technical support for the Group's business development.

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During the period under review, envirotech established the Frontier Technology Research Centre to explore the frontier directions related to clean energy substitution technologies, non-fossil raw material substitution technologies, waste high-value technologies, carbon capture and utilisation technologies and others, actively promoting the green and low-carbon transformation of the Group.

In 1H2022, the Group was granted 175 patents (including 132 utility patents, 18 invention patents, 13 software copyright licenses and 12 appearance patents). As of 30 June 2022, the Group had been granted 1,495 patents in total.

## ENVIRONMENTAL PLANNING

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In 1H2022, The Group's environmental planning sector leveraged the Everbright Ecological and Environmental Planning and Design Institute (the "Institute") as the main platform, focusing on environmental protection and energy, to build core technological capabilities, explore diversified business operations, enhance technical capabilities, and expand the business scope and industry chain.

During the period under review, the Institute continued to actively strive to meet the needs of the Group's other business sectors and undertake relevant services, while further strengthening its ability for market expansion and deployment. It signed multiple internal and external service contracts in the field of consulting and design, EPC and other fields, with a total contract value of approximately RMB93 million.

In terms of capacity enhancement, during the period under review, the Institute was involved in the uptake and application of new technologies in various environmental protection fields. In response to the Group's project construction needs, the Institute focused on design enhancement of the steel structures, and for the first time, the steel structure design of the Group's waste-to-energy project in Shihezi, Xinjiang Uygur Autonomous Region, was launched independently.

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### **About China Everbright Environment Group Limited**

China Everbright Environment Group Limited (“Everbright Environment”) is a backbone enterprise of China Everbright Group Ltd. Everbright Environment is listed on the Main Board of The Stock Exchange of Hong Kong Limited (“HKEX”) (257.HK). It has two listed subsidiary companies: China Everbright Greentech Limited, which is listed on HKEX (1257.HK), and China Everbright Water Limited, which is dual listed on Singapore Exchange Securities Trading Limited and HKEX (U9E.SG and 1857.HK). After over a decade of development, Everbright Environment has become the largest environmental protection company in China, a leading player in Asia’s environmental protection industry, as well as a world-renowned ecological and environmental management group. As China’s first one-stop integrated environmental solution provider, Everbright Environment focuses on the four areas of environment, resource, energy and climate, with main businesses covering waste-to-energy and integrated waste treatment, biomass power generation, hazardous and solid waste treatment, environmental remediation, water environment management, equipment manufacturing, waste sorting, environmental sanitation integration, resource recycling, development of zero-waste cities, energy-saving lighting, analysis and testing, research and development relating to green technologies, ecological and environmental planning and designing, as well as environmental protection industrial parks. Everbright Environment has a business presence in over 210 locations across 25 provinces, municipalities, autonomous regions and special administrative region in China, as well as in Germany, Poland, Vietnam and Mauritius.

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