



光大綠色環保  
Everbright Greentech

*(Incorporated in the Cayman Islands with limited liability)*

Stock Code: 1257

# The Next Jump Forwards

## 2017 Interim Results Announcement

August 2017



中国光大绿色环保有限公司  
CHINA EVERBRIGHT GREENTECH LIMITED

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# Agenda

1. 1H Results Review
2. Development Strategies



# 1. 1H Results Review

- Results Highlights
- Financial Analysis
- Projects Overview



1

## Listed on HKEx, Reaching a New Breakthrough

- Listed on the Main Board of the Hong Kong Stock Exchange on 8th May to raise fund of approximately HK\$3.3 billion;
- Enhanced the Company's influence and its brand, establishing an independent financing platform for rapid development;
- The only HKEx-listed company to adopt an integrated utilization of biomass business model.



# Results Highlights (2)

2

## Record-high Operation Results and a Strengthened Financing Position

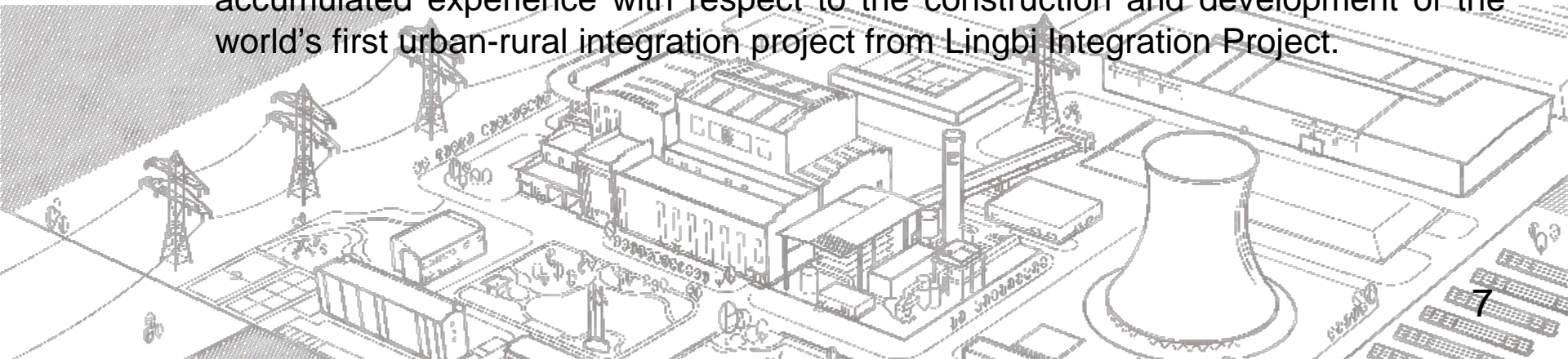
- During the first half of 2017, revenue and net profit amounted to HK\$2.047 billion and HK\$457 million, an increase of 69% and 57% respectively when compared with the same period last year;
- As at 30 June, total assets amounted to approximately HK\$12.287 billion with net asset value attributable to equity shareholders of the Company of HK\$8.003 billion;
- As at 30 June, cash on hand of HK\$3.888 billion and a gearing ratio of 33%, with unutilized bank borrowings of HK\$3.903 billion, providing adequate capital resources to support the next chapter of development.



## 3

### Impressive Market Development Achievements, Steady Progress on Projects Under Construction

- Secured 10 new projects during the first half of 2017 and entered into a supplemental agreement, with a total investment of approximately RMB2.823 billion, a record in terms of both number of projects and investment amount;
- Strengthened the market position of its current projects in Jiangsu, Anhui, Henan and Hubei, among others, and looked into rigid structure waste landfills projects;
- Number of construction projects amounted to 15;
- Completed construction and commenced operation of 3 projects, and the Company accumulated experience with respect to the construction and development of the world's first urban-rural integration project from Lingbi Integration Project.

