



光大綠色環保  
Everbright Greentech

*(Incorporated in the Cayman Islands with limited liability)*

Stock Code: 1257

# The Next Jump Forwards

## 2017 Annual Results Announcement

Mar 2018



# Forward-looking Statements

This presentation may contain forward-looking statements. Any such forward-looking statements are based on a number of assumptions about the operations of China Everbright Greentech Limited (the “Company” or Everbright Greentech) and factors beyond the Company's control and are subject to significant risks and uncertainties, and accordingly, actual results may differ materially from these forward-looking statements. The Company undertakes no obligation to update these forward-looking statements for events or circumstances that occur subsequent to such dates.

The information in this presentation should be considered in the context of the circumstances prevailing at the time of its presentation and has not been, and will not be, updated to reflect material developments which may occur after the date of this presentation. The slides forming part of this presentation have been prepared solely as a support for oral discussion about background information about the Company. No representation or warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of any information or opinion contained herein. It should not be regarded by recipients as a substitute for the exercise of their own judgment. Information and opinion contained in this presentation may be based on or derived from the judgment and opinion of the management of the Company. Such information is not always capable of verification or validation. None of the Company or financial adviser of the Company, or any of their respective directors, officers, employees, agents or advisers shall be in any way responsible for the contents hereof, or shall be liable for any loss arising from use of the information contained in this presentation or otherwise arising in connection therewith. This presentation does not take into consideration the investment objectives, financial situation or particular needs of any particular investor. It shall not to be construed as a solicitation or an offer or invitation to buy or sell any securities or related financial instruments. No part of it shall form the basis of or be relied upon in connection with any contract or commitment whatsoever. This presentation may not be copied or otherwise reproduced.

# Agenda

- 1. Results Review**
- 2. Subsequent Events**
- 3. Development Strategies**
- 4. Policy Highlights**



# 1. Results Review

- 2017 Corporate Milestones
- Results Highlights
- Financial Analysis



# 2017 Corporate Milestones



## Feb

- Secured Zhongxiang Integrated Biomass and WTE Project in Hubei, Sheqi Integrated Biomass and WTE Project in Henan and Lianshui Biomass Electricity and Heat Cogeneration Project in Jiangsu



## Apr

- Secured Suqian Hazardous Waste Landfill Project Phase II in Jiangsu
- Commenced operation of Nanqiao Biomass Direct Combustion Power Generation Project in Chuzhou City of Anhui



## May

- Successfully listed on the Main Board of The HKEx
- Commenced operation of Lingbi Integrated Biomass and WTE Project in Anhui, the first Urban-rural integration project of its kind ever in China
- Secured Huaiyuan Integrated Biomass and WTE Project (WTE) in Anhui, Binhai Hazardous Waste Landfill Project Phase II in Jiangsu and Laiyang Hazardous Waste Integrated Treatment Project in Shandong



## Jun

- Secured Wendeng Biomass Electricity and Heat Cogeneration Project in Weihai City and Linshu Hazardous Waste Landfill Project in Shandong



## Jul

- Secured Guoyang Biomass Electricity and Heat Cogeneration Project in Anhui



# 2017 Corporate Milestones



## Aug

- Announced 2017 interim results with profit attributable to equity shareholders recorded a growth of 57%
- Included as a constituent stock in the Hang Seng Composite Index, Hang Seng Stock Connect Hong Kong Index, Hang Seng Stock Connect Hong Kong MidCap & SmallCap Index and Hang Seng Stock Connect Hong Kong SmallCap Index respectively



## Sep

- Being as title sponsor of the Hong Kong charity premiere of the nature documentary “Earth: One Amazing Day”
- Secured Zhecheng Integrated Biomass and WTE Project in Henan, Guanyun Hazardous Waste Landfill Project Phase II in Jiangsu and Guixi Hazardous Waste Integrated Treatment Project in Jiangx



## Nov

- Included as a constituent stock in the MSCI China Small Cap Index
- Commenced operation of Rugao Biomass Direct Combustion Power Generation Project in Jiangsu



## Dec

- Commenced operation of Xiaoxian Integrated Biomass and WTE Project and Fengyang Integrated Biomass and WTE Project in Anhui

1

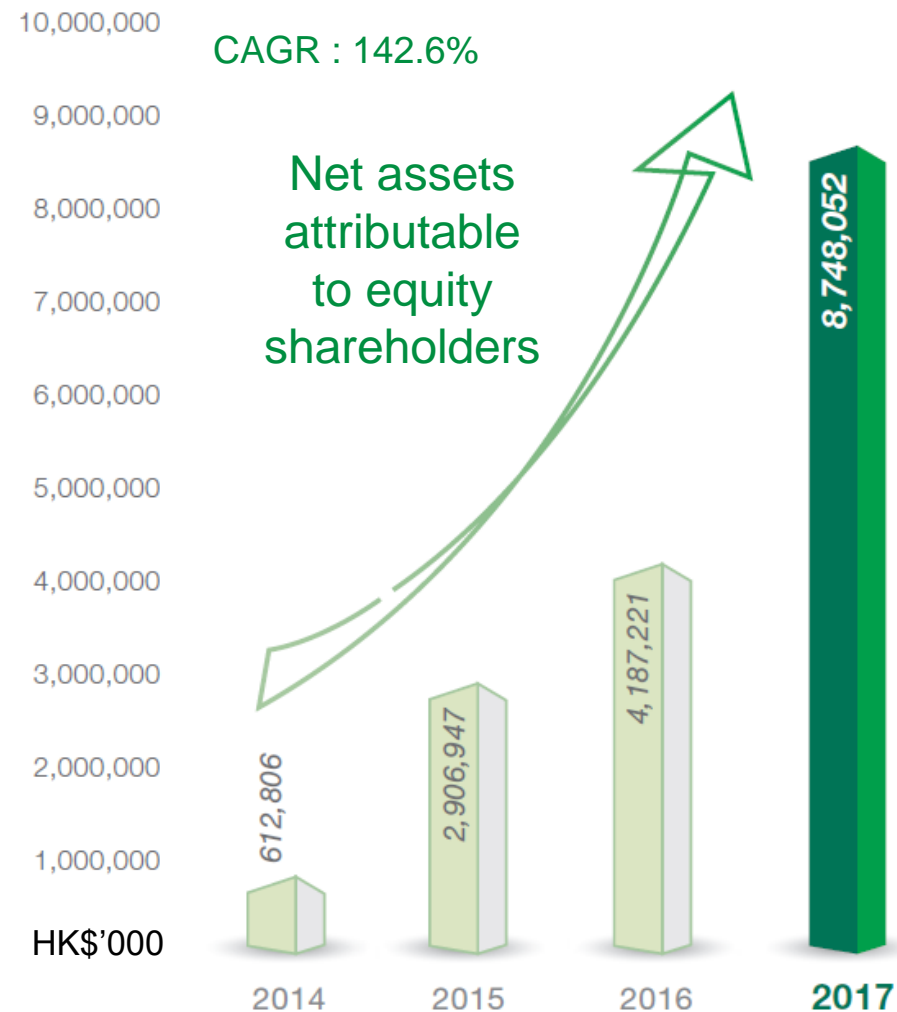
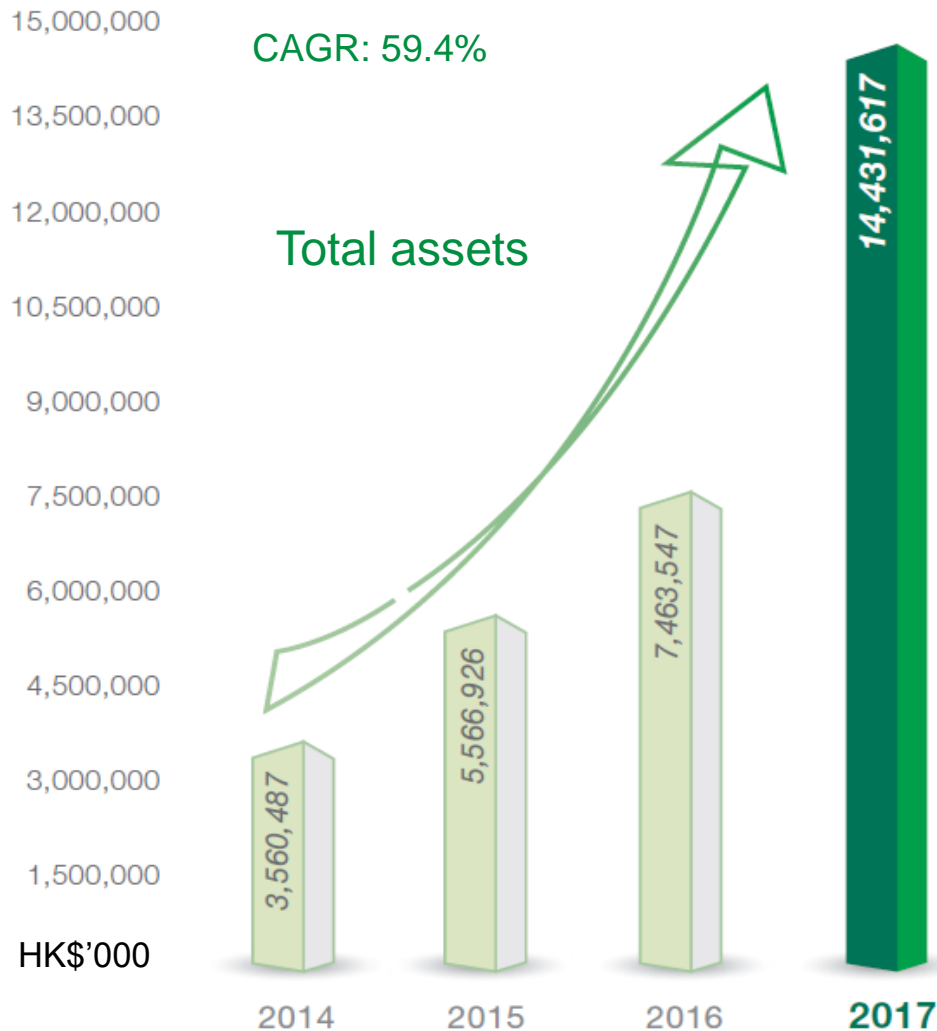
## Listed on the HKEx, promote the brand identity

