

EVERBRIGHT GREENTECH ANNOUNCES 2018 ANNUAL RESULTS

LAYING A SOLID FOUNDATION AND KEEPING PACE WITH TIMES

Financial Highlights

For the year ended 31 December

	2018 HK\$'000	2017 HK\$'000	Change
Revenue	7,001,820	4,581,352	53%
Gross Profit	2,069,454	1,435,028	44%
EBITDA	2,161,227	1,517,788	42%
Profit attributable to equity shareholders of the Company	1,324,871	953,823	39%
Basic earnings per share (HK cents)	64.12	51.70	24%
	2018	2017	Change
Cash and bank balances (HK\$ million)	2,261	3,343	(32)%
Total assets (HK\$ million)	18,603	14,432	29%
Asset-liability ratio (total liabilities over total assets)	49%	39%	10ppt
Current ratio (current assets over current liabilities)	155%	216%	(61)ppt

Hong Kong, 6 March 2019 – China Everbright Greentech Limited (the “Company” or “Everbright Greentech”, and together with its subsidiaries, the “Group”) (SEHK: 1257) today announced its audited annual results for the year ended 31 December 2018.

The year of 2018 is the commencing year for China’s full implementation of the principles of the 19th National People’s Congress of the Communist Party of China (“19th CPC National Congress”) and a year of exceptional significance in the development of China’s ecological civilisation. Being

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included in the master planning for “balanced economic, political, cultural, social and ecological progress” in the report of the 19th CPC National Congress, ecological civilisation assumed an increasingly important role and status in the national governance regime. During the year under review, at the National Conference on Ecological and Environmental Protection held in 2018, convened in the highest order ever seen for meetings of its kind, and a number of heavy-weight action plans and implementation proposals were announced successively to unveil the full-scale battle for the protection of blue sky, clear water and clean land. Environmental protection industry thrived in a larger context where opportunities as well as challenges existed.

In 2018, the Group adopted a business philosophy of “Integrity, Efficiency, Pragmatism and Innovation” and sought prudent and determined progress, as it advanced steadily in market development, project construction, operating performance, technology research and development, corporate management and industry participation. It also further improved its business scale and profitability on the back of efforts guided by technology and innovation. During the year under review, the Group reported encouraging growth in revenue and profitability. Revenue from construction services reached a historical high as compared to the same periods of previous years and revenues from the operational service continued to grow in line with the sustained increase in the volume of projects processed.

For the year under review, the Group’s revenue amounted to approximately HK\$7,001,820,000, an increase of 53% over HK\$4,581,352,000 for 2017. EBITDA amounted to approximately HK\$2,161,227,000, an increase of 42% over HK\$1,517,788,000 for 2017. Profit attributable to equity shareholders of the Company for the year was approximately HK\$1,324,871,000, 39% more than HK\$953,823,000 recorded for 2017. Basic earnings per share for 2018 amounted to HK64.12 cents, HK12.42 cents more than HK51.70 cents for 2017. The Group had ample cash flow and ready access to various financing options, reporting sound financial indicators across the board.

In terms of market development, the Group maintained strong momentum and reported encouraging results in business expansion. A record-high number of new projects were launched, as the Group secured 24 new projects and entered into 2 share transfer agreements during the year under review for the acquisition of 2 environmental protection companies, involving an additional total investment of approximately RMB5.13 billion (including approximately RMB576 million in Anqing Solid Waste Integrated Treatment Project, in which the Group held 49% interest), and an additional environmental remediation contract amount of RMB187 million (acquisitions excluded). In terms of project capacity, the Group’s aggregate power generation designed capacity was increased by 122MW, while its biomass processing designed capacity was increased by

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approximately 600,000 tonnes per year. The Group's household waste processing designed capacity and hazardous and solid waste treatment designed capacity were increased by approximately 3,100 tonnes daily and 547,000 tonnes per year, respectively. The new projects included 6 integrated biomass and waste-to-energy projects, 2 biomass electricity and heat cogeneration projects, 7 hazardous and solid waste treatment projects and 9 environmental remediation projects. For acquisitions, the Group entered into 2 share transfer agreements to acquire a 90% equity interest in Jiangsu Jiayuan Environmental Technology Co., Ltd. ("Jiangsu Jiayuan") at a consideration of RMB180 million, increasing the Group's annual hazardous waste treatment designed capacity by 183,000 tonnes, and a 88.88% equity interest in Suntime Environmental Remediation Co., Ltd. ("Suntime Environmental Remediation") at a consideration of RMB222.2 million, further enhancing the qualification and platform of the environmental remediation sector.

