

EVERBRIGHT ENVIRONMENT ANNOUNCES 2022 ANNUAL RESULTS
Financial Highlights

| | FOR THE YEAR ENDED 31 DECEMBER | | |
|--|--------------------------------|------------------|--------|
| | 2022 HK\$'000 | 2021 HK\$'000 | CHANGE |
| REVENUE | 37,321,229 | 49,895,384 | -25% |
| GROSS PROFIT | 14,364,599 | 16,463,382 | -13% |
| EBITDA | 12,841,787 | 15,027,003 | -15% |
| PROFIT ATTRIBUTABLE TO EQUITY HOLDERS | 4,601,939 | 6,804,099 | -32% |
| BASIC EARNINGS PER SHARE (HK CENTS) | 74.91 | 110.76 | -32% |
| FINAL DIVIDEND (HK CENTS) | 9.0 | 15.0 | -40% |
| TOTAL DIVIDEND (HK CENTS) | 24.0 | 34.0 | -29% |

30 March 2023, Hong Kong – China Everbright Environment Group Limited (“Everbright Environment” or the “Company”) (257.HK) announces the consolidated results of the Company and its subsidiaries (collectively the “Group”) for the year ended 31 December 2022 (“2022” or the “year under review”).

During the year under review, the Group rose to various difficulties and challenges, upheld the general principle of “Making Progress with Stability”, proactively served the nation’s low-carbon development strategy, focused on its major businesses and responsibilities, optimised its revenue and management structures, enhanced effort to reduce cost and boost efficiency, and strived to boost high-quality development. As a result, the Group solidified its development fundamentals and industry-leading position.

In terms of operating results, during the year under review, the revenue structure of the Group continued to be optimised, with the proportion of operation service revenue against the total revenue increasing significantly. The Group recorded a total revenue of HK\$37.321 billion, of which

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revenue from operation services increased by 5% to HK\$18.812 billion as compared with that for 2021, and revenue from construction services decreased by 51% to HK\$13.158 billion as compared with that for 2021. The revenue from operation services, construction services and finance income accounted for 51%, 35% and 14% of the total revenue, respectively.

During the year under review, the Group actively expanded its financing channels and built up a portfolio of long-term and short-term financing tools to effectively reduce financing costs, improve liquidity, and provide capital backing for its medium-term to long-term development. At the same time, the Group enhanced efforts to collect and manage its debtors, negotiated with banks to secure additional facility support, and obtained various domestic subsidies amounting to RMB342 million. As of 31 December 2022, the Group had cash on hand amounting to HK\$11.783 billion, with a reasonable gearing level and a healthy financial position.

In terms of market expansion, during the year under review, with a focus on solid waste, water-related business and clean energy fields as the three major business areas, the Group solidified its advantageous businesses such as waste-to-energy and waste water treatment, and also expanded industrial chains relating to the three major business areas, in a bid to develop a business portfolio that creates synergistic effects and integrates asset-light and asset-heavy businesses. In addition, based on the principle of “Openness, Sharing and Win-win Co-operation”, the Group has established strategic partnerships with many local governments and enterprises to expand its partner network towards long-term development. It also explored overseas market opportunities and followed up multiple potential environmental protection projects. In 2022, the Group invested in and secured a total of 39 new projects (including acquisition projects) and 1 supplementary agreement on existing project for a total investment of approximately RMB5.546 billion, involving waste-to-energy, food and kitchen waste treatment and other waste-to-energy synergistic businesses, municipal and industrial waste water treatment, sludge treatment and disposal, and solar energy. The Group also undertook various asset-light businesses, worth a total contract value of approximately RMB2.430 billion.

The major designed treatment and supply capacities of the new projects secured in 2022 are summarised as below:

| Project Category | Designed Treatment/Supply Capacity |
|------------------|------------------------------------|
| Household waste | 4,900 tonnes/day |

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| | |
|---------------------------|-----------------------------|
| Food and kitchen waste | 1,248 tonnes/day |
| Hazardous and solid waste | 1,500 tonnes/year |
| Steam supply | 812,100 tonnes/year |
| Water treatment* | 187,500 m ³ /day |

* Including various types of water treatment business, such as water supply, waste water treatment and reusable water.