- Listed on the Main Board of the HKEx in May 2017 and raised fund of approximately HK\$3.3 billion;
- The only HKEx listed company to adopt an integrated biomass utilisation business model;
- In Aug 2017, the Company was included as a constituent stock in the Hang Seng Composite Index, Hang Seng Stock Connect Hong Kong Index, Hang Seng Stock Connect Hong Kong MidCap & SmallCap Index and Hang Seng Stock Connect Hong Kong SmallCap Index respectively, demonstrating the capital market's recognition on the Company's performance;
- In Nov 2017, the Company was included as a constituent stock in the MSCI China Small Cap Index, enhancing the recognition of Company's brand as well as influence towards society;
- At the end of 2017, the Company obtained several foreign and Chinese brokers' coverage and with a BUY recommendation.

# Results Highlights (2)

2

## Good quality of assets with healthy financial position



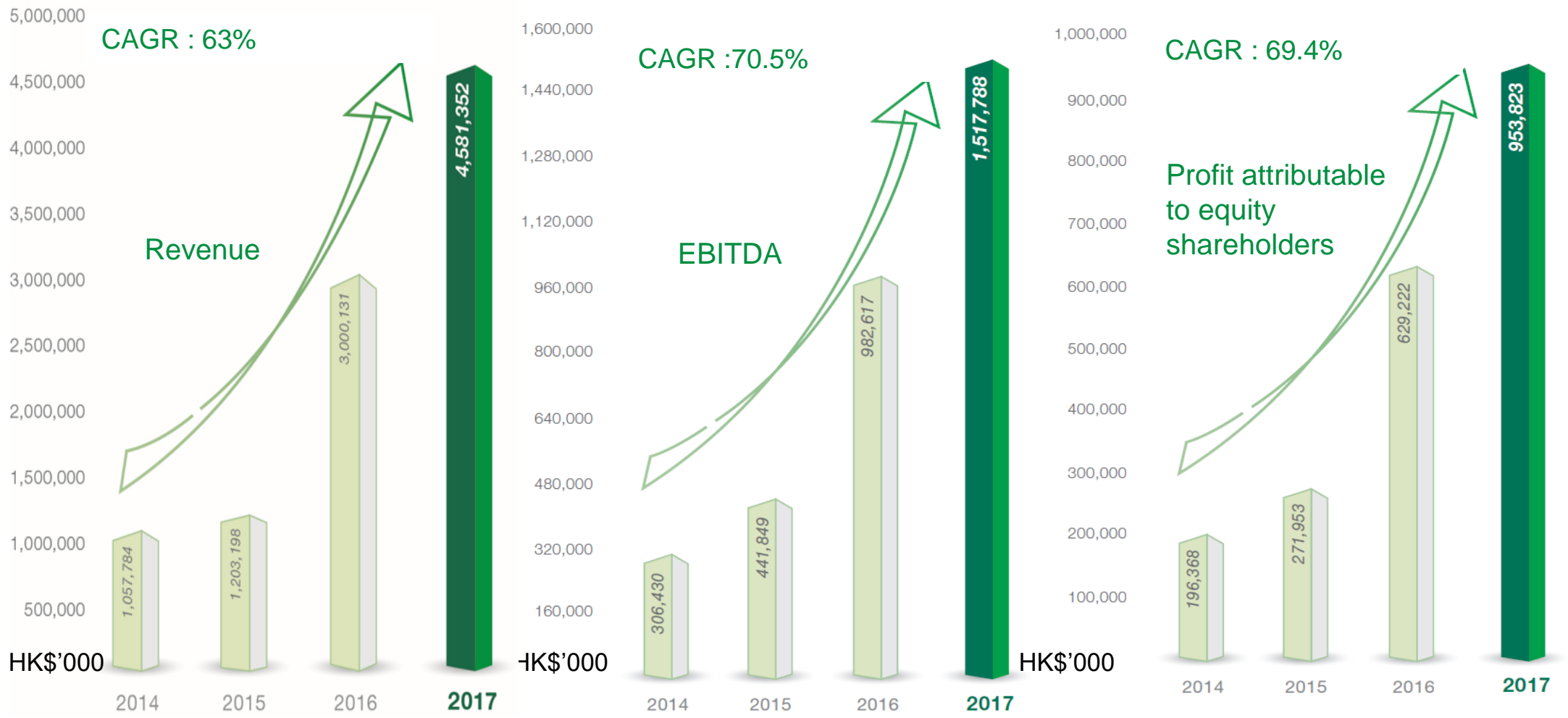
CAGR: Compound annual growth rate



# Results Highlights (3)

3

## Sustainable growth in revenue with record-high profit



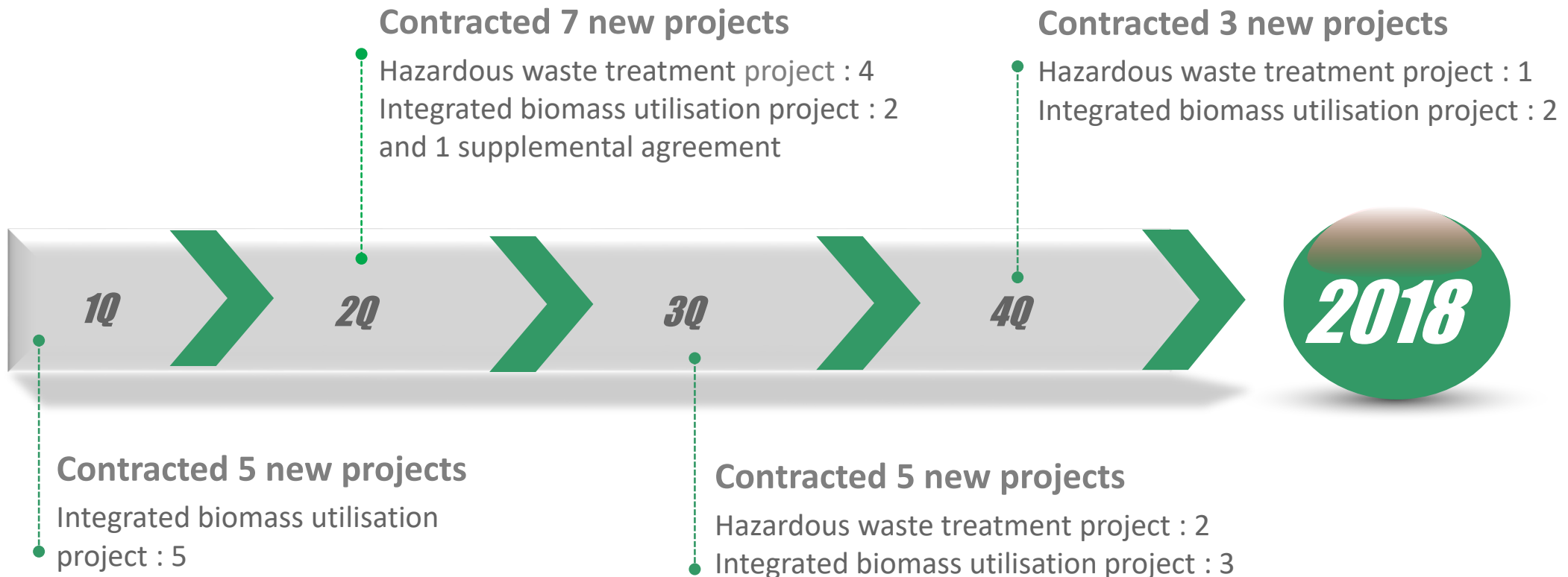
CAGR: Compound annual growth rate

# Results Highlights (4)

4