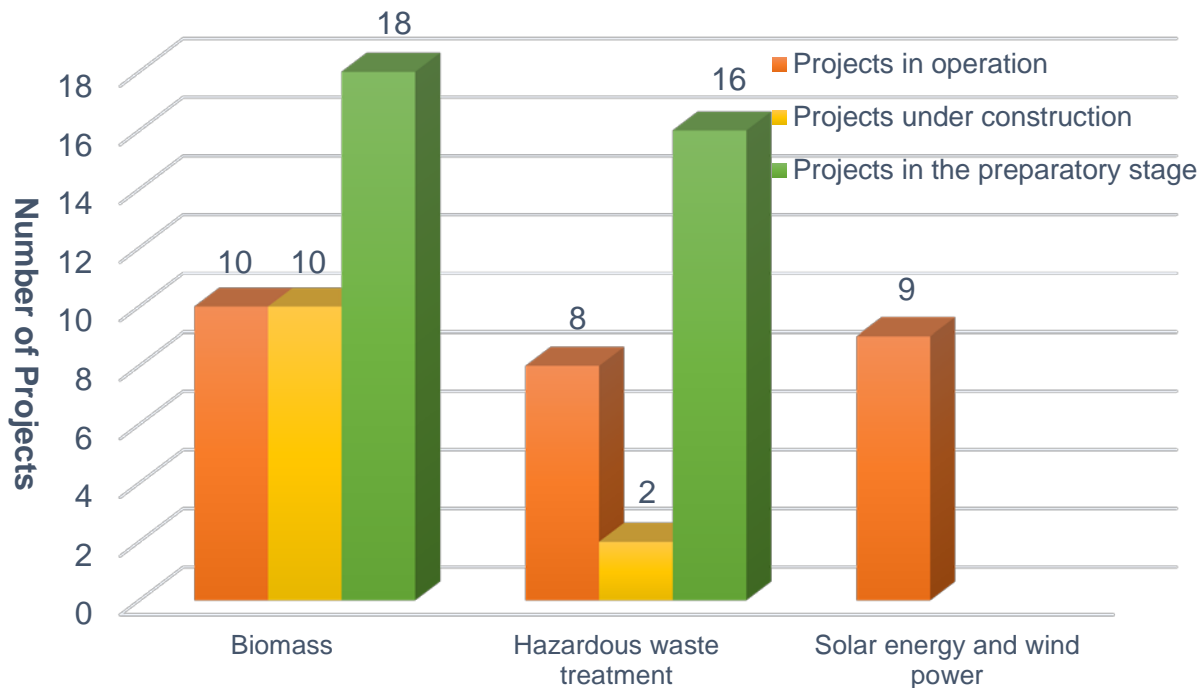


# Results Highlights (4)

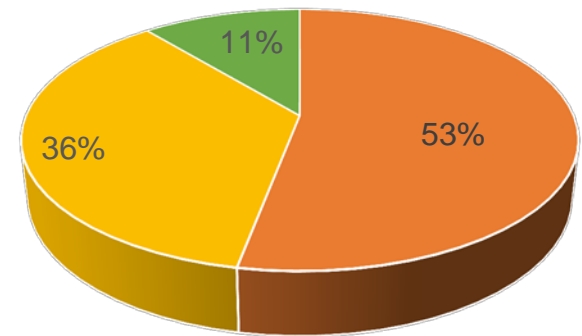
## 4

### Diversified Business Portfolio, Strong Project Pipeline

- As at 30 June, the total number of 3 business segments' projects is 73. Of which, projects in operation was 27, projects under construction was 12 and projects in the preparatory stage was 34;
- Projects located in 9 provinces and cities in China, and in Germany.