As of 31 December 2022, the Group had a business presence in 220 cities, counties and districts across 26 provinces, municipalities, autonomous regions and special administrative region in China, with overseas business markets in Germany, Poland, Vietnam and Mauritius. The Group invested in and secured a total of 564 environmental protection projects, with an aggregate investment of approximately RMB157.675 billion. It also undertook various asset-light projects and services, such as environmental remediation, waste sorting, engineering, procurement and construction (“EPC”), operation and management (“O&M”), equipment supply, and technical services. As the world’s largest waste-to-energy investor and operator, the Group had a total of 185 waste-to-energy projects (including an O&M project) under its environmental energy and greentech sectors, with an aggregated designed daily household waste processing capacity of 155,200 tonnes.

In terms of operations, safety, and environmental management, during the year under review, the Group adhered to stable operation and compliant discharge and emission, through the establishment of digital and intelligent management platforms, to refine its operations management proficiency. At the same time, the Group continued to improve the safety and environmental management system to effectively reduce relevant loopholes. It launched professional training and examinations to strengthen the safety and environmental management team’s capability and awareness. As a result, the Group’s incident rates further declined.

In terms of project construction, during the year under review, 39 projects of the Group completed construction and commenced operation, and 1 project completed construction. 7 environmental remediation services and 12 EPC projects were completed and delivered. Additionally, 44 projects (including EPC projects) commenced construction and 8 environmental remediation services began execution.

During the year under review, the Group actively engaged in various “Cost Reduction and Efficiency Enhancement” activities and achieved effective results. In terms of financial

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management, the Group optimised its domestic and overseas loan structure, reduced interest rates, saved finance costs, and minimised the impact of external interest rate market fluctuations. In terms of operations, safety, and environmental management, the Group completed the construction of the safety and environmental management platform, to facilitate supervision and protection and boost relevant management efficiency. The Group also promoted the construction of digital functions, such as an efficiency analysis system, early warning platform and security platform, to further empower its “Intelligent Power Plants” and “Intelligent Water Plants”. In terms of project construction management, the Group strengthened the revision and improvement of relevant instructions, enhanced the dynamic management of the budget, and elevated efficiency of the use of construction funds. It also optimised the functions of the project management information systems for environmental energy, environmental water and greentech, to promote the efficiency of systematised assessment, co-ordination, supervision, etc. In terms of tendering and procurement, the Group overcame the constraints of previous projects and geographical areas, and actively promoted centralised procurement to boost the “Cost Reduction and Efficiency Enhancement” of bidding and procurement work with scale effect.

In addition, during the year under review, the Group focused on China’s strategic goal of “Peaking Carbon Emissions” and “Achieving Carbon Neutrality” (“Dual Carbons”) and took “Reduction of Pollution and Carbon Emissions” as footholds, fully utilising its own advantages and characteristics to carry out in-depth exploration and active deployment. The relevant work progressed well and achieved good results.

On the one hand, the Group generated green electricity of approximately 24.762 billion kWh through processing household waste, hazardous and solid waste, and agricultural and forestry waste during the year under review. This output could support the annual electricity consumption needs of 20.635 million households, equivalent to saving 9.905 million tonnes of standard coal, while reducing Carbon Dioxide (CO₂) emissions by 20.463 million tonnes. At the same time, through waste water treatment and waste-to-energy plants’ leachate treatment, the Group reduced Chemical Oxygen Demand discharge of 824,000 tonnes.

On the other hand, during the year under review, the Group completed the pilot project on the on-site monitoring of greenhouse gas emissions, as assigned by the Ministry of Ecology and Environment of the People’s Republic of China (“PRC”), and participated in the preparation of greenhouse gas emission monitoring methods focusing on the three areas of waste-to-energy,

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landfill and waste water treatment. The Group also participated in the drafting of the national standards related to carbon accounting, completed the *Roadmap of Everbright Environmental Technology Development under the Dual Carbons Vision*, as well as continuously optimised carbon accounting models and evaluated the level of carbon emissions of its own operations to improve carbon reduction strategies. The Group also insisted on adopting authoritative international standards for the disclosure of key climate risks and the adoption of strategic and corporate governance measures to address related environmental risks, emissions and the carbon footprint of production and operation activities. The Group continued to promote carbon reduction pilot projects such the “in-plant solar energy”, “rooftop solar energy” and “low-carbon steam” programmes, actively developing “low-carbon projects”, “zero-carbon factories” and “low-carbon parks”. It also promoted the research and development (“R&D”) of carbon reduction technologies such as “carbon capture”, completing the development of 100kg-level solid amine CO₂ capture materials. In addition, individual scientific research topics have been certified as having reached the internationally advanced level by domestic authoritative experts. The Group also joined hands with universities and research institutions, such as the Shenzhen Institute of Advanced Technology of the Chinese Academy of Sciences, to promote communication and co-operation in the field of carbon reduction-related scientific research. Additionally, the Group actively promoted the pilot development of carbon assets for its projects. The Company and its subsidiaries issued several carbon neutrality-themed bonds to deploy green financial instruments to facilitate green business development.