## Market expansion with remarkable results

In 2017, the Company secured 19 new projects and entered a supplemental agreement, involving a total investment of approximately RMB 5.47 billion, reached a record high in both number of new projects and total investment amount.



5

## Steady construction progress and effective operation of the projects

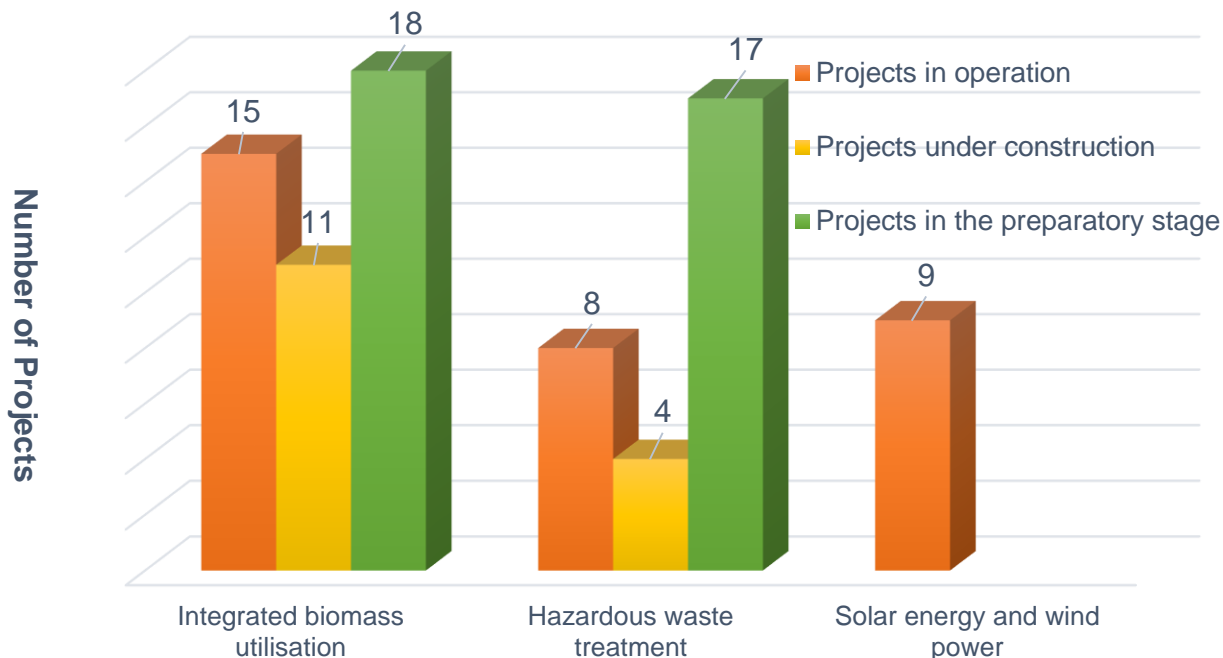
- Construction work has achieved steadily progress, with 23 construction projects, reached a record high;
- 12 projects completed construction and 8 projects commenced operation. Lingbi Project was the first Urban-rural integration projects of its kind ever in China without a precedent. It commenced operation in May 2017 which is also a successful example of the Company in exploring a new pathway to construct the beautiful countryside. After this project, the Xiaoxian Integrated Biomass and WTE project and Fengyang Integrated Biomass and WTE project completed construction and commenced operation;
- The effective annual utilisation rate of biomass projects in operation is nearly 8,000 hours and such projects generated approximately 1.4 Billion kWh of on-grid electricity, reached a record high;
- Annual processing volume of hazardous waste project in operation has hit new heights and the unit price has steadily risen.