Proportion of 3 segments projects



- Biomass
- Hazardous waste treatment
- Solar energy and wind power



## 5

### Innovation Drove Initial Results

- Pioneer in developing innovative business model of urban-rural integrated processing of agricultural and household waste;
- Signed contract of rigid structure hazardous waste landfills project to expand new business segments;
- Established “China Everbright Greentech Research Institute”, riding on Everbright International’s “Two Academies, Three Institutes and One Centre”, focusing on research and synergy;
- Made breakthroughs and advances by being the first step to introduce low-NOx combustion technologies (biomass treatment);
- Devised effective solutions to long-cycle operation problems facing biomass boiler.

## 6

## Industry Continues to Improve

- Everbright Greentech is one of the founding agencies of the China Biomass Energy Alliance, and an executive vice chairman of the unit.

### China Biomass Energy Association:

- Encouraged industry participation in the formulation and implementation of national biomass strategies, plans, policies, environmental protection and agriculture, and other relevant aspects to promote the sustainable and healthy development of biomass energy;
- Established relationships and communication with key authorities within national energy, finance, pricing, environmental protection and agriculture on behalf of the biomass industry to relay the industry's opinions;
- Organized industry research on major issues pertaining to biomass energy development, and provides policy advice to key authorities within national energy, environmental protection and agriculture.

# Financial Analysis (1)

(HK\$ million)	1H		Change
	2017	2016	
Revenue	2,047	1,208	69%
Gross profit	660	423	56%
EBITDA	713	446	60%
Profit attributable to equity shareholders	457	292	57%
Basic EPS (HK cents)	28.23	20.28	39%

Revenue and gross profit for the first half of 2017 increased significantly by 69% and 56% respectively over the same period last year. This was mainly contributed by the continued increase in biomass on-grid electricity and a significant increase in the treatment processing volume of hazardous waste, driving an significant increase in the revenue and gross profit of operation services. A number of projects were under construction, which also drove up the revenue and gross profit of construction services significantly.

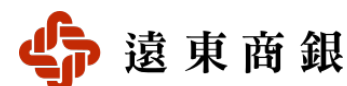
# Financial Analysis (2)

(HK\$ million)	As at 30/06/2017	As at 31/12/2016	Change
Total assets	<b>12,287</b>	7,464	65%
Total liabilities	<b>4,241</b>	3,263	30%
Profit attributable to equity shareholders	<b>8,030</b>	4,187	92%
Cash on hand	<b>3,888</b>	992	292%
Current ratio (%)	<b>336</b>	122	214ppts
Gearing ratio (Total bank loans/Total equity) (%)	<b>33</b>	47	-14ppts
Asset-liability ratio (Total liability/Total assets) (%)	<b>35</b>	44	-9ppts

With the listing of the Company in the first half of 2017 (which raised fund of approximately HK\$3.3 billion), total assets and shareholders' interest increased significantly by 65% and 92% respectively. Gearing ratio and asset-liability ratio are at very healthy levels, and the current ratio is good, with cash on hand having increased substantially by 292% to HK\$3.888 billion, while unutilized bank loans totalled approximately HK\$3.9 billion. This strong financial position will provide robust support for the company's rapid development in the future.

