

## EVERBRIGHT GREENTECH ANNOUNCES 2020 ANNUAL RESULTS

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### Financial Highlights

For the year ended 31 December

	<b>2020</b>	2019	
	<b>HK\$'000</b>	HK\$'000	Change
Revenue	<b>9,835,376</b>	9,279,555	6%
Gross Profit	<b>3,011,540</b>	2,801,016	8%
EBITDA	<b>3,064,595</b>	2,876,139	7%
Profit attributable to equity shareholders of the Company	<b>1,502,532</b>	1,621,477	(7)%
Basic earnings per share (HK cents)	<b>72.72</b>	78.48	(7)%

	<b>At 31 Dec 2020</b>	At 31 Dec 2019	Change
Cash and bank balances (HK\$ million)	<b>2,727</b>	2,897	(6)%
Total assets (HK\$ million)	<b>35,265</b>	26,258	34%
Asset-liability ratio (total liabilities over total assets)	<b>63.5%</b>	59.7%	3.8ppt
Current ratio (current assets over current liabilities)	<b>156.2%</b>	148.7%	7.5ppt

**Hong Kong, 4 March 2021** – 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 2020.

In 2020, the profound changes occurring in the global economic landscape took on a faster pace under the impact of the pandemic caused by the novel coronavirus (“COVID-19”). During the past year, the Chinese government maintained its strategic focus on the development of

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ecological civilisation, while driving the accomplishment of staged goals for the critical battle against pollution. Meanwhile, in connection with anti-epidemic initiatives, it expedited effort to amend the shortfalls of the hazardous waste collection and treatment facilities. During the year under review, policies and regulations such as the “Guiding Opinions on Establishing a Modern System of Environmental Management” and a new revised version of the “Law on the Prevention and Control of Environmental Pollution by Solid Waste” were announced and implemented, while the plan for protecting the ecological environment of the Yangtze River Economic Belt was also progressing in an orderly manner, as environmental inspection by China’s central authorities continued to roll out. With the launch and implementation of such policy planning and action plans, the environmental protection industry embraced a positive development trend as it continued to improve in terms of regulation and professional quality.

As a provider of specialised environmental protection services in China, the Group achieved steady development in various businesses in 2020 despite the impacts of multiple unfavourable factors, such as the COVID-19 epidemic, rainstorms and floods, among others, as it rolled out comprehensive business development with the aim of “creating value and enhancing reform” in ongoing firm adherence to the corporate mission of being “Devoted to Ecology and Environment for a Beautiful China” and the corporate vision of endeavouring to “Create Better Investment Value and Undertake More Social Responsibility”.

For the year under review, the Group’s revenue amounted to approximately HK\$9,835,376,000, increasing by 6% compared with HK\$9,279,555,000 for 2019. EBITDA increased by 7% to approximately HK\$3,064,595,000 compared to HK\$2,876,139,000 for 2019. Profit attributable to equity shareholders of the Company for the year was approximately HK\$1,502,532,000, 7% less than HK\$1,621,477,000 recorded for 2019 and basic earnings per share for 2020 was HK72.72 cents, HK5.76 cents less than HK78.48 cents for 2019. Excluding the impact of the one-off impairment of the intangible assets, the Company’s earnings attributable to equity shareholders and basic earnings per share for the year were HK\$1,665,074,000 and HK80.59 cents, respectively, an increase of approximately 3% compared with 2019. The Group was backed by ready access to various financing options and ample cash flow, with sound financial indicators across the board.

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. First, it achieved breakthrough in terms of new business sectors by successfully tapping the end-of-life tyre (ELT) disposal business in a further enrichment of the Company’s business portfolio;

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second, it continued to explore the market for treatment of general industrial solid waste and signed for two general industrial solid waste treatment projects in Xiao County and Lianshui County, respectively, in an ongoing effort to increase its industry influence in this sector; third, the Group continued to develop the environmental remediation market and drive business mix optimisation, as it reported record-high numbers and amounts of environmental remediation contracts signed.