# Results Highlights (6)

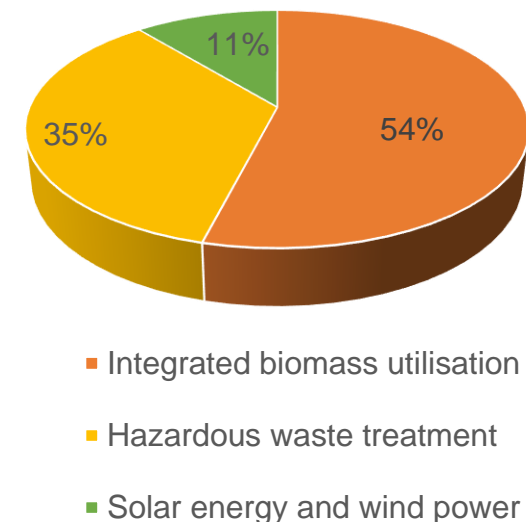
6

## Diversified business portfolio with abundant project reserve

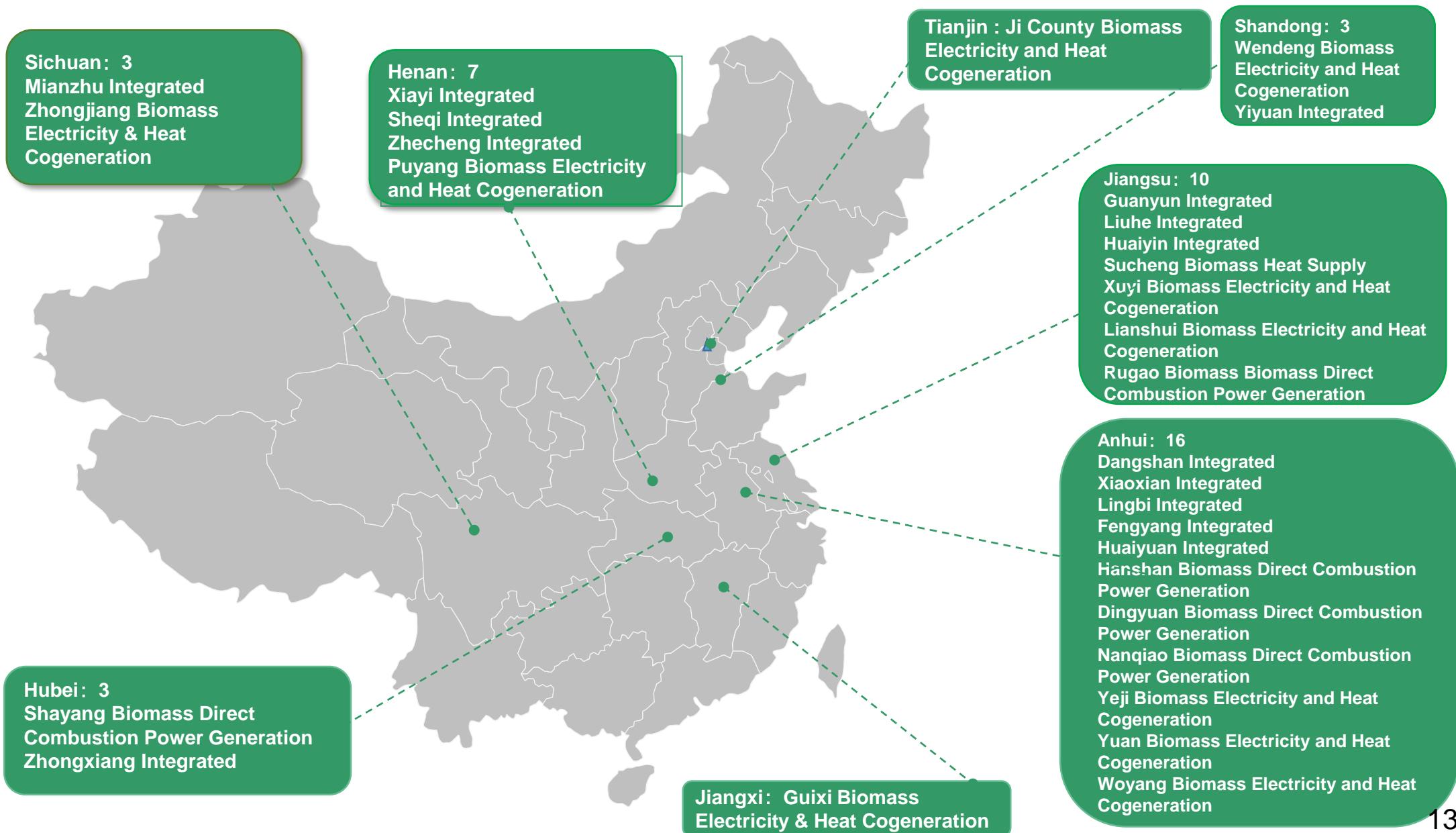
- As at 31 December 2017, there were 82 projects in 3 business segments, with 32 projects in operation, 11 projects under construction, 4 projects completed construction and to commence operations and 35 projects in preparatory stage;
- Biomass project reserve basically consists of integrated and electricity and heat cogeneration projects;
- Projects located in 9 provinces and cities in China, and in Germany.



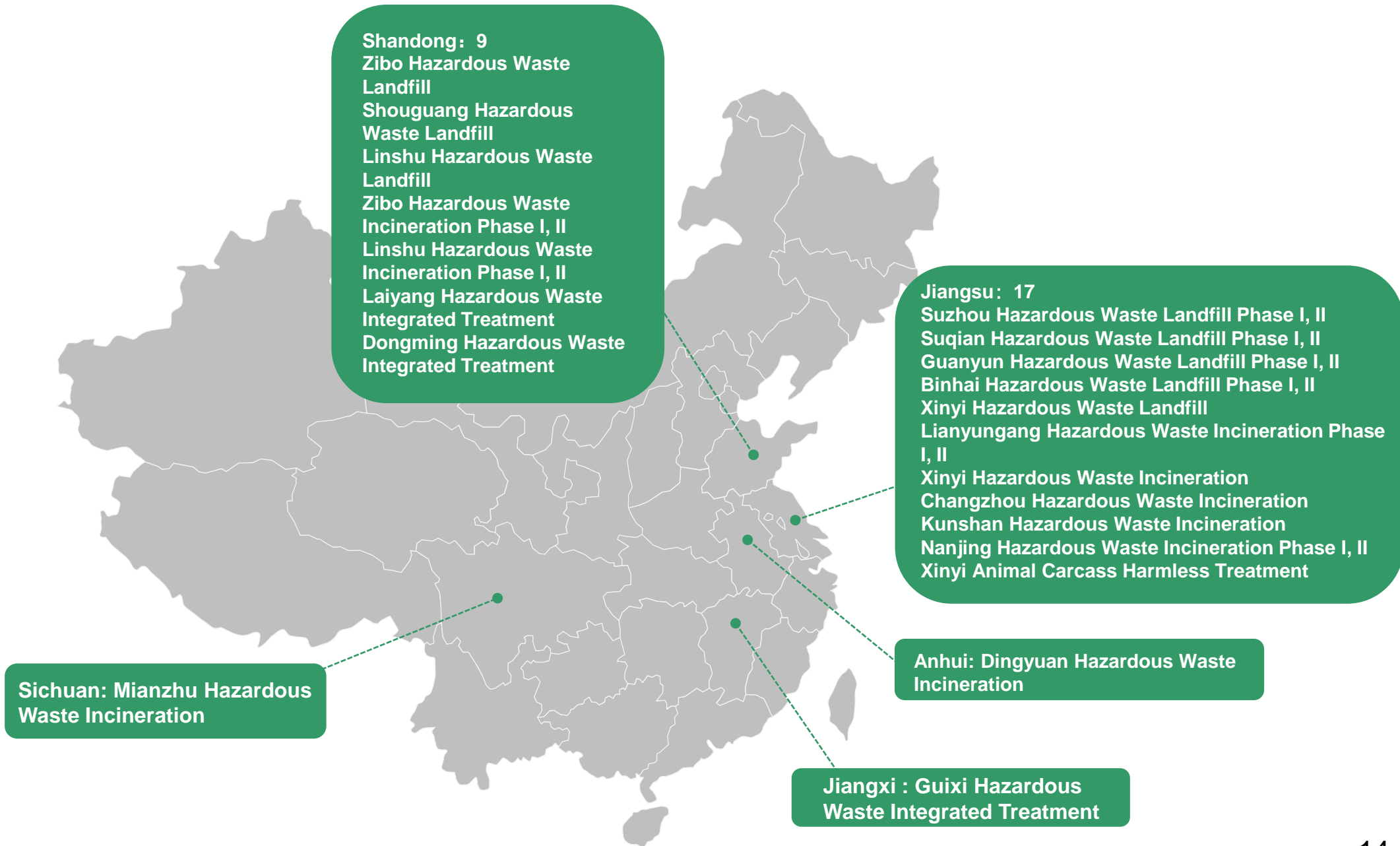
Proportion of 3 segments projects



# Biomass Projects Layout



# Hazardous Waste Projects Layout





# Projects Overview

- Number of projects secured: 82 (total investment: RMB 19.758 billion)
- Number of projects constructed and commenced operation: 36 (total investment: RMB 7.291 billion)
- Number of projects under construction: 11 (total investment: RMB 3.513 billion)
- Number of projects in preparatory stage: 35 (total investment: RMB 8.954 billion)

## Integrated Biomass Utilisation:

44 projects (total investment: RMB 13.022billion)

- Aggregate power generation designed capacity: 992MW
- Annual designed treatment capacity: approximately 8,449,800 tonnes
- Daily household waste designed treatment capacity: approximately 6,250 tonnes

