



光大绿色环保
Everbright Greentech

(Incorporated in the Cayman Islands with limited liability)
Stock Code:1257

2024 Annual Results Presentation

March 2025



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CONTENT

- 01 Financial Analysis
- 02 Operation Performance
- 03 Business Outlook

01

Financial Analysis

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HK\$' million	2024	2023	Change
Revenue	<u>6,977</u>	7,417	-6%
EBITDA	<u>994</u>	1,454	-32%
Loss attributable to equity shareholders	<u>(415)</u>	(302)	+38%
Basic loss per share (HK cents)	<u>(20.1)</u>	(14.6)	+38%
No final dividend. Full-year dividend per share (HK cents)	<u>1.4</u>	2.5	-1.1

- In 2024, the Company's revenue was HK\$6,977 million, down 6% year-on-year, with construction services revenue declining 65% and operation services revenue remaining flat;
- EBITDA was HK\$994 million, down 32% year-on-year, primarily due to the decline in construction revenue, weaker demand for hazardous and solid waste treatment, and continued reduction in unit treatment fee in 2024;
- Loss attributable to equity shareholders was HK\$415million, down 38% year-on-year, primarily due to the impairment related to the hazardous waste's sector fixed assets and national tariff subsidies receivables.

HK\$' million	As at 31/12/2024	As at 31/12/2023	Change
Total assets	<u>36,332</u>	39,757	-9%
Total liabilities	<u>24,669</u>	27,401	-10%
Equity attributable to equity shareholders	<u>9,610</u>	11,271	-15%
Current ratio (%)	<u>125.40</u>	111.90	13.5ppt
Gearing ratio (Total liabilities/Total assets) (%)	<u>67.90</u>	68.92	-1.02ppt

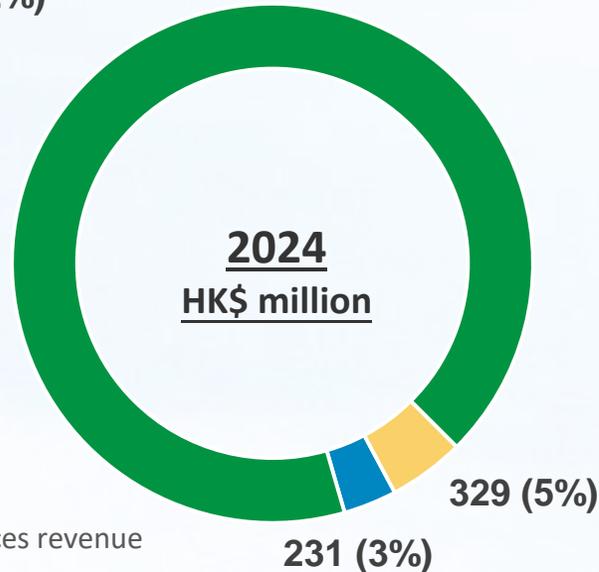
- As of 31 Dec 2024, the total assets and liabilities decreased by 9% and 10% respectively, compared to the end of last year. Meanwhile, shareholders' equity decreased by 15% over the same period;
- The gearing ratio decreased by 1.02 percentage points to 67.9% compared to the end of last year, while the current ratio increased by 13.5 percentage points to 125.4%;
- The recovery of national tariff subsidies has improved in an orderly manner, with a total of RMB 1.491 billion received for the year (excluding ABN). Financial position remains robust.

HK\$' million	As at 31/12/2024		As at 31/12/2023		Change
Short-term loans	<u>7,718</u>	37%	10,214	44%	-24%
Long-term loans	<u>13,282</u>	63%	12,918	56%	3%
Total loans	<u>21,000</u>		23,132		-9%
Unused bank loan facilities	<u>6,832</u>		6,884		-1%
Total loan facilities	<u>27,832</u>		30,016		-7%
Cash and bank balances	<u>1,674</u>		2,379		-30%
Available cash and unused bank loan facilities	<u>8,506</u>		9,263		-8%
	<u>As at 31/12/2024</u>		As at 31/12/2023		
Effective interest rate	<u>3.5%</u>		3.72%		-0.22ppt