Meanwhile, the Group achieved breakthroughs in both geographic region and business sector. During the year under review, the Group further broadened its business scope by tapping the environmental remediation business with sound development momentum. In the hazardous and solid waste treatment sector, it continued extending its business chain by making inroads into the sub-segments of integrated utilisation of hazardous and solid wastes through acquisition. In the meantime, the Group entered 5 new provincial markets for its environmental business, namely, Gansu Province, Zhejiang Province, Shaanxi Province, Fujian Province and Liaoning Province, expanding its domestic presence to 14 provinces and municipalities in further enhancement of its position in the industry.

In terms of project construction, the Group upheld the principle of "Excellence in Quality, Standard, Technology and Efficiency" in its engineering operations for steady advancement of its project construction. Record-high numbers were reported during the year under review with 23 projects starting construction and 14 projects being completed and commencing operation. As of 31 December 2018, the Group had 24 projects under construction or implementation, which are scheduled to be completed or commence operation in 2019. In addition, the Group has substantially raised the level of refined and standardised management with respect to its construction works by further improving its engineering management systems and regulations.

In terms of technology research and development ("R&D"), the Group successfully applied for 2 projects under the 2018 key research programme of the Ministry of Science and Technology of the People's Republic of China (PRC) during the year under review. They included a sub-topic of a key project titled "Integrated demonstration and development of technologies for zone-based synchronised solid wastes treatment in Zhangjiagang" under the category of "Solid waste recycling"

and a sub-topic of a key project titled “New technologies and equipments for in-situ sampling of soil and underground water at polluted sites” under the category of “Causes of soil pollution at sites and treatment technologies”. In addition, the Group participated into the project of “Key Technology and Application of Recycling and Controlling Pollution of Typical Hazardous Waste” led by Tongji University, and the results of the project received the Higher Education Outstanding Scientific Research Output Awards (second-class award in Scientific and Technological Progress) from the Ministry of Education of the PRC in 2018.

As of 31 December 2018, the Group had 96 environmental protection projects with a total investment of approximately RMB24.468 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 independently undertook 9 environmental remediation projects, with a total contract amount of approximately RMB187 million.

Integrated biomass utilisation

During the year under review, the Group had 22 integrated biomass utilisation projects in operation, generating approximately 2,557,059,000 kWh of on-grid electricity which represented an increase of 84% over 2017. Meanwhile, the Group processed approximately 3,159,990 tonnes of biomass raw materials and approximately 881,254 tonnes of household waste, representing increases of 88% and 254% over 2017, respectively. During the year under review, the Group supplied approximately 363,391 tonnes of steam, representing an increase of 112% over 2017. As of 31 December 2018, the Group had 14 integrated biomass utilisation projects under construction, with an aggregate power generation designed capacity of 354MW, an annual biomass processing designed capacity of approximately 2,800,000 tonnes and a daily household waste processing designed capacity of approximately 2,150 tonnes.

During the year under review, EBITDA of the Group’s integrated biomass utilisation projects was approximately HK\$1,631,932,000, an increase of 43% over 2017. The integrated biomass utilisation projects contributed net profit of approximately HK\$1,041,932,000, an increase of 38% over 2017. The increase in profit was mainly attributable to the steady progress of a number of projects under construction during the year under review, resulting in an 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 year under review, there were 12 hazardous and solid waste treatment projects in operation completing safe treatment of approximately 127,052 tonnes of hazardous wastes, an increase of 12% over 2017. There were 4 hazardous and solid waste treatment projects under construction with an aggregate annual processing designed capacity of 93,000 tonnes.

During the year under review, the Group entered into a share transfer agreement to acquire a 90% equity interest in Jiangsu Jiayuan at a consideration of RMB180 million. Located in Suzhou and Wuxi areas, Jiangsu Jiayuan is an environmental protection company that focuses on resource recycling. Its core business covers the treatment and reuse of industrial hazardous waste, such as copper-containing sludge and etching waste liquid that are generated from printed circuit board.

During the year under review, the Group's hazardous and solid waste treatment projects contributed EBITDA of approximately HK\$370,246,000, an increase of 53% over 2017. Hazardous and solid waste treatment projects contributed net profit of approximately HK\$245,373,000, an increase of 48% over 2017. The increase in profit was mainly attributable to stable business development and sustained an increase in the aggregate processing capacity of projects in operation.