During the year under review, the Group secured 17 new projects and entered into 4 supplemental agreements involving additional total investments of approximately RMB2.56 billion and environmental remediation project contracts with a total amount of approximately RMB289 million. Such new projects include 2 integrated biomass utilisation projects, 6 hazardous and solid waste treatment projects and 9 environmental remediation projects. In terms of project scale, the designed capacities for household waste and food waste processing, steam supply and hazardous and solid waste treatment were increased by approximately 386,900 tonnes, 820,000 tonnes and 612,500 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”. During the year under review, 28 new projects started implementation or construction, while 20 projects were completed construction or commenced operation. As at 31 December 2020, the Group had 34 projects under construction or implementation, including 6 integrated biomass utilisation projects, 15 hazardous and solid waste treatment projects and 13 environmental remediation projects. With a strong emphasis on construction safety, construction quality and work scheduling for projects under construction, the Group has enhanced safety management at project sites through ongoing optimisation of its construction management system and framework.

In connection with technology research and development (“R&D”), the Group sought to drive quality and efficiency enhancement for its projects through technological innovation, while providing support to the technical viability of new business types. During the year under review, the Group’s research on the “Development and Application of Safe, Clean and Efficient Incineration Technology for General Combustible Industrial Solid Waste” was included in the list of “Key Program for International Science and Technology Cooperation Projects” maintained by the Ministry of Science and Technology of the PRC; development of the process design package for the incineration of hazardous waste with high sulphuric and halogenic contents was completed and the package was applied in the operation of the Group’s projects; research on the implementation scheme for ultra-low emission of biomass and waste-to-energy projects came into shape; technical deliberation for the recycling of ELT was

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completed. As of 31 December 2020, the Group held 149 authorised patents, including 21 invention patents and 128 utility model patents, and 5 software copyrights.

As of 31 December 2020, the Group had 119 environmental protection projects with a total investment of approximately RMB 31.468 billion; and had undertaken 36 environmental remediation projects with a total contract amount of approximately RMB 1.014 billion.

### **Integrated biomass utilisation**

During the year under review, the Group had 44 integrated biomass utilisation projects in operation and completed relevant construction work, generating approximately 5,365,724 MWh of on-grid electricity which represented an increase of 40% over 2019. Meanwhile, the Group processed approximately 6,707,958 tonnes of biomass raw materials and approximately 2,271,844 tonnes of household waste, representing increases of 45% and 58% over 2019, respectively. During the year under review, the Group supplied approximately 1,343,552 tonnes of steam, representing an increase of 64% over 2019. As of 31 December 2020, the Group had 6 integrated biomass utilisation projects under construction, with an aggregate power generation designed capacity of 59.5MW, a daily household waste processing designed capacity of approximately 2,760 tonnes.

During the year under review, the Group's integrated biomass utilisation projects contributed EBITDA of approximately HK\$2,557,204,000, an increase of 17% over 2019. The integrated biomass utilisation projects contributed net profit of approximately HK\$1,478,719,000, an increase of 10% over 2019. The increase in profit was mainly attributable to the substantial increase in revenue from operation services in tandem with the continuous growth in total on-grid electricity from projects in operation, volume of household waste processed and steam supplied during the year under review.

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

During the year under review, the Group operated and completed 23 hazardous and solid waste treatment projects. For detoxification treatment, approximately 166,825 tonnes of hazardous and solid waste were treated in total, a 9% decrease compared to 2019. For integrated resource utilisation, 15,276 tonnes of hazardous and solid waste were treated, increasing by 12% compared to 2019, and approximately 5,768 tonnes of recycled products were sold, a 10% increase compared to 2019. There were 15 hazardous and solid waste treatment projects under construction with an aggregate annual processing designed capacity of approximately 873,800 tonnes.