- Short-term loans decreased from HK\$10.214 billion in 2023 to HK\$7.718 billion in 2024, a yoy decrease of 24%, mainly due to the receipt of national tariff subsidies of approximately RMB1.491 billion in 2024 and reduced the drawdowns on short-term bank loans this year;
- Seizing the historic opportunity brought by the multiple reductions in the domestic LPR this year, the Group continued to push the interest rate down on project company's bank loans. Simultaneously, against the global backdrop of a gradual slowdown in interest rate cuts in US dollars, the Group actively pursued the exchange of offshore Hong Kong dollar loans for Renminbi loans. In addition, the Group issued two tranches of ordinary medium-term notes totalling RMB2 billion, achieved record-low issuance rates for the same type of bonds during the same period. As a result, the effective interest rate on interest-bearing liabilities decreased by 0.22 ppts yoy.

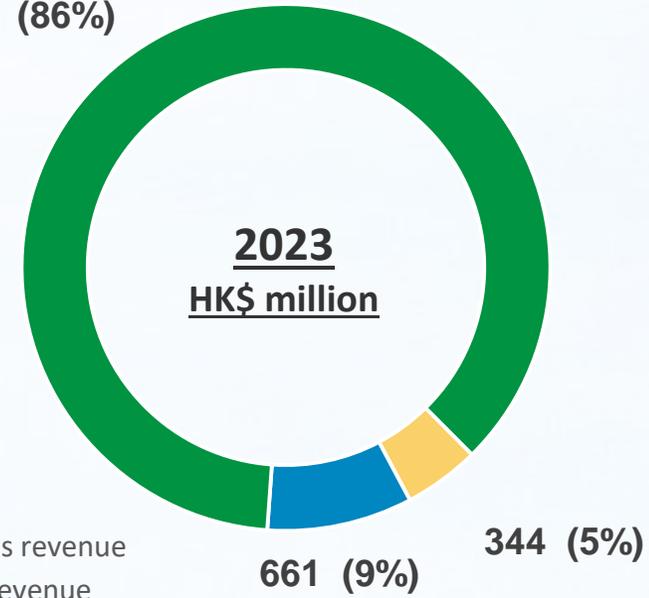
Improved Quality in Operation Revenue

6417 (92%)



- Construction services revenue
- Operation services revenue
- Finance income

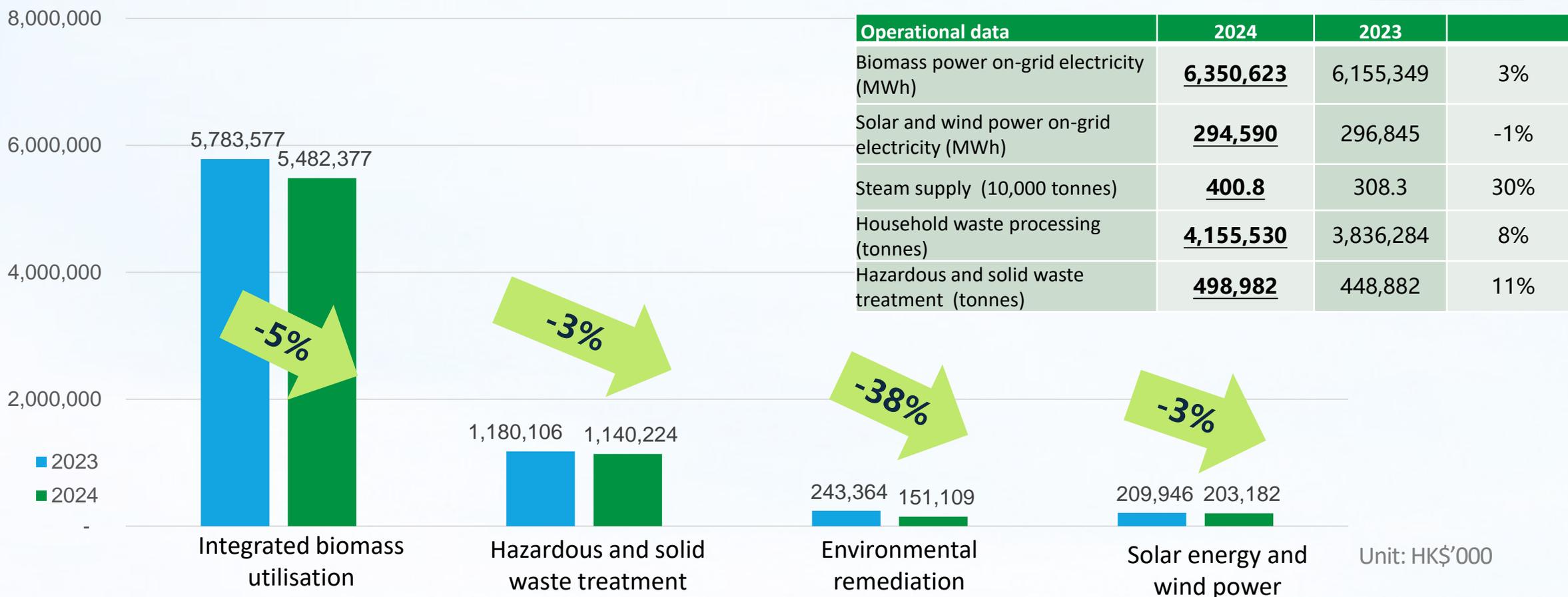
6413
(86%)