## Hazardous waste treatment:

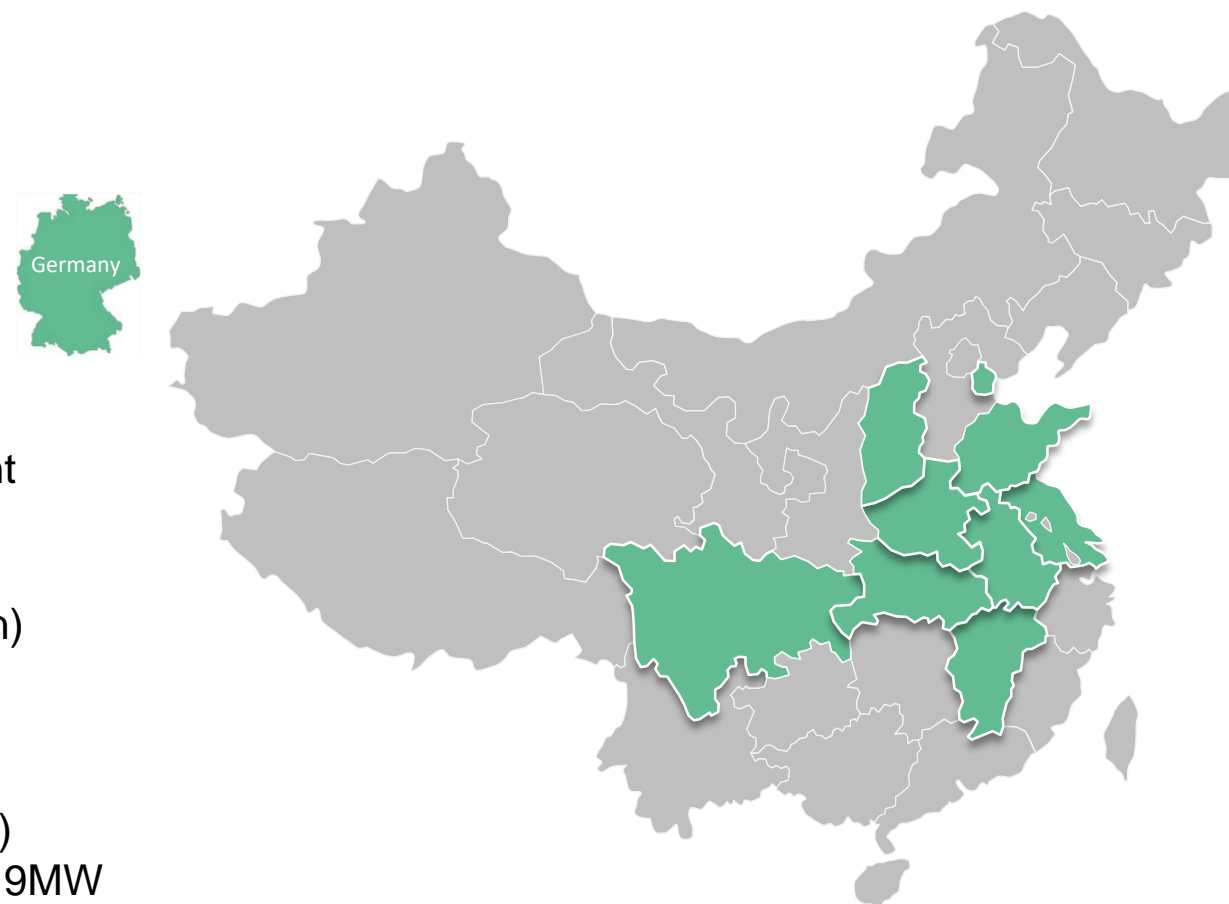
29 projects (total investment: RMB5.341billion)

- Annual processing designed capacity: 674,200 tonnes

## Solar energy and wind power:

9 projects (total investment: RMB1.395 billion)

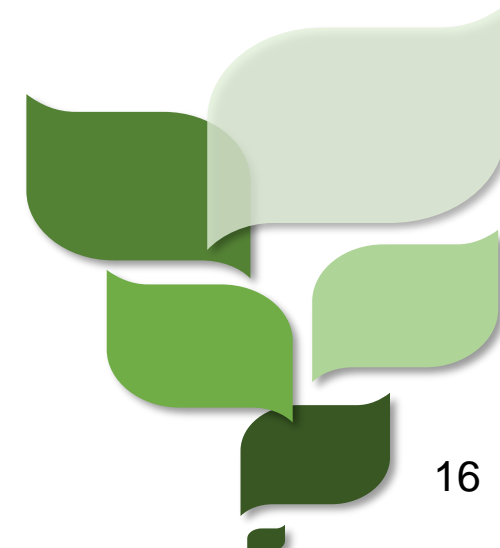
- Power generation designed capacity: 125.9MW



## 7

### Innovation drove initial results

- The first Urban-rural integration project commenced operation with prominent economic benefits and demonstration effect;
- Urban-rural integration projects have successfully explored the household waste transportation model;
- Completed trial run of low-NO<sub>x</sub> combustion technologies (biomass power generation), successfully lowered NO<sub>x</sub> emission level and reduced auxiliary power consumption;
- Biomass furnaces anticorrosion technology has made remarkable achievement. The operating performance of the technology is good and has significantly improved the stability of the project operations.



# Financial Analysis (1)

(HK\$ million)	As at 31/12/2017	As at 31/12/2016	Change
Revenue	4,581	3,000	53%
Gross profit	1,435	992	45%
EBITDA	1,518	983	54%
Profit attributable to equity shareholders	954	629	52%
Basic earnings per share (HK cents)	51.70	43.70	18%
Proposed final dividend (HK cents)	9.0	N/A	N/A

- ◆ Revenue increased by 53% to HK\$4.58 billion (2016: HK\$3 billion), the Company has reached new heights in revenue from its construction service due to steady construction of the projects;
- ◆ Aggregate on-grid electricity of the projects in operation and hazardous waste treatment capacity continuously increase, contributing to a significant increase in revenue and profit from the project operation service;
- ◆ Profit attributable to equity shareholders of the Company increased by 52% to HK\$954 million (2016: HK\$629 million), CAGR of 69.4% in 2013-2017;
- ◆ Proposed final dividend of HK9.0 cents per share with dividend payout ratio 20%.

# Financial Analysis (2)

(HK\$ million)	As at 31/12/2017	As at 31/12/2016	Change
Total assets	14,432	7,464	93%
Total liabilities	5,666	3,263	74%
Equity attributable to equity shareholders	8,748	4,187	109%
Cash and bank balances	3,343	992	237%
Current ratio (%)	216	122	94ppt
Gearing ratio (Total liabilities /Total assets) (%)	39	44	-5ppt

With the spin-off listing in May 2017 (which raised fund of approximately HK\$3.3 billion), total assets and equity attributable to equity shareholders of the Company increased significantly by 93% and 109% respectively. Gearing ratio is 39%, a decrease of 5ppt from 2016 and the current ratio is 216%, an increase of 94ppt from 2016, The financial position keep a healthy level, the current ratio is good, bank balances and cash increased substantially by 237% to HK\$3.343 billion with unutilized bank loan facilities of approximately HK\$3.56 billion. This strong financial position will provide robust support for the company's rapid development in the future.

