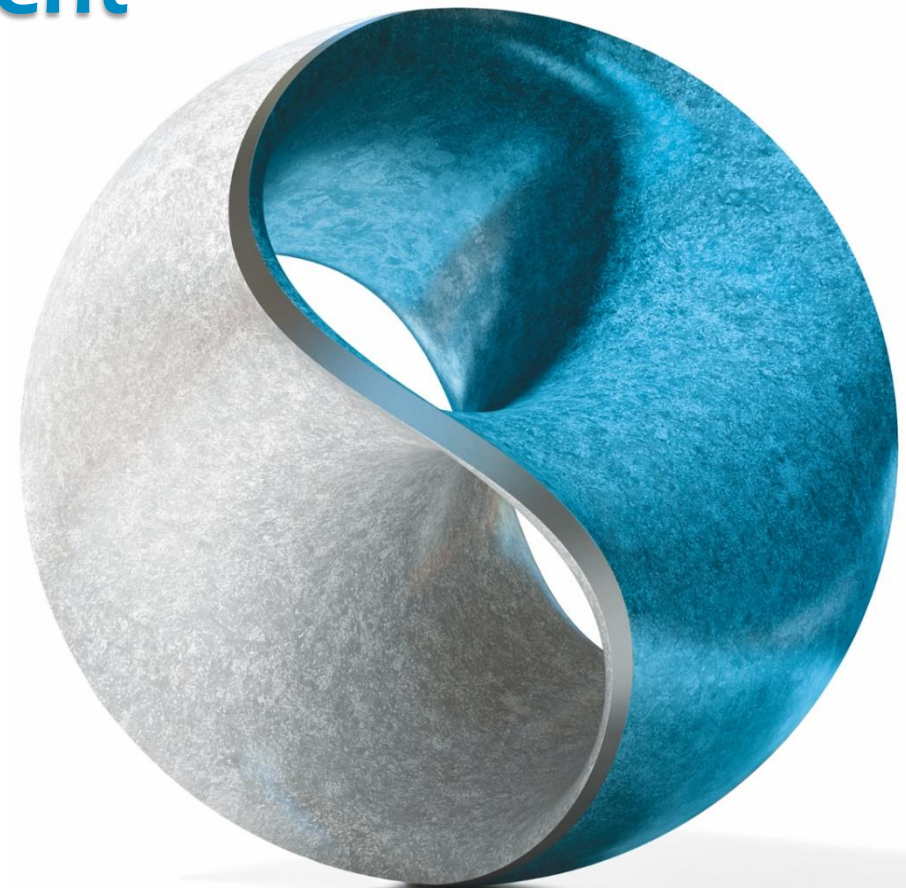




光大環境
EVERBRIGHT ENVIRONMENT

Everbright Environment 2020 Annual Results Presentation



March 2021

中國光大環境（集團）有限公司
CHINA EVERBRIGHT ENVIRONMENT GROUP LIMITED

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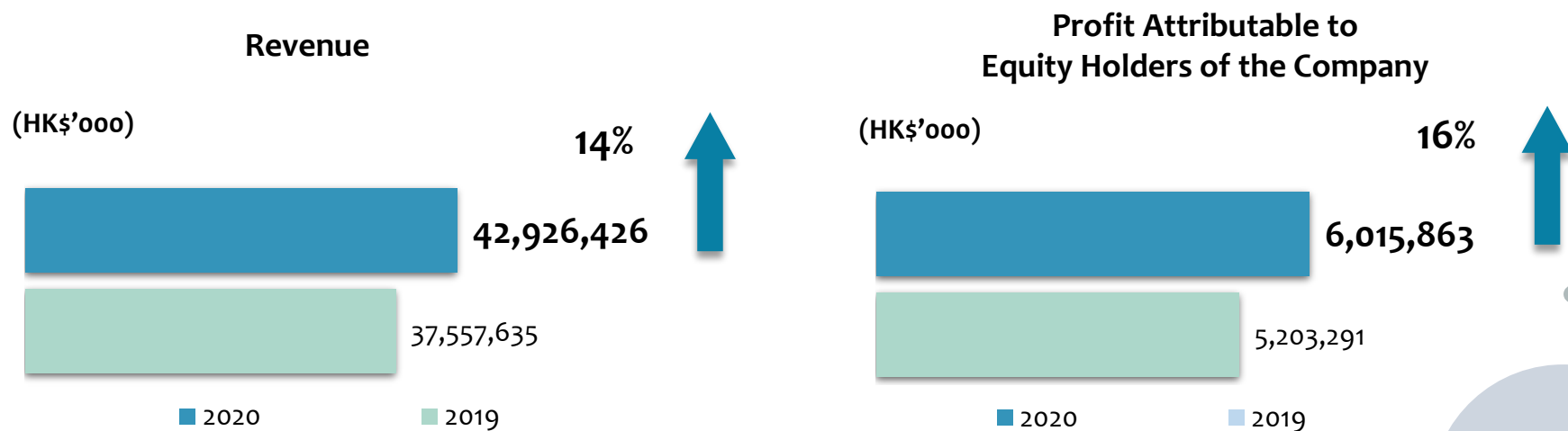
Operating Results