# Financial Analysis (3)

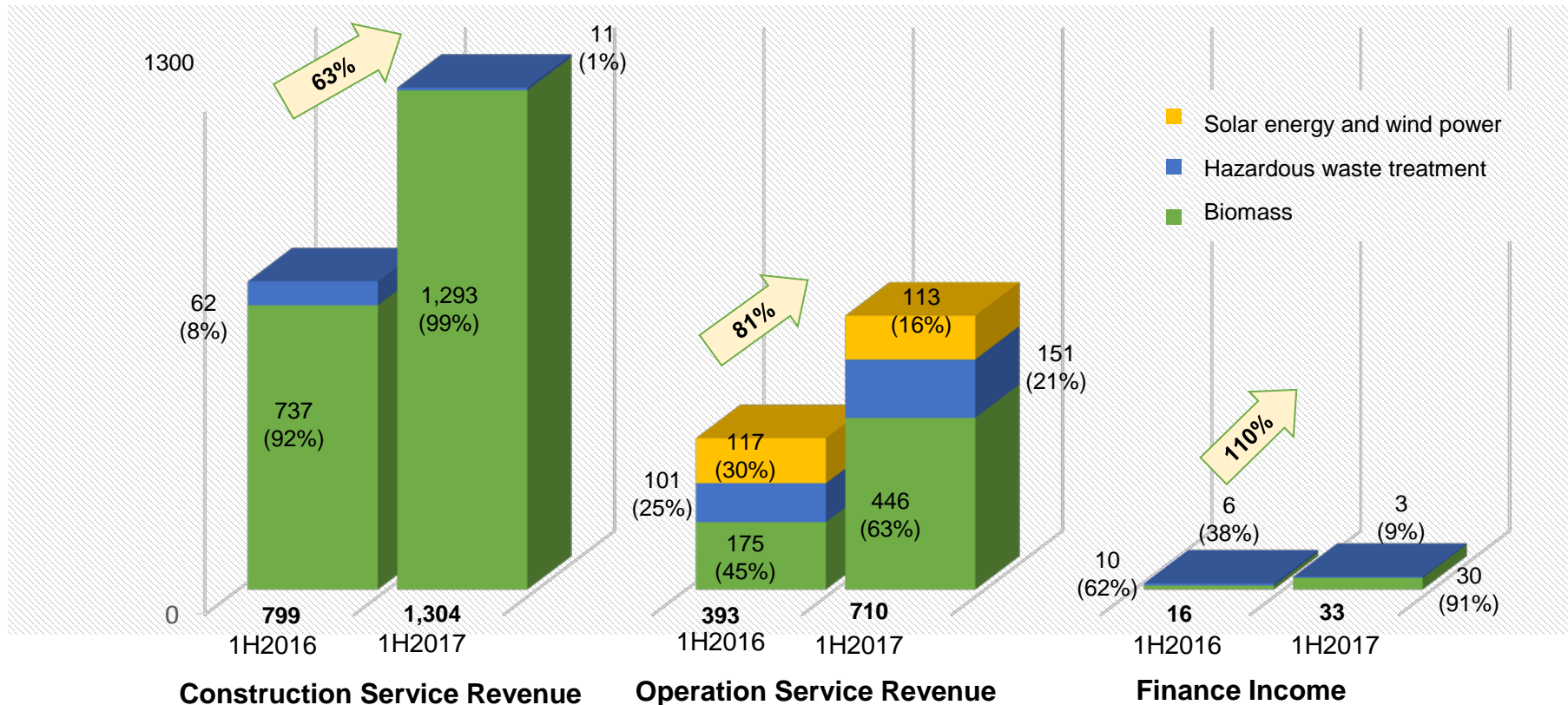
	As at 30/06/2017		As at 31/12/2016		Change
	HK\$ million		HK\$ million		
Short term loans	239	9%	270	14%	-12%
Long term loans	2,419	91%	1,698	86%	42%
Total bank loans	2,658		1,968		35%
Unutilized bank loan facilities	3,903		3,430		14%
Cash on hand	3,888		992		292%
Available cash and unutilized bank loan facilities	7,791		4,422		76%