Mr. Luan Zusheng, Executive Director and Chief Executive Officer of Everbright Environment, said, “In 2022, Everbright Environment adopted various measures to boost, its operational management proficiency and efficiency. It solidified its existing business areas and explored new business fields to achieve synergistic effects, which further enforced its industry-leading position. The Group also achieved positive progress in technological innovation with fruitful results. The revenue structure of the Group continued to be optimised, with the proportion of operation service revenue against the total revenue increasing significantly. The Group developed diverse financing channels, kept financing cost under control, maintained abundant capital, and recorded good results across all financial indicators. For the next step, the Group will strengthen strategic guidance to steadily promote transformation, strengthen market expansion to activate its development engine, deepen ‘Cost Reduction and Efficiency Enhancement’ to boost development efficiency, drive innovation to foster development momentum, continuously optimise management to support its development,

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and guard against operating risks to establish a solid bottom line for development, steadily moving towards the goal of becoming a world-class ecological and environmental management group.”

Mr. Huang Haiqing, Executive Director and Chairman of the Board of Everbright Environment, said, “Last year, confronted with the complex and unpredictable international situation, recurring of the COVID-19 pandemic, and arduous domestic tasks of economic development, Everbright Environment maintained its original aspiration, forged ahead in unity and actively planned for its development. The Group upheld the general principle of ‘Making Progress with Stability’, solidified its development fundamentals, and strived to boost high-quality development, continuing to solidify its industry-leading position. As the year of 2023 marks an important milestone as the 30th anniversary of the Company’s incorporation and the 20th anniversary of its pivot to environmental protection, the Group will continue to adhere to its corporate mission of being ‘Devoted to Ecology and Environment for a Beautiful China’ and its corporate pursuit of ‘Creating Better Investment Value and Undertaking More Social Responsibility’. The Group will overcome the difficulties and challenges on its way forward, implement new development concepts, focus on its main responsibilities and businesses, adhere to innovation as the driving force, improve corporate management, promote excellent corporate culture, build high-quality teams, and strengthen safety production. It will strive to effectively improve quality and seek reasonable growth in quantity. By constantly pursuing high-quality development and continuing to play the role of an industry leader, the Group will contribute more “Everbright” strength to the construction of a beautiful China.”

Business Review by Sectors

ENVIRONMENTAL ENERGY

In 2022, the Group merged the eco-recycling and environmental planning sectors into the environmental energy sector, which further improved the deployment of the Group’s waste-to-energy industrial chain, strengthened integrated development of the resources and energy integrated utilisation businesses, and consolidated the Group’s leading position in the waste-to-energy industry.

In terms of market development, during the year under review, environmental energy actively responded to the industry adjustments and changes in the market environment, focused on both

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the domestic potential and existing markets, actively developed overseas markets expansion and explored new business growth opportunities, and steadily carried out the high-quality development of its business. In 2022, environmental energy secured 25 new projects (including acquisition projects), with a total investment of approximately RMB3.887 billion, in addition to undertaking 4 EPC projects, 7 O&M projects and other types of light-asset businesses, with a total contract value of approximately RMB1.401 billion. The newly secured projects contribute a designed daily household waste processing capacity of 4,500 tonnes and a designed daily food and kitchen waste processing capacity of 1,248 tonnes.

In terms of operations management, environmental energy continued to increase investment in areas related to intelligent power station and achieved practical results. It has implemented automated programming system (APS), automated combustion control (ACC), automated frequency control (AFC), automated leachate control, and unattended slag crane, which boosted the quality and efficiency of the project operations.

In terms of project construction, during the year under review, environmental energy had 28 projects completed construction and commenced operation, with a total designed daily household waste processing capacity of 13,250 tonnes, a designed daily food and kitchen waste processing capacity of 780 tonnes, and a designed daily fly ash treatment capacity of 229 tonnes. 22 projects (including an EPC project) commenced construction, with a total designed daily household waste processing capacity of 3,250 tonnes, and a designed daily food waste processing capacity of 740 tonnes. In 2022, the construction work of the Group's Hainan Danzhou Waste-to-energy Project received the Luban Prize, making it the fourth waste-to-energy project of the Group to win the highest honor in the construction engineering field of the country. The construction work of Zhejiang Fuyang Waste-to-energy Project won the National Quality Engineering Award, fully demonstrating the Group's outstanding capability in environmental engineering planning and construction.

