

## EVERBRIGHT GREENTECH ANNOUNCES 2020 INTERIM RESULTS

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### Financial Highlights

For the six months ended 30 June

	<b>2020</b>	2019	
	<b>HK\$'000</b>	HK\$'000	Change
Revenue	<b>4,245,875</b>	4,241,430	Remained Flat
Gross Profit	<b>1,426,144</b>	1,327,105	7%
EBITDA	<b>1,565,385</b>	1,369,150	14%
Profit attributable to equity shareholders of the Company	<b>822,208</b>	813,184	1%
Basic earnings per share (HK cents)	<b>39.80</b>	39.36	1%
	<b>At 30 Jun 2020</b>	At 31 Dec 2019	Change
Cash and bank balances (HK\$ million)	<b>2,537</b>	2,897	(12)%
Total assets (HK\$ million)	<b>28,867</b>	26,258	10%
Asset-liability ratio (total liabilities over total assets)	<b>61.6%</b>	59.7%	1.9ppt
Current ratio (current assets over current liabilities)	<b>158.8%</b>	148.7%	10.1ppt

**Hong Kong, 11 August 2020** – 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 2020.

Year 2020 is the concluding year for the general development of a moderately prosperous society and the “13th Five-year Plan”, as well as a decisive year for winning the critical battle

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for prevention and treatment of pollution. During the first half of the year, COVID-19 swept the world by storm while the global political scene was complex. Nevertheless, following the normalisation of epidemic prevention measures, the situation has been stabilising. With business operations and production gradually returning to normal, a positive trend of ongoing recovery has emerged in the Chinese economy. Under the new situation, the Chinese government has maintained its strategic focus on the development of ecological civilisation. Since the beginning of this year, the announcement and implementation of such policies and action plans is set to drive the ecological and environmental sector in China towards higher levels of standardisation and specialization, thereby presenting broader and better market opportunities to companies engaged in the environmental business.

As a provider of specialised environmental protection services in China, the Group achieved steady development in various businesses despite the impacts of multiple unfavourable factors in 2020 such as COVID-19 epidemic and economic downturn, as it rolled out comprehensive business development with the aim of “creating value and enhancing reform” in ongoing adherence to the corporate mission of being “Devoted to Ecology and Environment for a Beautiful China”. In the first half of 2020, the Group continued to enhance project management at the preparatory stage and drive steady progress of project construction. In connection with operation services, revenues from the operation service segment continued to grow in line with ongoing increase in the volumes of on-grid electricity through integrated biomass utilisation, household waste processed and steam supply. In addition, the Group responded with calm and poise to the outbreak of the COVID-19 epidemic during the first half of 2020 and adopted sound and scientific counter-epidemic measures, such that business operations and production were resumed quicker than expected and the impact on the Group’s operations was contained. On the back of its strong business fundamentals and extensive experience in project operation, the Group reported healthy cashflow as of 30 June 2020 with a mild year-on-year growth in profit.

For the period under review, the Group’s revenue amounted to approximately HK\$4,245,875,000, which was in line with HK\$4,241,430,000 for the same period last year. EBITDA increased by 14% to approximately HK\$1,565,385,000 over HK\$1,369,150,000 for the same period last year. Profit attributable to equity shareholders of the Company for the period was approximately HK\$822,208,000 in a mild 1% increase as compared to HK\$813,184,000 recorded for the same period last year. Basic earnings per share for the first half of 2020 was HK39.8 cents, HK0.44 cents more than HK39.36 cents for the same period last year. The Group was backed by ready access to various financing options and ample cash flow and reported sound financial indicators across the board.

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In terms of market development, the Group has been actively seeking premium projects with greater returns and stronger cashflow generating ability with an innovative mindset. During the period under review, the Group secured 9 new projects and entered into 3 supplementary agreements, involving an additional total investment of approximately RMB1.081 billion and environmental remediation projects contract amount of approximately RMB149 million. Such new projects included 1 integrated biomass utilisation project, 4 hazardous and solid waste treatment projects and 4 environmental remediation projects. In terms of project scale, our designed capacities for household waste processing, steam supply and hazardous and solid waste treatment were increased by approximately 21,900 tonnes, 820,000 tonnes and 392,500 tonnes per year, respectively.

In terms of project construction, the Group continued to ensure steady progress in the construction work of its projects in adherence to the principle of “Brand Building through Excellence in Quality”. We started the implementation or construction of 15 new projects, while completing and commencing operation of 7 projects during the period under review. As at 30 June 2020, the Group had 35 projects under construction or implementation, including 11 integrated biomass utilisation projects, 13 hazardous and solid waste treatment projects and 11 environmental remediation projects. With a strong emphasis on construction safety and building quality for projects in progress, the Group has facilitated the development of engineering management systems and regulations for the enhancement of safety management at project sites.

In connection with technology research and development, the Group emphasises the enhancement of operating efficiency and reduction of operating costs for its projects through technological innovation. During the period under review, the Group’s effort was focused on the incineration of hazardous waste with high sulphuric and halogenic contents, treatment and disposal of general industrial solid waste, physicochemical treatment of hazardous waste, ultra-low emission of biomass and household waste, sludge disposal, waste and old tyre recycling, disposal and recycling of industrial waste salt, among others. During the period under review, the Group researched to formulate a technology package for the incineration of hazardous waste with high sulphuric and halogenic contents, and completed the compilation of the draft system and catalog of industrial technologies for solid waste processing. As of 30 June 2020, the Group held 141 authorised patents, including 23 invention patents and 118 utility model patents, and 5 software copyrights.

