

## EVERBRIGHT GREENTECH ANNOUNCES 2019 INTERIM RESULTS

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### Financial Highlights

For the six months ended 30 June

	2019 HK\$'000	2018 HK\$'000	Change
Revenue	4,241,430	3,152,907	35%
Gross Profit	1,327,105	986,379	35%
EBITDA	1,369,150	1,029,065	33%
Profit attributable to equity shareholders of the Company	813,184	644,703	26%
Basic earnings per share (HK cents)	39.36	31.20	26%
	<b>At 30 Jun 2019</b>	<b>At 31 Dec 2018</b>	<b>Change</b>
Cash and bank balances (HK\$ million)	2,345	2,261	4%
Total assets (HK\$ million)	22,596	18,603	21%
Asset-liability ratio (total liabilities over total assets)	55%	49%	6ppt
Current ratio (current assets over current liabilities)	163%	155%	8ppt

**Hong Kong, 12 August 2019** – China Everbright Greentech Limited (the “Company” or “Everbright Greentech”, and together with its subsidiaries, the “Group”) (Stock code: 1257.HK) today announced its unaudited interim results for the six months ended 30 June 2019.

We are celebrating the 70th anniversary of the founding of new China in 2019. It is also a crucial year for achieving success in the realisation of a moderately prosperous society and winning the critical battle for the prevention and treatment of pollution. With resolute determination, the China

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government will continue to thoroughly fulfill the requirements put forth at the National Conference on Ecological and Environmental Protection and seek to win the critical battle for the prevention and treatment of pollution, such that the quality of our ecological environment will be further improved. In the meantime, a new cycle of environmental inspection will be commenced in full scale, ongoing demand for environmental treatment services is expected, and the environmental protection industry will continue to thrive as the environmental protection authorities under the central government continue to roll out “repeat inspection”.

As a provider of specialised environmental protection services in China, Everbright Greentech bears in mind its initial commitment and keeps pace with the times in 2019, as it made steady advances in market development, project construction, operating management, technology research and development and industry engagement, and reported further improvements in business scale and profitability on the back of efforts guided by technology and innovation.

For the period under review, the Group’s revenue amounted to approximately HK\$4,241,430,000, an increase of 35% over HK\$3,152,907,000 for the same period last year. EBITDA amounted to approximately HK\$1,369,150,000, an increase of 33% over HK\$1,029,065,000 for the same period last year. Profit attributable to equity shareholders of the Company for the period was approximately HK\$813,184,000, 26% more than HK\$644,703,000 recorded for the same period last year. Basic earnings per share for the first half of 2019 amounted to HK39.36 cents, HK8.16 cents more than HK31.20 cents for the same period last year. The Group had ample cash flow, ready access to various financing options and sound financial indicators across the board.

In terms of market development, the Group reported strong momentum and remarkable results in business expansion. During the period under review, the Group secured 14 new projects and entered into 1 supplementary agreement, involving an additional total investment of approximately RMB3.238 billion, and environmental remediation contracts of approximately RMB37.71 million. Such new projects included 1 biomass electricity and heat cogeneration project, 9 hazardous and solid waste treatment projects and 4 environmental remediation projects. In terms of project scale, our aggregate power generation designed capacity was increased by 7MW, while our biomass processing designed capacity was increased by approximately 120,000 tonnes per year. Our designed capacity for steam supply and designed capacity for hazardous and solid waste treatment were increased by approximately 775,200 tonnes and 675,000 tonnes per year, respectively.

In addition, the Group once again achieved a double breakthrough in terms of both geographic coverage and business sector. During the period under review, we further diversified our business

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types by expanding into the business of general industrial solid waste electricity and heat cogeneration. Meanwhile, the Group's business footprint continued to expand. We successfully entered the environmental protection markets of Heilongjiang Province and Inner Mongolia Autonomous Region, enlarging our geographic coverage of environmental protection business to 16 provinces, municipalities and autonomous region in China.

In terms of project construction, 7 projects started construction or implementation, while 9 projects were completed and commenced operation during the period under review. As of 30 June 2019, the Group had 32 projects under construction or implementation, including 12 integrated biomass utilisation projects, 5 hazardous and solid waste treatment projects and 15 environmental remediation projects. The Group enhanced safety management at project sites to ensure steady progress of construction works by further amending and improving its engineering management systems and regulations.

In connection with technology research and development, Everbright Greentech Research Institute commenced research on aspects including general industrial solid waste treatment, bio natural gas, pre-treatment and physicochemical processing of hazardous waste, industrial waste salt treatment and resources recycling. During the period under review, after carrying out comprehensive research and studies, a process route for the incineration treatment of general industrial solid waste that suits China's national conditions was formulated while major equipment models were selected, laying a solid foundation for the expansion of the Group's related business. As of 30 June 2019, the Group held 105 authorised patents, including 32 invention patents and 73 utility model patents.

As of 30 June 2019, the Group had 106 environmental protection projects with a total investment of approximately RMB28.083 billion (including Anqing Solid Waste Integrated Treatment Project, in which 49% interest held by the Group, with an investment amount of approximately RMB576 million), and undertook 24 environmental remediation projects, with a contract amount of approximately RMB656 million.