As of 31 December 2022, environmental energy had invested in and held 258 projects, with a total investment of approximately RMB94.400 billion, and undertook 2 O&M projects and 11 EPC projects, which are designed to have an annual household waste processing capacity (including capacity of the O&M projects) of 52.432 million tonnes, which is expected to generate 17.736 billion kWh of annual on-grid electricity, an annual food and kitchen waste processing capacity of 2.8864 million tonnes, an annual sludge treatment capacity of 503,700 tonnes, and an annual

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medical waste processing capacity of 12,775 tonnes.

ENVIRONMENTAL WATER

As of 31 December 2022, the Group held a 72.87% stake in China Everbright Water Limited (“Everbright Water”).

In terms of market development, during the year under review, Everbright Water stuck to “water” as the fundamental factor of its business, consolidated the traditional business fields such as waste water treatment. In the meantime, it focused on the “water-related” business concept and established adaptive industrial research workforces, to actively broaden its business development vision and deploy the “water-related” industrial chain. In 2022, Everbright Water secured 10 projects, with a total investment of approximately RMB1.309 billion, and undertook various asset-light services, including 2 O&M projects and technical services, with a total contract value of approximately RMB595 million. The new projects are designed to have a daily waste water treatment capacity (including capacity of the O&M projects) of 111,000 m³, a daily reusable water supply of 50,000 m³, and a daily sludge treatment capacity of 625 tonnes.

In terms of operations management, during the year under review, Everbright Water actively followed the country’s “Dual Carbons” strategic goal, deployed and implemented carbon reduction tactics such as introducing alternative carbon source technologies, promoting “in-plant solar energy” pilot programme, and developing low-carbon benchmark projects to effectively reduce operational cost and improve operation service revenue.

In terms of project construction, during the year under review, Everbright Water had 3 projects that completed construction and commenced operation and 2 projects that completed construction (including a EPC project), with a total designed daily water treatment capacity of 190,000 m³; 5 projects commenced construction, with a total designed daily water treatment capacity of 150,000 m³.

As of 31 December 2022, Everbright Water had invested in and held 161 projects, with a total investment of approximately RMB29.603 billion. It also secured 4 EPC projects, 5 O&M projects and other types of asset-light businesses like technical services. These projects are designed to have an annual waste water treatment capacity (including capacity of the O&M projects) of approximately 2.226 billion m³, an annual reusable water supply capacity of approximately 110

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million m³, an annual water supply capacity of approximately 310 million m³, and an annual sludge treatment capacity of 793,900 tonnes.

GREENTECH

As of 31 December 2022, the Group held a 69.7% stake in China Everbright Greentech Limited (“Everbright Greentech”).

In terms of market development, during the year under review, Everbright Greentech proactively “stabilised major businesses and carried out transformation”. In 2022, Everbright Greentech secured 4 new projects and signed 1 supplemental agreement for existing project, which commanded a total investment of approximately RMB350 million. It also undertook 8 environmental remediation services, with a total contract value of approximately RMB244 million. The new projects are designed to have an annual household waste processing capacity of 146,000 tonnes, an annual hazardous and solid waste processing capacity of 1,500 tonnes, an annual steam supply capacity of 166,400 tonnes, and a designed solar energy installed capacity of 15.7 WMp.

With respect to project construction, during the year under review, Everbright Greentech had 7 projects that had completed construction and commenced operation, contributing a designed annual hazardous and solid waste processing capacity of 380,000 tonnes and a designed solar energy installed capacity of 1.387 WMp. 7 environmental remediation services were completed and delivered. In addition, 8 projects commenced construction, with a designed annual household waste processing capacity of 365,000 tonnes and a designed solar energy installed capacity of 10.99 WMp. 8 environmental remediation services started their respective remediation work in succession.

As of 31 December 2022, Everbright Greentech had invested in and held 140 projects, with a total investment of approximately RMB33.05 billion. These projects are designed to have an annual biomass raw material processing capacity of approximately 8.0898 million tonnes, an annual household waste processing capacity of approximately 4.2158 million tonnes, an annual approximately 6.992 billion kWh of on-grid electricity, an annual hazardous and solid waste processing capacity of approximately 2.8734 million tonnes, as well as approximately 5.3897 million tonnes of steam supply per annum.