- Construction services revenue
- Operation services revenue
- Finance income

- During the period, the operation services revenue remained flat compared to the same period last year, and its proportion increased by 6 percentage points compared to the same period last year;
- The proportion of construction services revenue decreased by 6 percentage points from 9% in the same period last year to 3%, primarily due to the reduction in projects under construction compared to the same period of last year.

Analysis of Segment Revenue



Operational data	2024	2023	Change (%)
Biomass power on-grid electricity (MWh)	6,350,623	6,155,349	3%
Solar and wind power on-grid electricity (MWh)	294,590	296,845	-1%
Steam supply (10,000 tonnes)	400.8	308.3	30%
Household waste processing (tonnes)	4,155,530	3,836,284	8%
Hazardous and solid waste treatment (tonnes)	498,982	448,882	11%

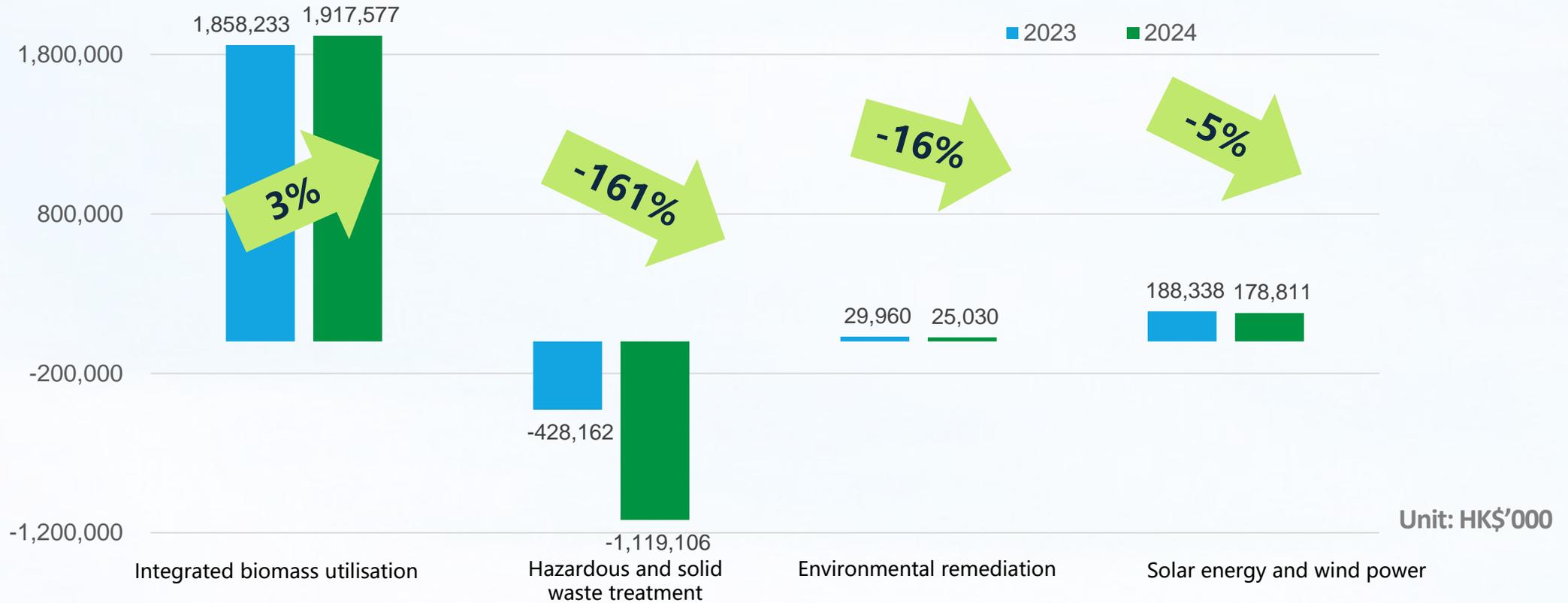
While on-grid electricity increased up by 3% yoy and waste processing volume increased by 8% yoy, revenue decreased due to fewer projects under construction.