# Financial Analysis (4)

## Revenue Analysis of the 3 Business Segments

Unit: HK\$ million

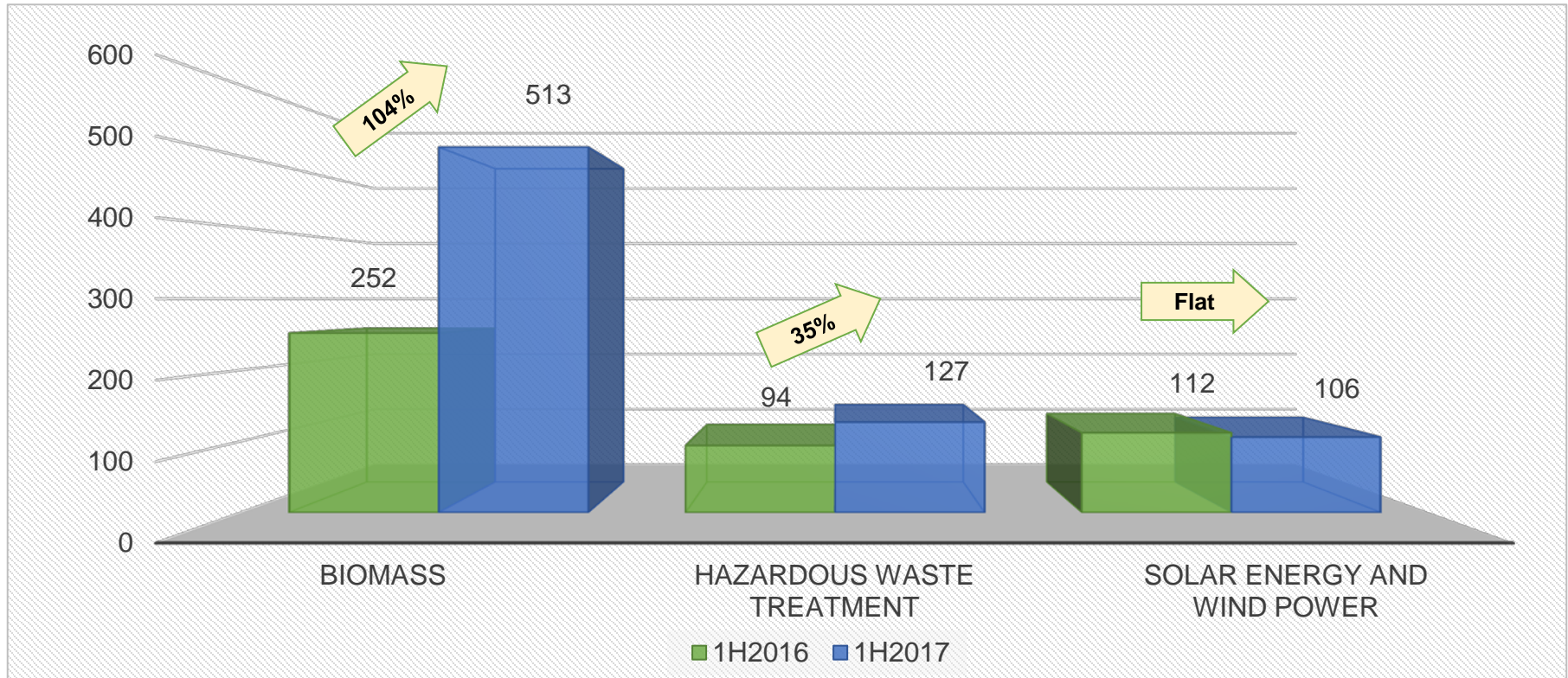


During the first half of 2017, the construction service and operation service revenues of the 3 business segments were up 63% and 81% respectively, and increased significantly when compared with the same period last year. Of which, the biomass and hazardous waste treatment operation services revenues increased 155% and 50% year-on-year respectively. 14

# Financial Analysis (5)

## EBITDA Analysis of the 3 Business Segments

Unit: HK\$ million



### EBITDA:

1H2017: HK\$746,002,000 (increased by 63% year-on-year)