# Financial Analysis (3)

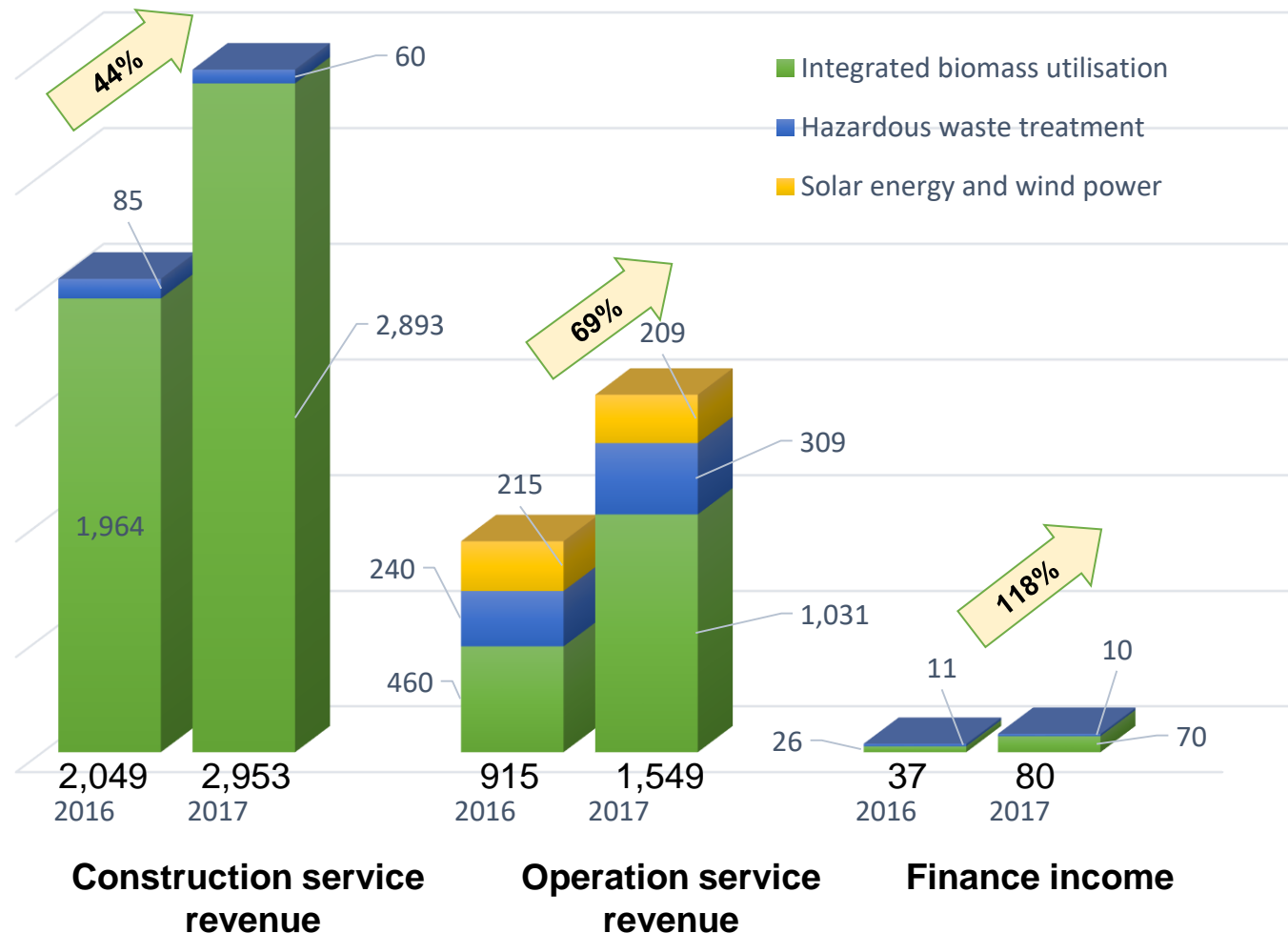
	As at 31/12/2017		As at 31/12/2016		Change
	HK\$ million		HK\$ million		
Short term loans	541	15%	270	14%	100%
Long term loans	2,953	85%	1,698	86%	74%
Total bank loans	3,494		1,968		78%
Unutilized bank loan facilities	3,563		3,430		4%
Bank balances and cash	3,343		992		237%
Available cash and unutilized bank loan facilities	6,906		4,422		56%

As at the end of 2017, total bank loans amounted to approximately HK\$3.49 billion, which is 85% of the long term loans. In addition, bank balances and cash and unutilized bank loan facilities were approximately HK\$6.9 billion.

# Financial Analysis (4)

## Revenue analysis of the 3 business segments

Unit: HK\$ million



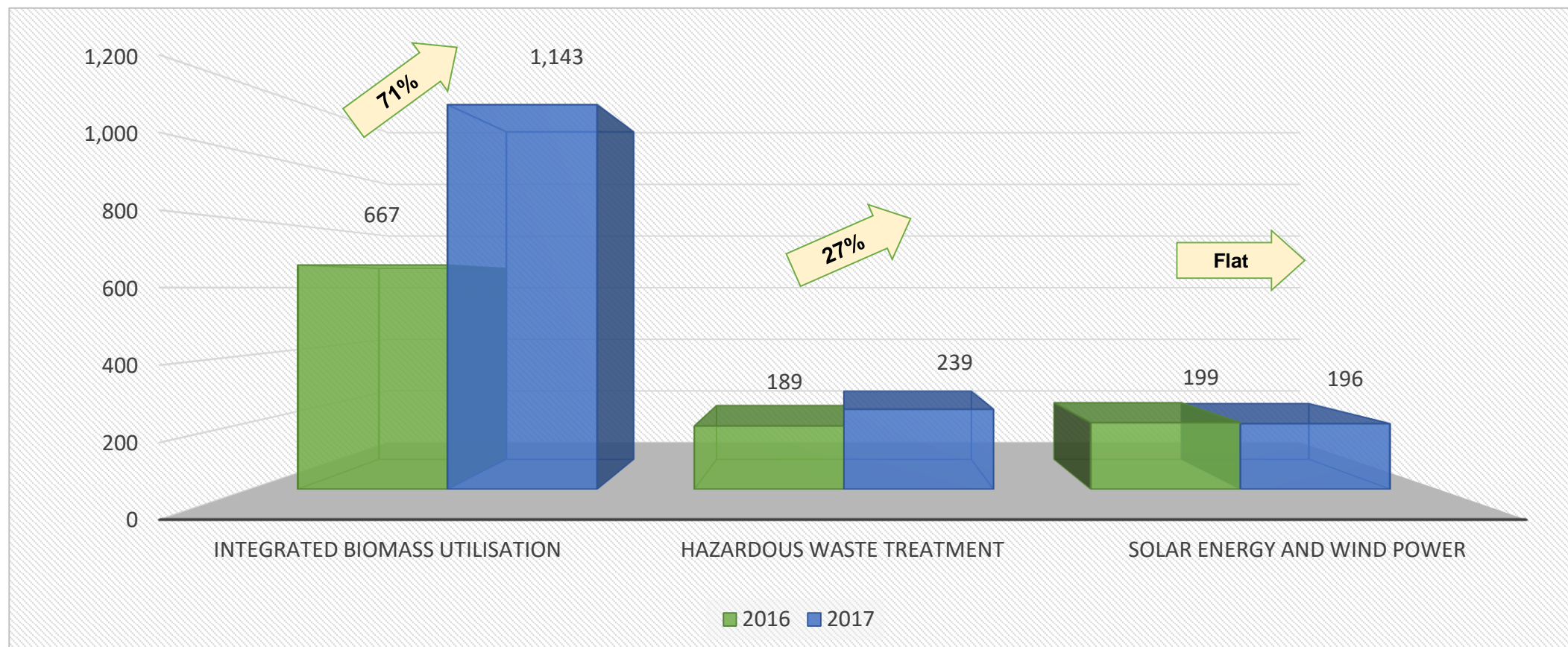
In 2017, the revenue of construction service and operation service in 3 business segments increased significantly 44% and 69% respectively from 2016 and the operation service revenue of biomass segment and hazardous waste treatment segment increased by 124% and 29% respectively.



# Financial Analysis (5)

## EBITDA analysis of the 3 business segments

Unit: HK\$ million



### EBITDA:

2017: HK\$1,517,788,000 (increased by 54% year-on-year)