Construction services revenue decreased by 100%, with no profits from ongoing projects during the period.

Revenue decreased by 38%, primarily due to a 32% decrease in orders contract value in 2024, amounting to RMB113 million, compared to last year.

2 new solar operation projects achieved a 60% increase in on-grid electricity compared to last year. However, wind power projects saw a yoy decrease in on-grid electricity, mainly due to the reduction in wind resources and a significant increase in shutdowns caused by cold weather compared to last year.

Analysis of Segment EBITDA



EBITDA of integrated biomass utilisation increased by 3%, and while profit from construction projects decreased by 69% yoy, net operating profit increased by 39.3% yoy, primarily due to a significant 30% increase in the volume of steam supplied.

EBITDA of hazardous and solid waste treatment decreased by 161%. The primary reason is that the unit prices in the domestic hazardous waste and solid waste disposal market have continued to decline, with certain projects continued to operate at a loss, resulting in impairment losses on intangible assets, property, plant and equipment, goodwill, and right-of-use assets.

EBITDA of environmental remediation decreased by 16%. The comprehensive gross margin for projects in 2024 reached 26%, a 6% increase from last year. However, the gross margin increase was insufficient to offset the earnings decline.

EBITDA of solar energy and wind power decreased by 5%, primarily due to a 1% yoy decrease in on-grid electricity during the year.

Subsequent Event - Green Finance

Issuance of carbon neutral ABS

- Issue size: RMB653 million
- Issue term: expected 1.57 years
- Premium class issue rate: 1.79%
- Subordinated class size: RMB23 million

Issuance of perpetual medium-term notes

- Issue size: RMB1 billion
- Issue term: 3+N years
- Fixed rate for first three years: 2.39%

□ Improve assets and liabilities

Optimising the gearing ratio and accelerating the turnover of assets will enhance the Company's financial stability and give impetus to sustainable development.

□ Enhance Capital Liquidity

Enhancement of capital liquidity will enable the Company to deploy funds in a flexible manner to meet the capital needs for business development and improve overall operational efficiency.

□ Manage trade receivables

Implement “off-balance sheet” management of trade receivables to lower its balance, reduce capital tie-up, enhance operational efficiency and optimise financial structure.

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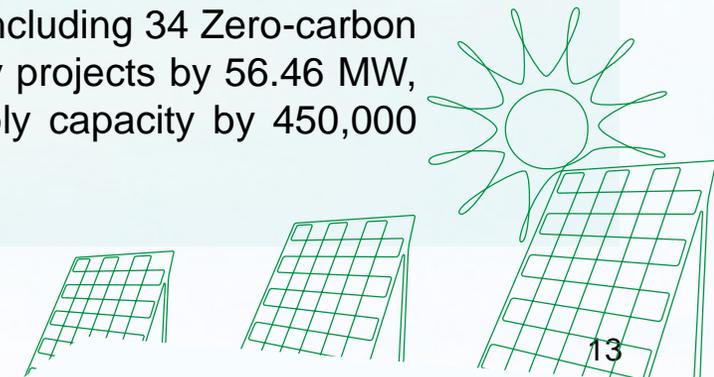
Operation Performance

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Progress steadily through strategic transformation and achievement

