

Press Release

EVERBRIGHT ENVIRONMENT ISSUES CARBON NEUTRALITY BOND, FOCUSING ON CARBON NEUTRALITY AND ENHANCING DIVERSITY OF FINANCING CHANNELS

30 December 2021, Hong Kong – Everbright Environment Protection (China) Limited (“EEP China”), a wholly-owned subsidiary of China Everbright Environment Group Limited (“Everbright Environment” or the “Company”) (SEHK: 257), recently completed the issue of Everbright Environmental Protection (China) Limited Series 1 Green Private Placement Asset-backed Notes (Carbon Neutrality Bond) for the year 2021 (“Carbon Neutrality ABN Series 1”). With an issue size of approximately RMB672 million and a maturity period of 3 years, the Carbon Neutrality ABN Series 1 was fully subscribed for by the qualified Institutional Investors. It is considered China’s first carbon neutrality-linked asset-backed notes that uses receivables relating to the national subsidies for renewable energy power prices (“National Subsidies”) for municipal biomass power generation projects* as the underlying assets. The ABN issuance also marks the debut of EEP China’s quality assets in the domestic capital market

The proceeds from the Carbon Neutrality ABN Series 1 issuance will be used by EEP China and its subsidiaries for replenishment of the working capital, repayment of debts to financial institutions and/or any other purposes in compliance with relevant national industrial policies and applicable laws and regulations. The Carbon Neutrality ABN Series 1 comprises preferential ABN and subordinated ABN. The preferential ABN has an issue size of approximately RMB645 million, a maturity rate of 3.52%, and a subscription rate of 2.85 times, with an “AAA” credit rating by Golden Credit Rating International Co., Ltd. The subordinated ABN has an issue size of approximately RMB27 million. Everbright Securities Company Limited is the lead underwriter for the issue of Carbon Neutrality ABN Series 1.

EEP China received approval in December 2021 from the National Association of Financial Market Institutional Investors of the People’s Republic of China (“PRC”) to issue RMB-denominated asset-backed notes in single or multiple tranches to institutional investors in the national inter-bank bond market of China, with a total registered issue size of not exceeding RMB2 billion.

*According to relevant policies and regulatory papers in China, biomass power generation covers forestry waste power generation, waste-to-energy and methane-to-energy.

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The issue of the Carbon Neutrality ABN Series 1 demonstrates Everbright Environment's proactive measures taken in response to China's "Carbon Peaking" and "Carbon Neutrality" ("Two Carbons") strategic goals. In response to the Two Carbons strategic goals, Everbright Environment has been making active exploration in the area of carbon reduction this year. To name a few, the Company has developed and further improved the carbon emission calculation model based on domestic conditions, which has received recognition from authoritative international organization(s); it participates in a pilot program for onsite monitoring of greenhouse gas emission, which was initiated by the Ministry of Ecology and Environment of the PRC, solidifying foundation for the country's accurate carbon emission calculation for the waste treatment sector; the Company also established the Carbon-Neutral Technology Research and Development Center, which is expected to become an innovation platform focused on the Two Carbons strategy; and it has been conducting Two Carbons-linked technology researches, such as technologies and equipment relating to carbon capture.

Additionally, the issue of the Carbon Neutrality ABN Series 1 reflects the enrichment of Everbright Environment's practical experience of asset securitisation for receivables relating to the National Subsidies, following China Everbright Greentech Limited (SEHK: 1257), a subsidiary of the Company, completed the issue of asset-backed notes that used the National Subsidies as the underlying assets in 2021. This year, Everbright Environment, together with its subsidiaries, completed issuances of medium-term notes, asset-backed notes, and super & short-term commercial papers, all of which raised more than RMB5 billion funds. This not only continues to enhance the diversity of the Company's financing channels, but also has effectively replenished the Company's working capital, optimised its financing structure and kept its financial cost within a reasonable range. Looking forward, Everbright Environment will closely monitor market conditions to proceed issuance of the remaining asset-backed notes. In the meantime, the Company will continue to explore new financing channels to leverage resources from the capital market, in an attempt to better facilitate the Company's development pace and needs, and offer strong capital securities for the Company's steady and sustainable development.

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About China Everbright Environment Group Limited

China Everbright Environment Group Limited ("Everbright Environment") is a backbone 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 subsidiary companies: China Everbright Water Limited, which is dual listed on Singapore Exchange Securities Trading Limited and HKEX (U9E.SG and 1857.HK), and China Everbright Greentech Limited, which is listed on HKEX (1257.HK). After over a decade of 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 ecological and environmental management group. As China's first one-stop integrated environmental solution provider, Everbright Environment focuses on the three areas of environment, resource and energy, with main businesses covering waste-to-energy and integrated waste treatment, biomass power generation, hazardous and solid waste treatment, 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. Everbright Environment has a business presence in over 200 locations across 25 provinces, municipalities, autonomous regions and special administrative region in China, as well as in Germany, Poland and Vietnam.

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