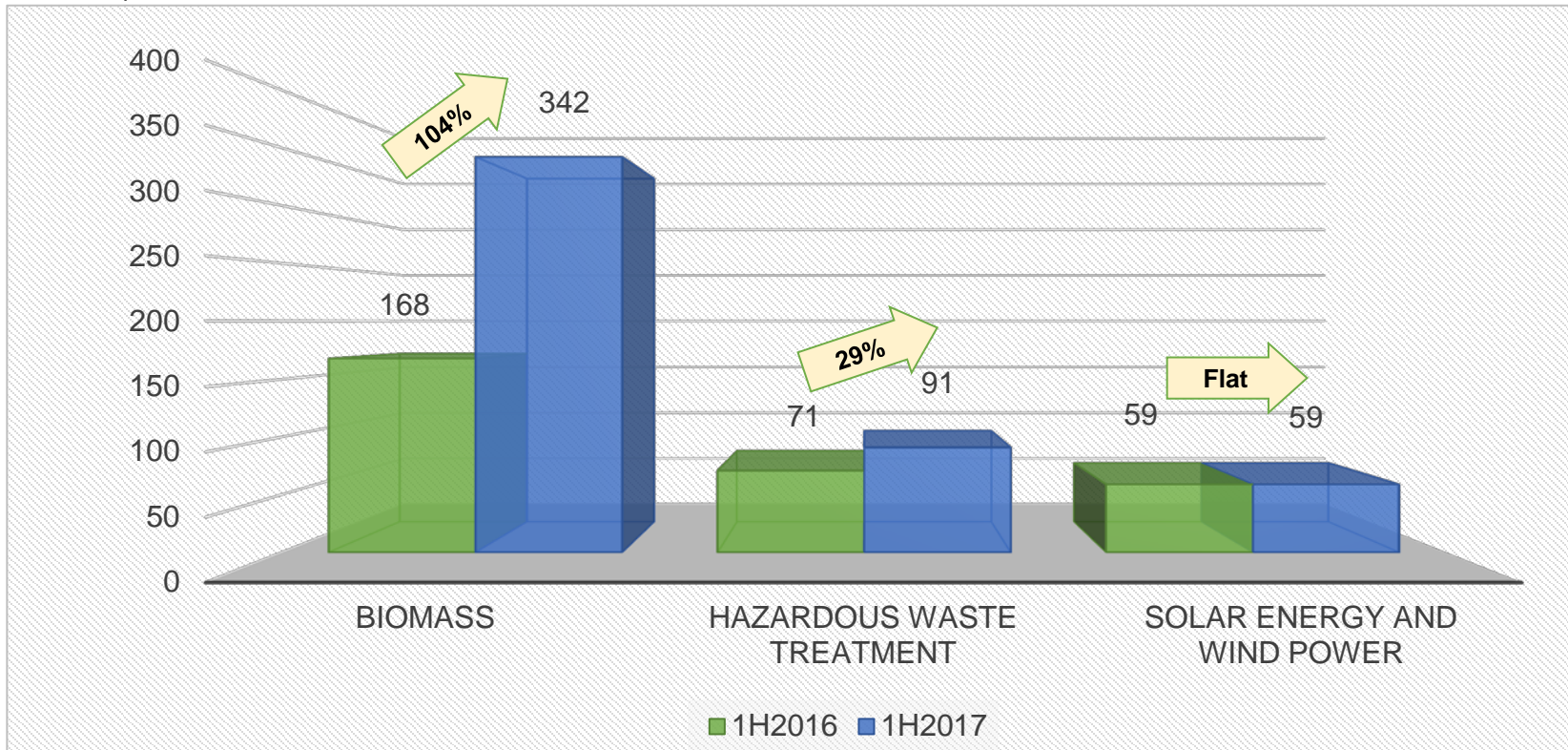
1H2016: HK\$457,751,000

\* Exclude the unallocated head office and corporate net expenses

# Financial Analysis (6)

## Net Profit Analysis of 3 Business Segments

Unit: HK\$ million



### Net profit contribution:

1H2017: HK\$491,563,000 (increased by 65% year-on-year)

1H2016: HK\$297,185,000

\* Exclude the unallocated head office and corporate net expenses



# Project Overview

- Number of projects secured: 73 (total investment: RMB17.108 billion)
- Number of projects constructed and commenced operation: 27 (total investment: RMB5.086 billion)
- Number of projects under construction: 12 (total investment: RMB3.470 billion)
- Number of projects in preparatory stage: 34 (total investment: RMB8.552 billion)

## **Biomass:**

38 projects

(total investment: RMB 11.219 billion)

