

EVERBRIGHT GREENTECH ANNOUNCES 2019 ANNUAL RESULTS

Financial Highlights

For the year ended 31 December

	2019 HK\$'000	2018 HK\$'000	Changes
Revenue	9,279,555	7,001,820	33%
Gross Profit	2,801,016	2,069,454	35%
EBITDA	2,876,139	2,161,227	33%
Profit attributable to equity shareholders of the Company	1,621,477	1,324,871	22%
Basic earnings per share (HK cents)	78.48	64.12	22%
	At 31 Dec 2019	At 31 Dec 2018	Changes
Cash and bank balances (HK\$ million)	2,897	2,261	28%
Total assets (HK\$ million)	26,258	18,603	41%
Asset-liability ratio (total liabilities over total assets)	59.7%	49.3%	10.4ppt
Current ratio (current assets over current liabilities)	148.7%	154.6%	(5.9)ppt

Hong Kong, 26 February 2020 – China Everbright Greentech Limited (the “Company” or “Everbright Greentech”, and together with its subsidiaries, the “Group”) (SEHK: 1257.HK) today announced its audited annual results for the year ended 31 December 2019.

As we celebrated the 70th anniversary of the founding of new China in 2019, we also witnessed a crucial year for achieving success in the general realisation of a moderately prosperous society and winning the critical battle for the prevention and treatment of pollution. On the domestic front, the environmental industry benefited from the successive announcements over the past few years of a range of policies and regulatory measures at various levels that had given rise to a policy regime and

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regulatory framework focused on key environmental issues, such as the water environment, soil, solid waste and atmospheric conservation. Overcoming prominent environmental issues, improving environmental quality, driving quality economic growth, as well as attaining sustainable development remained some of the key tasks and objectives for national development. Such tasks and objectives have not only outlined a more lucid blueprint for the development of the nation's ecological civilisation, but have also called for higher business standards and more ambitious development goals on the part of the environmental sector, thereby presenting business opportunities with greater potential to environmental enterprises.

As a provider of specialised environmental protection services in China, Everbright Greentech achieved stable growth in various aspects and reported further improvements in business scale and efficiency in 2019, mindful of its initial commitment while staying current in its endeavours as it continued to uphold the corporate mission of being “Devoted to Ecology and Environment for a Beautiful China” and the vision of “Delivering better investment value and undertaking further social responsibilities”.

For the year under review, the Group's revenue amounted to approximately HK\$9,279,555,000, an increase of 33% over HK\$7,001,820,000 for 2018. EBITDA amounted to approximately HK\$2,876,139,000, an increase of 33% over HK\$2,161,227,000 for 2018. Profit attributable to equity shareholders of the Company for the year was approximately HK\$1,621,477,000, 22% more than HK\$1,324,871,000 recorded for 2018. Basic earnings per share for 2019 amounted to HK78.48 cents, HK14.36 cents more than HK64.12 cents for 2018. 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 achieved a double breakthrough in terms of entering new geographic regions and new business sectors during the year under review. We further broadened our business portfolio by diversifying into the business of general industrial solid waste electricity and heat cogeneration, while continuing to extend its business footprint by successfully entering the environmental protection markets of Heilongjiang Province and Inner Mongolia Autonomous Region, expanding the Group's business presence in China to 14 provinces and autonomous region. Our environmental remediation business also gained momentum following a breakthrough in the environmental remediation market of Guangdong Province, resulting in a total of 7 provinces and municipalities in which the Group has secured environmental remediation contracts.

The Group accomplished stellar results in business expansion during the year under review, as it secured 23 new projects and entered into 5 supplemental agreements involving additional total

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investments of approximately RMB5.702 billion and environmental remediation project contracts with a total amount of approximately RMB113 million. Such new projects included 1 biomass electricity and heat cogeneration project, 15 hazardous and solid waste treatment projects and 7 environmental remediation projects. In terms of project scale, our aggregate power generation designed capacity was increased by 7 MW, 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 1,242,400 tonnes and 965,000 tonnes per year, respectively. In addition, the Group completed the acquisitions of 3 environmental companies during the year under review, including Jiangsu Jiayuan Environmental Technology Co., Ltd. *(江蘇佳願環境科技有限公司), Suntime Environmental Remediation CO., Ltd. and Zhangjiagang Gelin Environmental Engineering Co., Ltd. *(張家港格林環境工程有限公司).

In terms of project construction, the Group reported smooth progress in its project works which continued to contribute to the steady growth in revenue from its construction services. During the year under review, 20 projects started implementation or construction, while 26 projects were completed and commenced operation. As of 31 December 2019, the Group had 27 projects under construction or implementation, including 13 integrated biomass utilisation projects, 5 hazardous and solid waste treatment projects and 9 environmental remediation projects. The Group has 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 primarily on general industrial solid waste treatment, physicochemical treatment of hazardous waste, industrial waste salt treatment and resources recycling. During the year under review, we commenced work in relation to the assessment of the current status of vertical curtain anti-seepage at domestic hazardous waste landfills and developed methodologies and standards for the assessment of vertical curtain anti-seepage at hazardous waste landfills in a systematic manner; moreover, we have formulated through our research options for technical routes and equipment choices compatible with the Group's general industrial solid waste treatment business, providing comprehensive technical support for the implementation and advancement of our general industrial solid waste projects. As of 31 December 2019, the Group held 105 licensed patents, including 32 invention patents and 73 utility model patents.