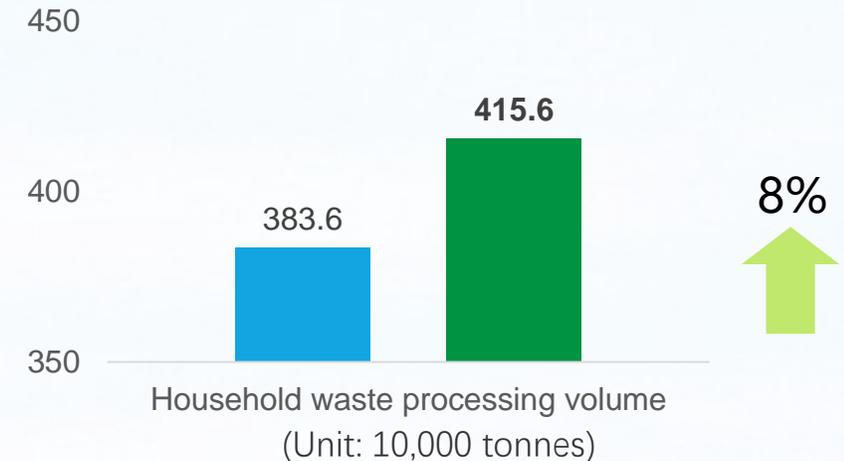
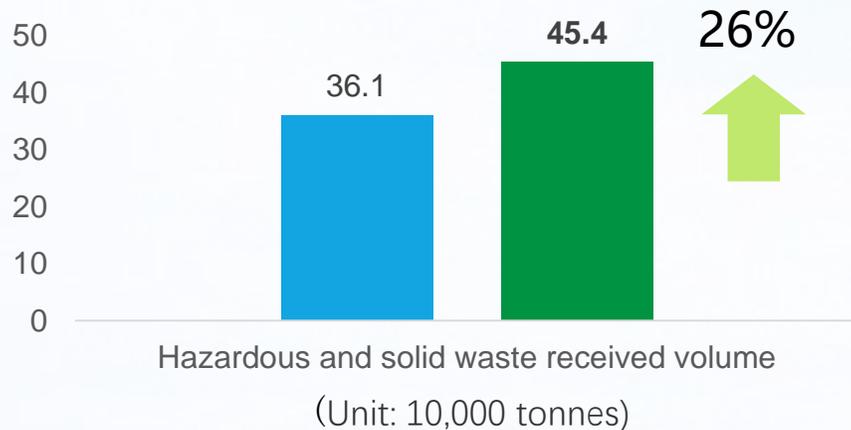
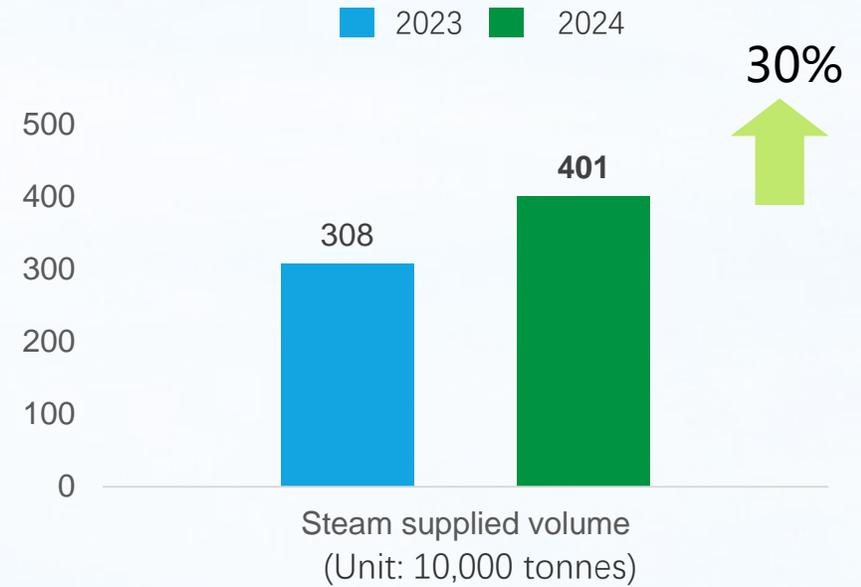
- Focusing on the national “Dual Carbon” goal and implementing the clean energy strategy, the Group focused its efforts on facilitating the integrated biomass utilisation to the high-value frontier sectors such as natural gas production, sugar production, alcohol production, aviation fuel production, protein production and biomass organic fertiliser production, aiming to achieve a comprehensive transformation of the profitability model of the biomass industry;
- With an intensive focus on the power trade and green energy markets, the Group will leverage the “Source-Grid-Load-Storage Integration” model to deploy a series of projects of “Zero-carbon Industry Park + Virtual Power Plant” comprising “solar energy storage and charging, cooling, heating and power cogeneration, hydrogen cloud carbon” as core operations in the central and western regions and also overseas. To date, 4 zero-carbon industry parks have been established, and the first transaction of 700 million kWh of electricity has been completed;
- In 2024, we secured 14 new projects and entered into 1 supplementary agreement (including 34 Zero-carbon Industry Park projects), increased the installed capacity of its distributed solar energy projects by 56.46 MW, installed capacity of user energy storage by 12.2 MW / 24.4 MWh, and heat supply capacity by 450,000 tonnes / year.