### **Integrated biomass utilisation**

During the period under review, the Group had 24 integrated biomass utilisation projects in operation, generating approximately 1,648,634 MWh of on-grid electricity which represented an increase of 52% over the same period last year. Meanwhile, the Group processed approximately 2,020,000 tonnes of biomass raw materials and approximately 632,000 tonnes of household waste, representing increases of 54% and 84% over the same period last year, respectively. During the year

under review, the Group supplied approximately 353,000 tonnes of steam, representing an increase of 154% over the same period last year. As of 30 June 2019, the Group had 12 integrated biomass utilisation projects under construction, with an aggregate power generation designed capacity of 294MW, an annual biomass processing designed capacity of approximately 2,200,000 tonnes and a daily household waste processing designed capacity of approximately 2,150 tonnes.

During the period under review, EBITDA of the Group's integrated biomass utilisation projects was approximately HK\$991,665,000, an increase of 35% over the same period last year. The integrated biomass utilisation projects contributed net profit of approximately HK\$626,507,000, an increase of 34% over the same period last year. The increase in profit was mainly attributable to the steady progress of a number of projects under construction during the period under review, resulting in the increase in the revenue from construction services. In addition, the aggregate volume of on-grid electricity of projects in operation continued to rise, contributing to a significant increase in revenue from the operation services.

#### **Hazardous and solid waste treatment**

During the period under review, there were 17 hazardous and solid waste treatment projects in operation and completed construction. For detoxification treatment, approximately 82,000 tonnes of hazardous and solid waste were treated in total, an increase of 19% over the same period last year. For integrated resource utilisation, 4,300 tonnes of hazardous and solid waste were treated and approximately 2,000 tonnes of recycled products were sold. There were 5 hazardous and solid waste treatment projects under construction with an aggregate annual processing designed capacity of 106,000 tonnes.

During the period under review, the Group's hazardous and solid waste treatment projects contributed EBITDA of approximately HK\$281,031,000, an increase of 38% over the same period last year. Hazardous and solid waste treatment projects contributed net profit of approximately HK\$168,094,000, an increase of 18% 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**

As of 30 June 2019, the Group had 15 environmental remediation projects under implementation, mainly in Jiangsu Province, Tianjin, Shandong Province and Jiangxi Province, with a total contract

amount of approximately RMB425 million. One project is in the preparatory stage, with a contract amount of RMB14.46 million.

During the period under review, the Group's environmental remediation projects contributed EBITDA of approximately HK\$51,868,000, an increase of 781% over the same period last year. Environmental remediation projects contributed net profit of approximately HK\$35,885,000, an increase of 542% over the same period last year. The increase in profit was mainly attributable to the completion or implementation of 20 environmental remediation projects by the Group during the period under review, 18 more than the same period last year.

### **Solar energy and wind power**

During the period under review, the Group's solar energy and wind power projects sold approximately 143,625 MWh of electricity, representing a decrease of 17% from the same period last year. The projects contributed EBITDA of approximately HK\$100,582,000, representing a decrease of 23% from the same period last year. Solar energy and wind power projects contributed net profit of approximately HK\$47,335,000, representing a decrease of 31% from the same period last year, which was mainly attributable to the weaker wind resources for wind power projects during the period.

**Mr. QIAN Xiaodong, CEO of Everbright Greentech, said,** "With strong support from China Everbright Group Limited and our controlling shareholder China Everbright International Limited ("Everbright International"), Everbright Greentech bore in mind its initial commitment while keeping pace with the times in the first half of 2019. The Company made steady advances in market development, project construction, operations management, technology research and development and industry engagement, which led to further improvements in business scale and profitability. Everbright Greentech will continue building on the existing business segments to tap into new areas in the environmental protection industry, pursuing development driven by technological innovation, and consistently seeking transformation and improvement on the back of its stable development, in a bid to deliver better performance."

**Mr. WANG Tianyi, CEO of Everbright International and Chairman of Everbright Greentech said,** "Everbright Greentech achieved steady growth during the first half of 2019. It delivered strong operating results by consistently performing well in all areas. In the meantime, the Company achieved satisfying results in terms of proactively expanding into new business areas and new

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geographical markets. We believe that Everbright Greentech will be able to continue capitalising on the national strategies and industry trends for its future development, in order to create better investment value and shoulder more social responsibilities, and with a view to making significant contributions to Everbright International's efforts in becoming a world-class environmental and ecological management group."

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

China Everbright Greentech Limited is a specialty environmental protection service provider in China, focusing on integrated biomass utilisation, hazardous waste and solid 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 (“the Stock Exchange”) on 8 May 2017, with its controlling shareholder being China Everbright International Limited (stock code: 257.HK). Everbright Greentech adheres to development driven by business innovation and initiated the country’ urban-rural integration project. Its businesses span across 16 provinces, municipalities and autonomous region in China, in addition to Germany. Leveraging on its unique and diversified business models, strategic planning, 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.

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