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During the year under review, the Group's hazardous and solid waste treatment projects contributed EBITDA of approximately HK\$419,733,000, a decline of 27% over 2019. Hazardous and solid waste treatment projects contributed net profit of approximately HK\$203,180,000, a decrease of 44% over 2019. The decrease in profit was mainly attributable to the decrease in revenue from operation services as the processing volume had been affected by the epidemic.

### **Environmental remediation**

As of 31 December 2020, the Group had 13 environmental remediation projects under implementation, the majority of which were located variously in Jiangsu Province, Jiangxi Province and Guangdong Province, with a total contract amount of approximately RMB 583 million. There were also 3 projects in the preparatory stage, with a total contract amount of approximately RMB117 million.

For the year under review, the Group's environmental remediation projects contributed EBITDA of approximately HK\$39,223,000, a decrease of 29% over 2019. The environmental remediation projects contributed net profit of approximately HK\$15,317,000, a decrease of 50% over 2019. The decrease in profit was mainly attributable to the impact of the epidemic on construction work progress and reduction in government tenders.

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

During the year under review, the Group's solar energy and wind power projects sold approximately 257,781 MWh of electricity, representing a decrease of 4% compared to 2019. EBITDA contribution decreased by 2%, as compared to 2019, to approximately HK\$181,365,000. Solar energy and wind power projects contributed net profit of approximately HK\$78,415,000, representing a decrease of 6% as compared to 2019. It was mainly attributable to the decrease in on-grid power volume following the suspension of wind power operation in Shanxi Province owing to the epidemic.

**Mr. QIAN Xiaodong, CEO of Everbright Greentech**, said, "In 2020, against the backdrop of a complicated and uncertain external environment in the wake of the COVID-19 pandemic and the resulting chaotic international situation, Everbright Greentech overcame many challenges and carried out pandemic control with proactive planning and proper measures to neutralise the impacts of different negative factors. As a result, the Group's market development, project construction, project operation and technology R&D related works progressed in an orderly manner, while its financing channels also expanded, and steady development of all business segments has been achieved. The year 2021 is the commencing

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year for the nation's '14th Five-Year Plan', and also a crucial year of strategic transformation for Everbright Greentech. The Group will closely adhere to the national strategies and strengthen its technology-driven development. We will strengthen our existing business foundation and seize emerging development opportunities in tandem with the overall objective of peak carbon dioxide emissions and carbon neutrality, with a special focus on the three key areas of 'environment, resources and energy', as we accelerate our transformation into an eco-platform that enables technological innovation and business agility."

**Mr. WANG Tianyi, Chairman of the Board and CEO of Everbright Environment, and Chairman of Everbright Greentech,** said: "In 2020, China pledged at the 75th Session of The United Nations General Assembly that it will 'aim to peak its carbon dioxide emissions by 2030 and achieve carbon neutrality by 2060'. In addition, the formulation of the '14th Five-year Plan' and the 'Long-range Objectives Through the Year 2035' further underline the importance of promoting low-carbon green development and improving environmental quality. Economic recovery guided by eco-friendly and low-carbon initiatives has become the consensus of the international community. The blueprint of the 14th Five-Year-Plan promises new opportunities for the industry. To seize such new opportunities, the Group will operate in a manner that ensures it will "persist in stable progress, focus on management enhancement, emphasise innovation and reform, assist economic circulation and achieve qualitative development". It will also remain committed to the corporate vision of 'Creating Better Investment Value and Undertaking More Social Responsibility' and with a view to achieving our primary aim of delivering value with the aid of scientific and innovative reforms, we will advance our strategic transformation with steadfast confidence to capitalise on new development trends, persist in new development ideas and explore new development directions, so as to guarantee operating results and sustainable growth, while going to great lengths to identify new growth areas and improve core competitiveness, in a bid to develop into 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 integrated biomass 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, with its controlling shareholder being China Everbright Environment Group 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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