Operational Management – Quality & Efficiency Enhancement

Biomass power generation



Exploring new resources, reducing consumption, and unlocking untapped potential

- Full effort in exploring steam supply market to enhance cashflow from projects;
- Intensive exploration of local biomass resources and effective control of secondary fuel cost to optimise fuel quality and squeeze costs;
- In response to national policies, the Group actively participated in green power trading and completed the transaction of approximately 30,000 green certificates (each representing 1,000 kwh of green electricity) during the year;
- More effective sharing of resources through coordinated regional management has enhanced our competitive advantage in general.



Steam supplied
volume
Yoy **30%** 



Fuel procurement costs
Yoy **8%** 



Fuel localisation rate
80%

Fuel moisture and ash

Dual decrease

Maximize cost reduction through streamlining and burden relief

- Active effort to overcome unfavourable factors such as decline in overall volume of industrial waste generation in the market and escalating competition, fully leveraging our advantage in scale and delicacy management;
- Through targeted “One Enterprise, One Policy” initiative, the Group has optimised its organisational structure and pursued transformation opportunities in light of the actual circumstances of projects, thereby reducing the burdens on development caused by inefficient and non-performing assets;
- By implementing multiple practical technology upgrade measures, the Group has enhanced delicacy management and continuously optimized project efficiency;
- Ongoing enhancement of effectiveness of our mechanism of “Large Market, Large Customer” and implementation of cost-cutting measures in proactive response to the challenges of the continuing downward market.



Hazardous and solid waste treatment volume

453,748 tonnes



Unit cost for hazardous and solid waste treatment

Yoy **21%**



Hazardous and solid waste acquisition volume

Yoy **39%**



Financial Planning – Reinforcing Financial Security

Focused on capital management to achieve positive liquidity cash flow



Issuance of medium-term notes

- During the year, three tranches of medium-term notes were successfully issued totalling RMB3 billion, with the coupon rates of the three issues hitting historic lows for the same type of products in the current period.



Interest rate effectively lowered

- During the period under review, the interest rate for our existing domestic loans was effectively squeezed;
- Active effort to optimise domestic / offshore financing mix;
- Effective interest rate controlled at a lower level through application of a diverse range of financing instruments.



Management of trade receivables enhanced

- Establishment of a long-term monitoring mechanism for trade receivables, co-ordination of capital management and consolidation of financial protection;
- The recovery rate of trade receivables other than national tariff subsidies reached 98%;
- Operating cash flow reached a historic high and for the first time, we recorded positive liquidity cash flow this year.

Enhancing technological R&D to empower frontline production

Strengthening innovative ability

During the year, 7 invention patents and 5 utility model patents were newly added. The Group held 118 authorised patents, including 48 invention patents, 65 utility model patents and 5 software copyrights.

Focusing on the "Dual Carbon" Chance

Identifying opportunities in biomass power plant + Zero-carbon Industry Park, virtual power plant and spot power trading, while actively advancing green certification and green power trading to facilitate Dual Carbon strategy and sustainability.