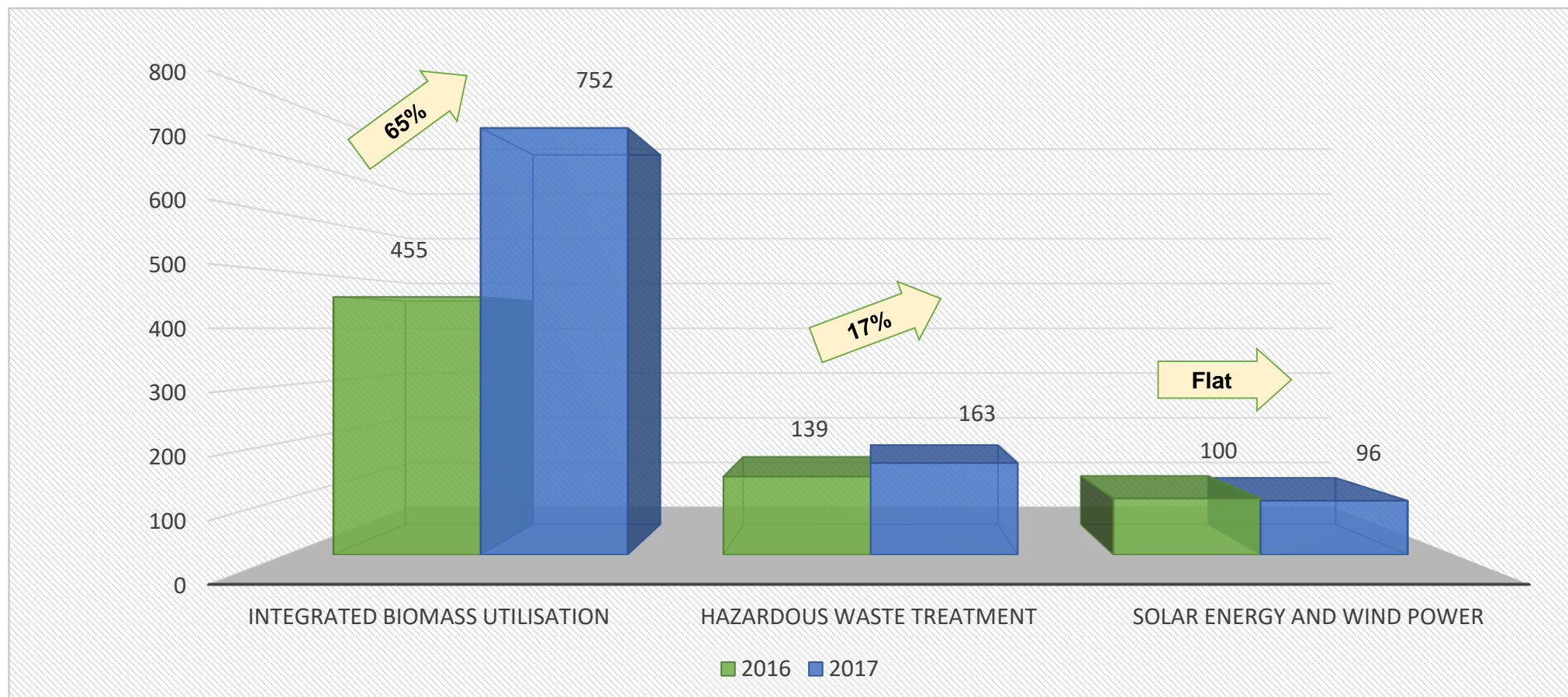
2016: HK\$982,617,000

\* Include the unallocated head office and corporate net expenses

# Financial Analysis (6)

## Net profit analysis of 3 Business Segments

Unit: HK\$ million



### Net profit contribution:

2017: HK\$953,823,000 (increased by 52% year-on-year)

2016: HK\$629,222,000

\* Include the unallocated head office and corporate net expenses

## 2. Subsequent Events

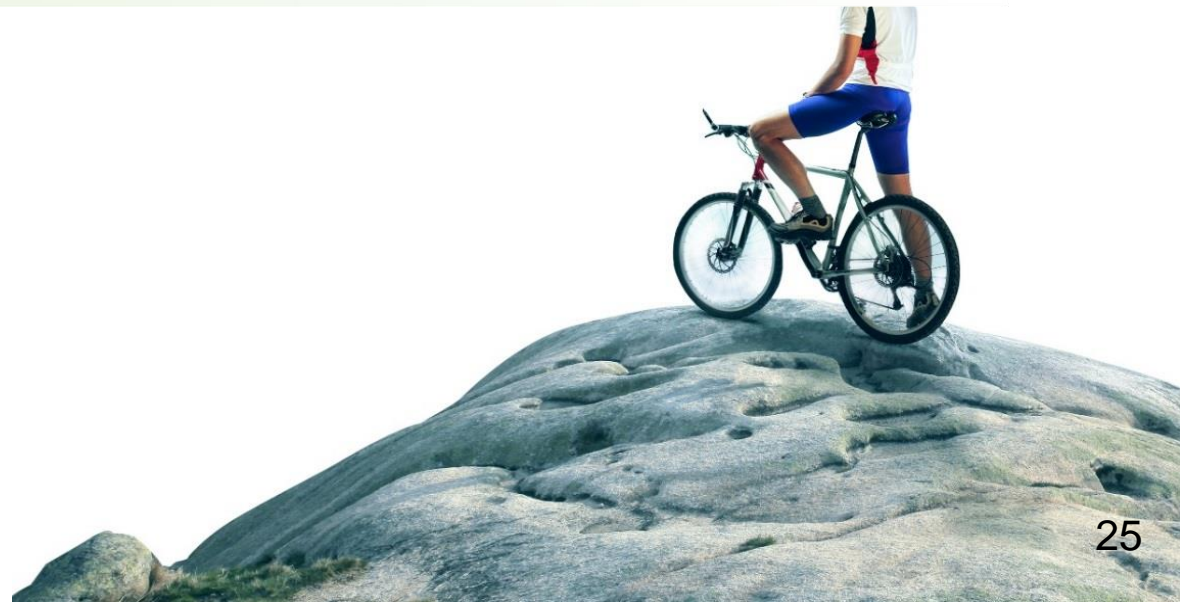


## New region expansion breakthrough with steady operation of projects

- Secured Lishui Industrial Hazardous Waste Project in Zhejiang, achieving the breakthrough in Zhejiang;
- Mianzhu Integrated Biomass and WTE project (biomass) in Sichuan completed construction and commenced operation;
- Changzhou Hazardous Waste Incineration Project in Jiangsu completed construction and commenced operation;
- Xinyi Animal Carcass Harmless Treatment Project in Jiangsu completed construction and commenced operation.



# 3. Development Strategies



# Development Strategies (1)

1

## Strengthening professional management, facilitating the resources and sharing of experiences

Clean Energy  
Management  
Center

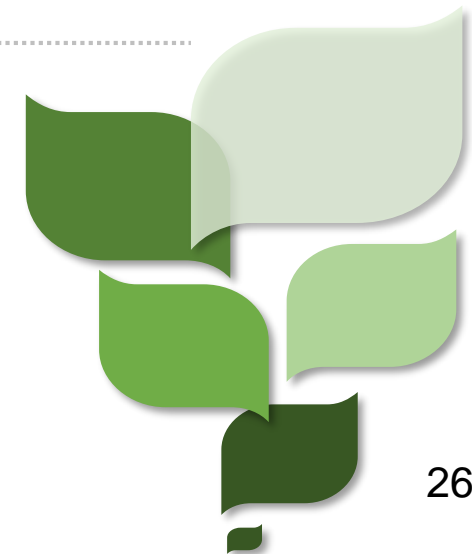
Focus on integrated biomass utilisation business and devise “beautiful countryside” and “clean heating” strategies, integrate and strengthen the Company’s experience and advantage in rural-urban integration and further expand business segments such as biogenic gas and livestock waste treatment.

Solid Waste  
Management  
Center

Focus on hazardous waste treatment business and extend the industry chain, with an aim to becoming an integrated service provider and environmental manager of industrial park or chemical solid waste management. Taking advantage of project layouts, the Company will establish a huge customer service system to form regional linkage mechanisms and expand the integrated utilization and industrial waste treatment business.

Environmental  
Remediation  
Management  
Centre

Seize the advantages of “The 10-Chapter Soil Pollution Action Plan” policy and the strong demand in the environmental remediation market in China to become an integrated service provider that deals with soil remediation and pollution.