Environmental Remediation

During the year under review, the Group independently undertook 9 environmental remediation projects, which were located mainly in Jiangsu Province and Jiangxi Province, as well as Tianjin and Shanghai. They included 2 completed projects, 6 projects under implementation and 1 project in preparation with a total contract amount of approximately RMB187 million.

In addition, the Group entered into a share transfer agreement to acquire 88.88% equity interest in Suntime Environmental Remediation at a consideration of RMB222.2 million. The principal businesses of Suntime Environmental Remediation includes technical services and design, consultation and construction in relation to environmental remediation. It is a national high-tech enterprise with the following licenses: the First-grade Professional Contracting Qualification for Environmental Protection Projects, Environmental Engineering EPO License (Class B) (for pollution remediation and prevention of water pollution), the Third-grade General Contractor for Municipal Public Works, Jiangsu Environmental Pollution Control License (Class A) (contaminated soil, groundwater and water body remediation) and the General Contractor for Jiangsu Environmental Pollution Control License (1st Class). Suntime Environmental Remediation holds 96 national patents, 19 of which are invention patents, as well as 10 registered trademarks. As of 31 December 2018, the contract value of the projects under implementation of Suntime Environmental Remediation was

approximately RMB432 million.

During the year under review, environmental remediation projects contributed EBITDA and net profit of approximately HK\$24,515,000 and HK\$19,867,000 respectively.

Solar energy and wind power

During the year under review, the Group's solar energy and wind power projects sold approximately 316,811,000 kWh of electricity, contributing EBITDA of approximately HK\$225,605,000, representing an increase of 15% over 2017. Solar energy and wind power projects contributed net profit of approximately HK\$110,047,000, representing an increase of 14% over 2017 mainly in tandem with the increase in the volume of on-grid electricity supply by the wind power projects.

Mr. QIAN Xiaodong, CEO of Everbright Greentech, said, "In 2018, with ample support from China Everbright Group Limited and its controlling shareholder, China Everbright International Limited ("Everbright International"), Everbright Greentech's various businesses progressed smoothly and achieved satisfying results, despite changes from the macro environment and the industry. This helped further lay a solid foundation for the Group's future development. Going forward, by building upon its four major business segments, Everbright Greentech will continue seizing opportunities arising from national strategies and industry trends, broaden its business scope and expand into new markets, continue enhancing its operations management proficiency, and boost its capabilities in technology R&D and commercialisation of research results. The Group aims to elevate itself to new heights in 2019, and reward its shareholders and investors with better results."

Mr. WANG Tianyi, CEO of Everbright International and Chairman of Everbright Greentech, stated, "The year of 2018 marked a significant year for China's ecological civilisation development. During the year, the concept of ecological civilisation was incorporated into the Constitution of the PRC, and the Ministry of Ecology and Environment was established by the State Council of the PRC. These signified a new phase of development for China's ecological and environmental protection. Meanwhile, environmental protection enterprises were under pressure from market expansion, higher costs and compliance with relevant emission standards, nurturing an industry trend where strong players are driving out the weak. Amid the opportunities and challenges presented in the macro environment, and under the leadership of the management, Everbright Greentech achieved remarkable and encouraging results in 2018. Looking into 2019, as the world faces unprecedented changes in a century, Everbright International will continue providing full support to Everbright Greentech's development in all aspects. We also hope that Everbright Greentech will remain

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committed to pursuing development that is driven by technological innovation, seeking improvement backed by stable development, making steady progress, and striving to become a leading player in China's environmental protection industry.”

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About China Everbright Greentech Limited

China Everbright Greentech Limited is a specialty environmental protection service provider in China, focusing on biomass integrated utilisation, hazardous 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. Everbright Greentech adheres to development driven by business innovation and initiated the country’ urban-rural integration project. Its businesses span across 14 provinces and municipalities in China and Germany. Leveraging its unique and diversified business models, strategic layout, 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.

The Company's controlling shareholder, China Everbright International Limited (“Everbright International”, a listed company on the Main Board of the Stock Exchange, stock code: 0257.HK) is a leader in China's environmental protection industry, whereas China Everbright Group Limited, the parent company of Everbright International, is a conglomerate enterprise among the Fortune Global 500.

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