As of 31 December 2019, the Group had 108 environmental protection projects with a total

* For identification purpose only

investment of approximately RMB28.908 billion; and had undertaken 27 environmental remediation projects with a total contract amount of approximately RMB725 million.

Integrated biomass utilisation

During the year under review, the Group had 32 integrated biomass utilisation projects in operation, generating approximately 3,826,504 MWh of on-grid electricity which represented an increase of 50% over 2018. Meanwhile, the Group processed approximately 4,635,939 tonnes of biomass raw materials and approximately 1,439,893 tonnes of household waste, representing increases of 47% and 63% over 2018, respectively. During the year under review, the Group supplied approximately 818,804 tonnes of steam, representing an increase of 125% over 2018. As of 31 December 2019, the Group had 13 integrated biomass utilisation projects under construction, with an aggregate power generation designed capacity of 246 MW, an annual biomass processing designed capacity of approximately 1,870,000 tonnes, a daily household waste processing designed capacity of approximately 2,950 tonnes and an annual steam generation designed capacity of 960,000 tonnes.

During the year under review, EBITDA of the Group's integrated biomass utilisation projects was approximately HK\$2,192,943,000, an increase of 34% over 2018. The integrated biomass utilisation projects contributed net profit of approximately HK\$1,345,056,000, an increase of 29% over 2018. The increase in profit was mainly attributable to the increase in revenue from construction services thanks to the steady progress of various projects in construction coupled with the substantial increase in revenue from operation services in tandem with the continuous growth in total on-grid electricity from projects in operation, during the year under review.

Hazardous and solid waste treatment

During the year under review, the Group operated and completed 20 hazardous and solid waste treatment projects. For detoxification treatment, approximately 184,248 tonnes of hazardous and solid waste were treated in aggregate, an increase of 45% over 2018. For integrated resource utilisation, 13,654 tonnes of hazardous and solid waste were treated in aggregate and approximately 5,242 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 160,000 tonnes. Among the projects in operation and completed construction, Jiangsu Jiayuan Environmental Technology Co., Ltd. *(江蘇佳願環境科技有限公司), which was acquired by the Group in early 2019, is currently in suspension pending the renewal of its license for the operation of hazardous waste disposal. Zhejiang Lishui Industrial Solid Waste Landfill Project, completed construction during the

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year under review, has yet to contribute any operating revenue.

During the year under review, the Group's hazardous and solid waste treatment projects contributed EBITDA of approximately HK\$571,824,000, an increase of 54% over 2018. Hazardous and solid waste treatment projects contributed net profit of approximately HK\$362,936,000, an increase of 48% over 2018. The increase in profit was mainly attributable to stable business development and sustained increase in the aggregate processing capacity of projects in operation.

Environmental remediation

As of 31 December 2019, the Group had 9 environmental remediation projects under implementation, located mainly in Jiangsu Province, Zhejiang Province and Jiangxi Province, with a total contract amount of approximately RMB334 million. There were 3 projects in the preparatory stage with a total contract amount of approximately RMB112 million.

For the year under review, the Group's environmental remediation projects contributed EBITDA of approximately HK\$55,454,000, an increase of 126% over 2018. The environmental remediation projects contributed net profit of approximately HK\$30,683,000, an increase of 54% over 2018. The increase in profit was mainly attributable to the completion and implementation of 21 environmental remediation projects by the Group during the year under review, which was 13 more than those completed and implemented during 2018.

Solar energy and wind power

During the year under review, the Group's solar energy and wind power projects sold approximately 268,675 MWh of electricity, representing a decrease of 15% compared to 2018. EBITDA contribution decreased by 18%, as compared to 2018, to approximately HK\$185,683,000. Solar energy and wind power projects contributed net profit of approximately HK\$83,398,000, representing a decrease of 24% as compared to 2018. The decrease was attributable mainly to the weaker wind resources for wind power projects during the year.

Mr. QIAN Xiaodong, CEO of Everbright Greentech, said, "In 2019, with strong support from China Everbright Group Limited and the Company's controlling shareholder, China Everbright International Limited ("Everbright International"), Everbright Greentech continued optimising its business portfolio, steadily enhancing its operations management, and making solid progress in project construction, forging ahead with stable and positive development momentum by overcoming various difficulties and challenges. The Company was therefore able to deliver remarkable results to

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its shareholders and investors. Entering into 2020, Everbright Greentech will continue following relevant national strategies while riding the wave of industry trends, and consolidate the market positions in its advantageous business segments. Focusing on value creation, Everbright Greentech will actively carry out business transformation and explore new business models, in order to take its high-quality development to a higher level.”

Mr. WANG Tianyi, CEO of Everbright International and Chairman of Everbright Greentech, stated, “Amid the market environment awash with both challenges and opportunities in 2019, Everbright Greentech stayed abreast of market trends, overcoming difficulties and advancing onward to achieve fruitful results under the leadership of the management team. The year of 2020 will see China wrapping up its 13th Five-year Plan and moving onto its 14th Five-year Plan. It is also a crucial year for the country entering the decisive stage for winning the tough battle against pollution prevention and treatment. Everbright Greentech is confident to continue solidifying its business foundation while seeking transformation and development. It will actively tap into new business areas and new geographical markets, in a bid to contribute more to Everbright International’s efforts to deliver extraordinary results in 2020.”

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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 urban-rural integration project in the country. 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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