Enhancing R&D

- With breakthrough in core technologies, the Group has propelled the deep integration of technological R&D with practical business operations. Research on biomass boiler combustion optimisation has been conducted, and pilot projects for ultra-low emissions in biomass and waste-to-energy fume treatment have been initiated and expanded, among which its Integrated Technology for SCR Desulfurisation and Denitration under Medium-to-high Temperature for Biomass Boiler "was given an "internationally advanced" rating;
- The "Key Technology and Application of Low-Carbon Combustion for Multi-Industrial Solid Waste" and the "Key Technology and Equipment for Hydrogen and Carbon Co-Production from Agricultural and Forestry Waste with Carbon and Pollutant Co-Removal" were awarded the first prize for scientific and technological progress in Jiangsu Province. The "Key Technology for Multi-Effect Purification of Organic Solid Waste Incineration Fume and Graded Utilization of Fly Ash" was accoladed the first prize for scientific and technological progress in Hubei Province.

03

Business Outlook

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Strategic objectives

In tandem with national strategies, the Group aims to become a clean energy operator with new-quality productivity and core competitiveness, establishing a diversified development layout centred on “technological advancement, internationalisation, and ecological sustainability” the “Two Transformations One Model” initiative.



Integrated biomass utilisation

- Focusing on the high-value utilisation of biomass, the Group has become an industry leader from a participant;
- Leveraging existing development experience and technological advantages, the Group has extended the industrial chain to achieve complementary strengths between existing and new projects.



Environmental remediation

- By coordinating the synergistic advantages of biomass and waste-to-energy projects within the system alongside “landfill site restoration”, the Group has promoted green product businesses such as organic fertiliser production, driving the scalable development of asset-light businesses.



Zero-carbon Industry Park

- The Group focus on existing integrated biomass utilisation projects to create a model underpinned by “Zero-carbon Industry Park” comprising “solar energy storage and charging, cooling, heating and power cogeneration, hydrogen cloud carbon” as core operations, forming green products such as “green electricity, green gas, green hydrogen, and green fertiliser”.



Virtual power plant

- Seizing the historical opportunity of the new electricity market reforms, the Group has utilised artificial intelligence technology to create a virtual power plant platform, integrating the “Source-Grid-Load-Storage Integration” model, and actively deploying green electricity trading businesses to empower the “second growth curve”.

Enhancing capital to reinforce financial assurance

- **Innovative debt financing:** innovative applications of ABN, ABS, public REITs, green bonds, perpetual bonds, etc;
- **Enhancing capital utilisation efficiency:** Enhance capital market management regime; prioritizing asset-light investment.

Preventing risks with a fortified bottom line

- **Rigorous risk control:** strengthening trade receivable collection, exercising reasonable control over asset disposal risk, optimising procurement regime, enhancing cost management, incorporating ESG-related risks into the Company's comprehensive risk control regime to further optimise risk indicators;
- **Strengthen production safety management:** driving information-based safe production, building dual prevention mechanism comprising tiered risk management and hazard inspection and rectification to facilitate accurate predictions, rectification at source and pre-emptive prevention.

Structural optimisation to enhance commercialisation

- **Refining organisational structure:** optimising the responsibilities of functional departments and business units such as cost budgeting and engineering management, adopting a market-oriented operating model.

Innovation in technology drives development

- **Deepening technological R&D and application:** With technological innovation as the core driving force, the Group has strengthened technological R&D capabilities and enhanced the effectiveness of results transfer through the deployment of the whole industry chain of intelligentisation, digitalization, and low-carbonisation.

Innovation Development Forging New Driving Force



Exploring synergistic value: building extensive nationwide presence and enhancing inter-segment coordination to focus on the “clean energy” sector with a special emphasis on the technology R&D of “Zero-carbon Industrial Park + Virtual Power Plant” and “Power Trade” platform that match with market needs;

Advancing asset-light business: the Group will step up with efforts to drive asset-light businesses, such as green power trade, environmental remediation engineering and ecological green products, through technological innovation to achieve a development pattern in its green environmental business underpinned by asset-light as well as asset-intensive operations;

Advancing internationalisation in due course: Focused on “Belt and Road” nations, the Group will strengthen international cooperation and exchange, actively explore opportunities in connection with clean energy, and enhancing its influence and competitiveness in the global market.

04

Q&A Session

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THANK YOU.



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