- Power generation designed capacity: 867MW
- Annual designed treatment capacity: 7,549,800 tonnes
- Daily household waste designed treatment capacity: 5,050 tonnes

## **Hazardous waste treatment:**

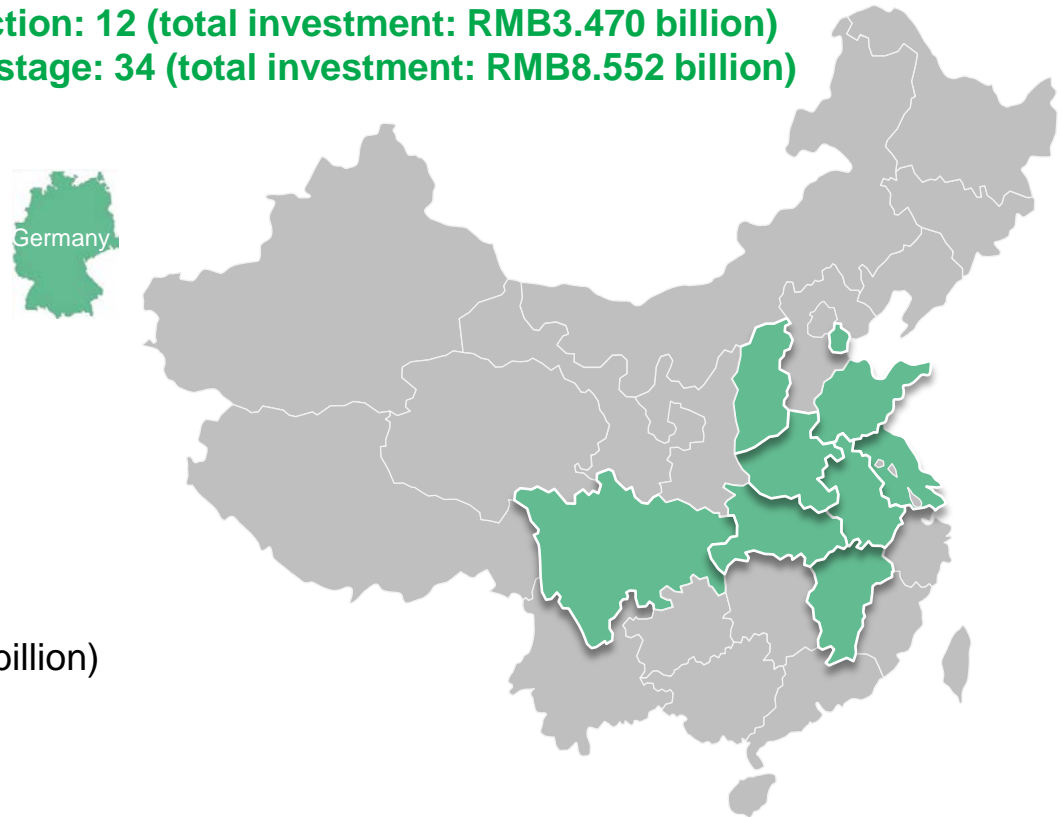
26 projects (total investment: RMB4.494 billion)

- Annual designed treatment capacity: 594,200 tonnes

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

9 projects (total investment: RMB1.395 billion)