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ENVIROTECH

Being the Group's engine for technology R&D and innovation, in 2022, envirotech strived to cater to the development of traditional business, new business and the Group's future development needs while promoting R&D work, in a bid to empower and provide technical support for the development of all businesses of the Group. In addition to a focus on China's "Dual Carbons" strategic goal and implementation of a series of "Carbon" themed research work, envirotech continued to carry out various R&D work and tackle difficult R&D issues. As a result, it made good progress in the fields of waste-to-energy, hazardous and solid waste treatment, flue gas treatment, and intelligent control.

In 2022, the Group was granted 385 patents (including 24 utility model patents, 35 invention patents, 83 software patents and 23 appearance patents). As of 31 December 2022, the Group had held 1,675 patents in total.

EQUIPMENT MANUFACTURING

In 2022, with the incorporation of the business of the Group's greenenergy sector, equipment manufacturing further expanded its scope of business and enriched its product portfolio, fostering a new development paradigm for the "Intelligently Made by Everbright", continuing to solidify its industry-leading position.

In terms of market expansion, during the year under review, in the environmental equipment market, equipment manufacturing continuously consolidated domestic market share and actively promoted overseas market expansion, signing 18 external sales contracts and selling 22 sets of equipment to external markets, including 8 sets of grate furnaces, 6 sets of gas emission purification equipment and 8 sets of leachate treatment systems. It secured contracts relating to the external sale of complete sets of equipment, which amounted to a total contract value of RMB603 million. In the energy-saving lighting market, the Group proactively followed and reached many strategic partnerships, signed 9 energy-saving lighting EPC projects, and secured multiple business orders relating to direct sales of lighting products, with a total contract value of approximately RMB32.85 million. In addition, positive progress was made on the sales of the water purifier products.

In terms of equipment supply and after-sales services, during the year under review, equipment manufacturing commenced 24 service items, spanning 16 provinces, municipalities and

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autonomous regions in China. It provided 19 sets of grate furnaces to projects of the Group and external clients, which have a total designed daily waste processing capacity of 9,450 tonnes. In addition, it sold 109 sets of equipment, covering grate furnace systems and leachate treatment systems. It also signed 118 contracts in relation to external after-sales services, worth a total contract value of approximately RMB46.64 million. Throughout 2022, the sector provided 163 after-sales service projects, of which 101 were internal projects and 62 were external projects.

In 2022, equipment manufacturing (Everbright Environment Technical Equipment (Changzhou) Limited) was successfully shortlisted in the fourth batch of the National “Little Giant” enterprises that use special and sophisticated technologies to produce novel and unique products and services, and in the fourth batch of the National “Service-oriented Manufacturing Demonstration Enterprises”. Its 200 tonnes/day quick loading small-scale furnace R&D and industrialisation project was awarded a demonstration project by the National Development and Reform Commission of the PRC.

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About China Everbright Environment Group Limited

China Everbright Environment Group Limited (“Everbright Environment”) is a flagship enterprise of China Everbright Group Ltd. Everbright Environment is listed on the Main Board of The Stock Exchange of Hong Kong Limited (“HKEX”) (257.HK). It has two listed subsidiaries: China Everbright Greentech Limited, which is listed on the Main Board of HKEX (1257.HK), and China Everbright Water Limited, which is dual listed on the Main Board of Singapore Exchange Securities Trading Limited and HKEX (U9E.SG and 1857.HK). Since shifting its business focus to the environmental field in 2003, with nearly 20 years’ development, Everbright Environment has become the largest environmental protection company in China, a leading player in Asia’s environmental protection industry, as well as a world-renowned environmental group. As the world’s largest waste-to-energy (“WTE”) investor and operator, Everbright Environment has a designed daily household waste processing capacity of more than 150, 000 tonnes. Everbright Environment’s businesses cover WTE and synergistic waste treatment, integrated biomass utilisation, hazardous and solid waste treatment, new energy, environmental remediation, water environment management, equipment manufacturing, waste sorting, environmental sanitation integration, resource recycling, development of zero-waste cities, energy-saving lighting, analysis and testing, research and development relating to green technologies, ecological and environmental planning and designing, as well as environmental protection industrial parks.

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