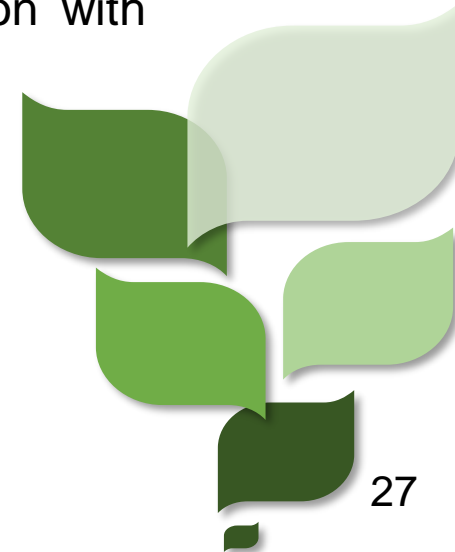


# Development Strategies (2)

2

## Consolidation of the leading industry position, expanding into new areas and new business segments

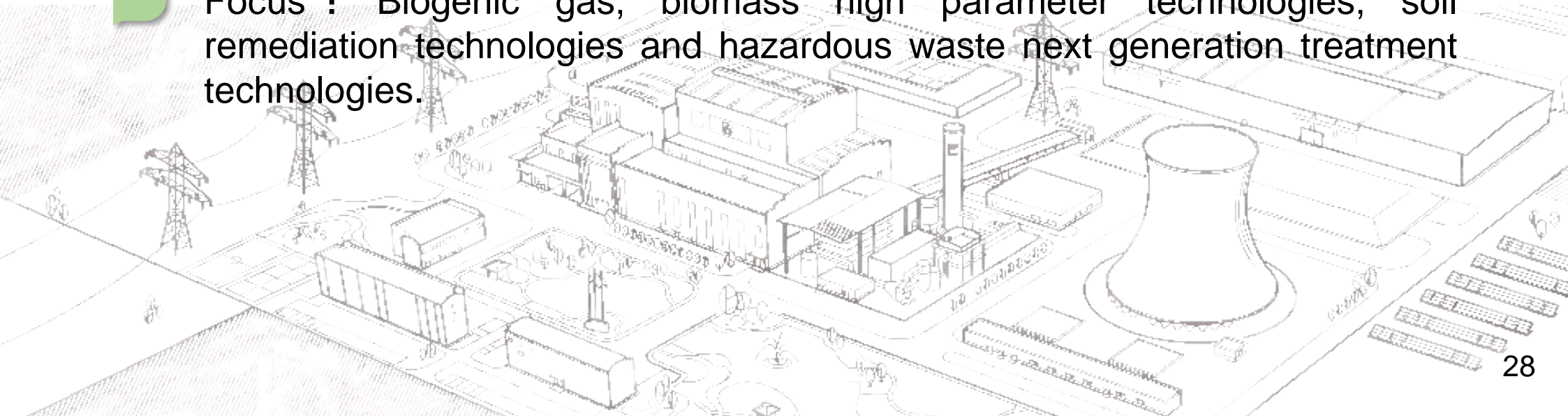
- Development is the main mission of the Company and this philosophy has been promoted to every employee;
- Keeping the “Ecological Civilization”, “Green Development” and “Clean Heating” in mind, the Company will closely monitor market trends so as to explore development opportunities; Expand the market share to further strengthen biomass and hazardous business market position in the industry;
- Seizing the advantages of the “The 10-Chapter Soil Pollution Action Plan” strategy to develop new business segments including soil remediation with utmost effort and explore new growth drivers;
- With advantages of existing areas, the Company deepen the penetration based on existing projects. Seeking to achieve breakthrough in new regions and business segments.



## 3

### Adhere to development driven by innovation, achieve breakthrough in core technologies

- Strengthen the innovation mechanism, utilise the Greentech Research Institution and Everbright International Research Institution as well as introduce advanced technology;
- Promoting the collaborations with institutions and research institutes has introduced advanced technologies and talent, and built up the core competitiveness of the Company;
- Focus : Biogenic gas, biomass high parameter technologies, soil remediation technologies and hazardous waste next generation treatment technologies.



# Development Strategies (4)

## 4 Enhance integrated service capability and achieve synergies of multiple business segments

- Continue to cross-sell the services at locations with existing projects to realize inter-segment synergies by leveraging experience in developing and operating a portfolio of diversified projects as well as relationships with existing customers;
- Strengthen the coordination among different projects in a region by pooling management, financial and other resources to better control costs, improve management efficiency and achieve inter-segment synergies;
- Strengthen the operation and business synergy with China Everbright Group and China Everbright International, improve the integration of resources and enhance the marketing capability.





# Development Strategies (5)

## 5 Strengthen the establishment of management system and promote the steady development of the company

- Establish a comprehensive internal control in strict compliance with relevant requirements under the ESHS Management system and risk management system, effective monitoring of all aspects ranging from project investment, construction, production to operation;
- Ensure safety operation, compliance with discharge standards and promote a steady growth in the business.



# 4. Policy Highlights



## Notice on Issuance the Guiding Opinion on Facilitating the Development of Biomass Heat Supply



- It is expected to build up 200 counties, 1000 villages and towns as well as a batch of small and middle size industrial parks featured with biomass heat supply by 2020. A widespread application of biomass heat supply in areas with sufficient resources is expected to achieve by 2035.
- Enhance the environmental protection awareness, so as to control the pollutant discharge of biomass boiler within the national or local air pollutants discharge standards and achieve the same discharge level of gas-fired boiler.
- Proactively promote the clean heat supply of biomass gas and accelerate the development of methane production by fermentation of raw materials such as excrements of livestock and straws and the refinement of biogas. Facilitating the development of biogas to become the boiler fuel and incorporating it into the heat supply gas pipe network of the cities and towns.
- Strive to develop the agricultural and forestry biomass electricity and heat cogeneration in county areas. Construct new agricultural and forestry biomass power generation projects to achieve biomass electricity and heat cogeneration. Fulfill the heating demands of local county areas and satisfy the demands for clean heating by installing new biomass boilers, so as to supply heating to counties with 3 million square meters or below.

--National Development and Reform Commission & National Energy Administration

## Notice on Commencement the Construction of Clean Heating Demonstrative Projects in Hundred Towns and Counties' Biomass Electricity and Heat Cogeneration



- Ascertain the biomass electricity and heat cogeneration is an important clean heating method for geographically distribution and a crucial measure to supply clean heating and industrial steam for small and middle size areas by replacing the fire coal at user-side, resulting in saving the natural gas and prevent the pollution caused by scattered coals;
- There is a total of 136 projects under the Clean Heating Demonstrative Projects in Hundred Towns and Counties' Biomass Electricity and Heat Cogeneration, covering 20 provinces (districts and cities) and Xinjiang Production and Construction Corps.
- China Everbright Greentech has nine projects included in 136 demonstrative projects, as shown in the table below.

-- National Energy Administration



Demonstration projects	Total Investment (RMB million)	Heat supply coverage	Annual steam supply ('00000 GJ)	Project situation
Xuyi in Jiangsu	301	Chise Power industrial	72.3	In operation
Lianshui in Jiangsu	318	Gaogo industrial area	108.4	Under construction
Fengyang in Anhui	320	Fengning industrial area	158	Power generation commenced operation; Heat supply in the preparatory stage
Guoyang in Anhui	324	Guoyang economic and technological development zone and civil use	91	In the preparatory stage
Yu'an in Anhui	340	Pingqiao Gaoxin industrial zone and civil use	136	Under construction
Xiao Country in Anhui	3	Xiao country's country town	190	Power generation commenced operation; Heat supply in the preparatory stage
Dangshan in Anhui	12	Dangshan country town	150	Power generation commenced operation; Heat supply in the preparatory stage
Yeji in Anhui	351	Yeji economic and technological development zone	115	Under construction
Xiayi in Henan	320	Xiayi industrial park and civil use	85	In the preparatory stage

## ▶ Guiding Opinion on Implementing the 13th Five-Year Plan for the Development of Renewable Resources



- Strengthen objective leading and assessment and evaluation of renewable energy resources. Plan the indicators of proportion in non-hydroelectric renewable resource power generation output over the total electricity consumption in individual district;
- Enhance and standardize biomass power generation management. Governmental authorities responsible for energy in various provinces (districts and cities) shall organize project assessment and evaluation in accordance with established planning and submit the annual report on the project examination and operation during its construction;
- Strive to development the agricultural and forestry biomass electricity and heat cogeneration and regard it as a key clean heat supply measure in county areas.

-- National Energy Administration

## ▶ Layout Proposal of 13th Five-Year Plans for Biomass Power Generation



- In December 2016, the National Energy Administration published the 13th Five-Year Plans for Biomass Power Generation, stating the aggregate power generation designed capacity of biomass power generation will reach 15 million KW by 2020, of which power generation from biomass direct combustion will reach 7 million KW;
- In July 2017, the National Energy Administration published the Layout Proposal of 13th Five-Year Plans for Biomass Power Generation, in which it is expected to increase the planned power generation designed capacity of agricultural and forestry biomass power generation to 13 million KW, representing an increase more than 85% over the original plan.

-- National Energy Administration



光大綠色環保  
Everbright Greentech

# Q&A Session