- Power generation designed capacity: 125.9MW



## 2. Development Strategies



# Development Strategies (1)

1

**To set up three major business management centers to promote the sharing of resources and experience**

**Clean Energy  
Management Center**

**Solid Waste  
Management Center**

**Environmental  
Restoration  
Management Center**

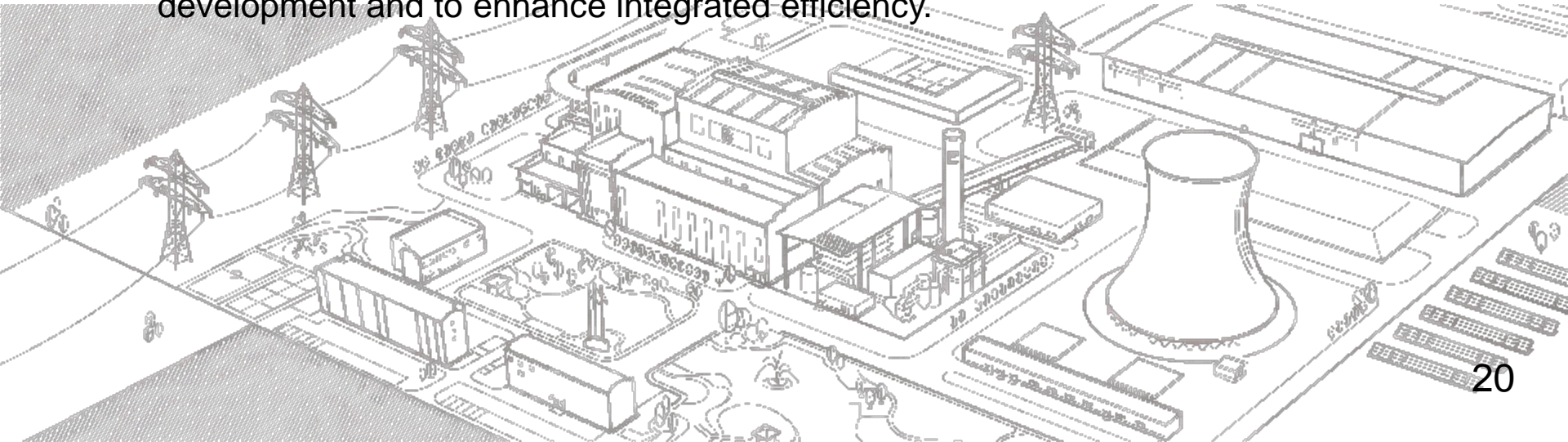
To devise “beautiful countryside” and “clean heating” strategies, continue to integrate and strengthen the Company’s experience and advantage in rural-urban integration, as well as look to provide integrated solutions for cities and forestry areas, and for livestock and domestic waste treatment, and provide clean energy for cities, including gas, heat, electricity and even thermal sinks;

To extend the industry chain, which will establish the Group as an integrated provider and environmental manager that can manage solid waste and disposal for industrial parks or chemical industrial parks. Taking advantage of project layouts, the Group will establish a huge customer service system to form regional linkage mechanisms;

To seize the advantages of “The 10-Chapter Soil Pollution Action Plan” policy and the strong demand in the environmental remediation market in China to become an integrated service provider that deals with soil remediation and pollution.

## 2 To facilitate development led by technological innovation

- To strengthen innovation mechanism, to utilize the Greentech research institution and Everbright International research institution to strengthen innovation, to introduce and digest advanced technology, and build the core competitiveness;
- Through the introduction of new technologies and treatment techniques, to enhance operation efficiency, stabilize and lower operation costs and strengthen organic growth;
- To constantly and innovatively enhance the business model, to lead the industry's development and to enhance integrated efficiency.



# Development Strategies (3)

3

## To extend the industry chain and facilitate the long term development with big ambitions

- Keeping the “Ecological Civilization”, “Belt and Road” initiative and “13th Five-year Plan” in mind, the company will closely monitor market trends so as to explore development opportunities;
- Seizing the advantages of the ““The 10-Chapter Soil Pollution Action Plan”” and “Clean Heating” strategy to develop new business segments including soil remediation with our utmost effort and explore new growth drivers;
- Creating synergy among different business segments and building a quality overall solution platform.



# Development Strategies (4)

4

**To strengthen the improvement of the operation system and facilitate steady development of the company**

- Implemented of the ESHS management system and risk management system with the introduction of compulsory assessment system;
- Established a Risk Management Department and Risk Assessment Committee to stringently implement the risk management system in each department.





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# Q&A Session