As of 30 June 2020, the Group had 116 environmental protection projects with a total investment of approximately RMB30 billion and undertook 31 environmental remediation projects, with a total contract amount of approximately RMB874 million.

### **Integrated biomass utilisation**

During the period under review, the Group had 36 integrated biomass utilisation projects in operation, generating approximately 2,514,567 MWh of on-grid electricity which represented an increase of 53% over the same period last year. Meanwhile, the Group processed approximately 2,891,000 tonnes of biomass raw materials and approximately 1,077,000 tonnes of household waste, representing increases of 43% and 70% over the same period last year respectively. During the period under review, the Group's volume of steam supplied was approximately 588,000 tonnes, representing an increase of 67% over the same period last year. As of 30 June 2020, the Group had 11 integrated biomass utilisation projects under construction with an aggregate power generation designed capacity of 166.5 MW, an annual biomass processing designed capacity of approximately 1,020,000 tonnes, a daily household waste processing designed capacity of approximately 3,500 tonnes, and an annual steam generation designed capacity of approximately 960,000 tonnes.

For the period under review, EBITDA of the Group's integrated biomass utilisation projects was approximately HK\$1,309,613,000, an increase of 32% compared to the same period last year. The integrated biomass utilisation projects contributed net profit of approximately HK\$771,831,000, an increase of 23% 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, coupled with ongoing increase in the volumes of on-grid electricity of projects in operation, household waste processing and steam supplied, contributing to a significant increase in revenue from the operation services.

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

During the period under review, the Group operated and completed 20 hazardous and solid waste treatment projects. For detoxification treatment, approximately 80,000 tonnes of hazardous and solid waste were treated in total, a 2% decrease compared to the same period last year. For integrated resource utilisation, 5,700 tonnes of hazardous and solid waste were treated, increasing by 32% compared to the same period last year, and approximately 2,400 tonnes of recycled products were sold, a 20% increase compared to the same period last year. There were 13 hazardous and solid waste treatment projects under construction with an aggregate annual processing designed capacity of 754,800 tonnes.

For the period under review, the Group's hazardous and solid waste treatment projects

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contributed EBITDA of approximately HK\$191,674,000, a decrease of 32% compared to the same period last year. Hazardous and solid waste treatment projects contributed net profit of approximately HK\$100,965,000, a decrease of 40% over the same period last year. The decrease in profit is mainly attributable to the decrease in revenue from operation services owing to the epidemic. In addition, pre-operating expenses increased in accordance with the addition of projects under construction and those at the preparatory stage, as well as a 64% decrease in profit from construction services as most projects under construction during the period did not qualify for contributions to revenue from construction services.

### **Environmental Remediation**

As of 30 June 2020, the Group had 11 environmental remediation projects under implementation, the majority of which were located variously in Jiangsu Province, Jiangxi Province and Shandong Province, with a total contract amount of approximately RMB487 million. There were also 2 projects in the preparatory stage, with a total contract amount of RMB73.97 million.

For the period under review, the Group's environmental remediation projects contributed EBITDA of approximately HK\$13,224,000, a decrease of 75% compared the same period last year. Environmental remediation projects contributed net profit of approximately HK\$2,528,000, a decrease of 93% compared to the same period last year. The decrease in profit reflected mainly work progress during the period under review as affected by the epidemic.

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

For the period under review, the Group's solar energy and wind power projects sold approximately 135,965 MWh of electricity, representing a 5% decrease compared to the same period last year. The projects contributed EBITDA of approximately HK\$96,196,000, representing a 4% decrease compared to the same period last year. Solar energy and wind power projects contributed net profit of approximately HK\$43,790,000, representing a 7% decrease compared to the same period last year, which was mainly attributable to wind power curtailment in Shanxi Province due to the pandemic, resulting in a decrease in on-grid electricity.

**Mr. QIAN Xiaodong, CEO of Everbright Greentech**, said, "Everbright Greentech reported stable development in all businesses for the first half of 2020, as it forged ahead and overcame various difficulties in the midst of the worldwide outbreak of the COVID-19 epidemic coupled

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with a rattling global economic landscape, thanks to the strong support of China Everbright Group Limited and China Everbright International Limited (“Everbright International”), the Company’s controlling shareholder. Under the new situation, the Group will further enhance its technical strengths and management proficiency, improve its integrated servicing capabilities and explore diverse financing options in a bid to strengthen its business foundation through various measures. Meanwhile, the Company will extend its business chain on the back of its extensive project presence in close tandem with the overall objectives of achieving strategic transformation and enhancing its overall competitiveness by identifying new business areas and models.”

**Mr. WANG Tianyi, CEO of Everbright International and Chairman of Everbright Greentech**, stated, “2020 has been a year of instability and uncertainty. While rapid changes in the external environment have presented new challenges for the environmental protection industry, they have also given rise to new ideas, new scenarios and new markets. In retrospect, the Group has achieved stable growth in its business and assets and formed a multipronged business model for development over the past three years since its listing in Hong Kong, thanks to strategic planning based on long-term vision and the ability to seize opportunities in a fast-evolving market. In future, the Group will further cement its position in the industry and ensure ongoing advances of its strategic transformation, as it continues to drive the quality development of Everbright Greentech by upholding a model for sustainable operation ‘focused on the priorities of quality and efficiency and the pursuit of large-scale development’.”

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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 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 14 provinces 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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