Steady Growth of Operating Results

In 2020, Everbright Environment made effort in face of adversity and implemented strategic transformation steadily, and achieved high-quality development.

- E With steady growth of all the business sectors, the Group continued to record growths in revenue and profit, with total assets exceeding **HK\$150 billion**, revenue surpassing **HK\$40 billion** and profit exceeding **HK\$6 billion**.
- E Despite impact brought by the COVID-19 pandemic (“Pandemic”), the Group’s construction work drove continued growth of the construction service revenue.
- E With continued increase in the number and capacity of operating projects, the Group’s operation service revenue grew significantly.

Year-on-year Comparison of Key Operating Indicators

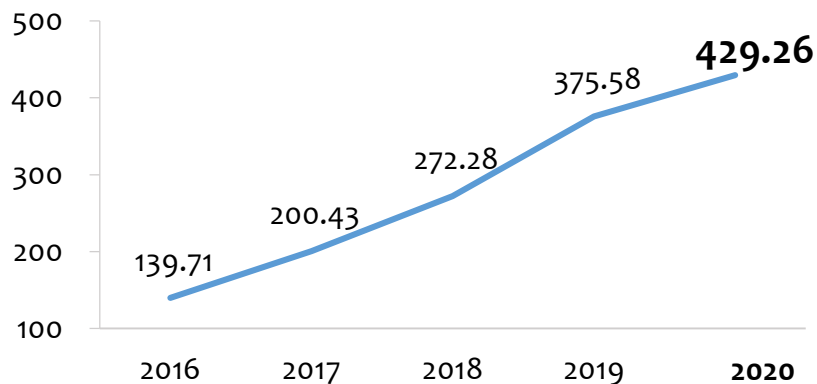


Stable Growth of Operating Indicators

Revenue

(HK\$100 million)

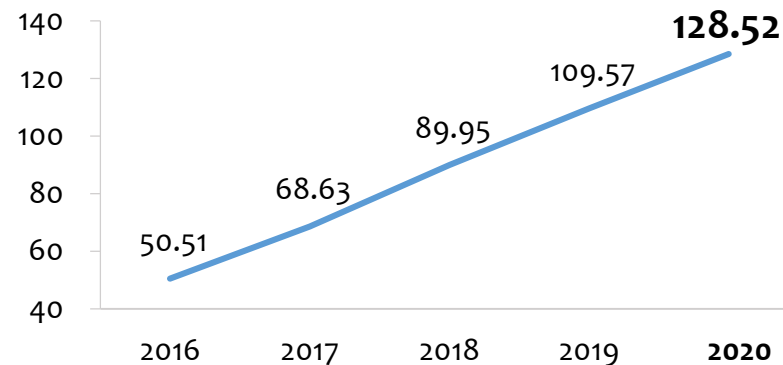
CAGR: 32%



EBITDA

(HK\$100 million)

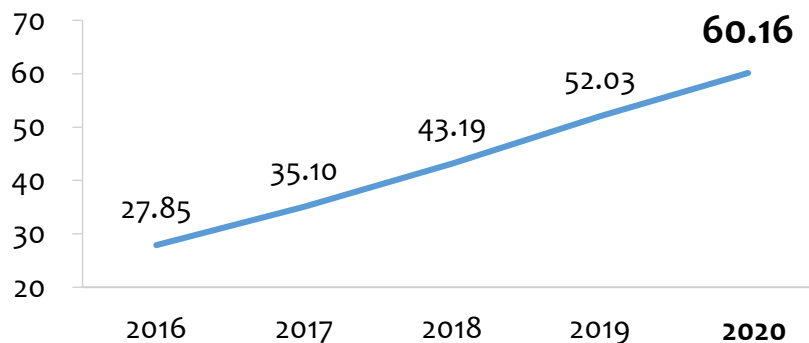
CAGR: 26%



Profit attributable to Equity Holders of the Company

(HK\$100 million)

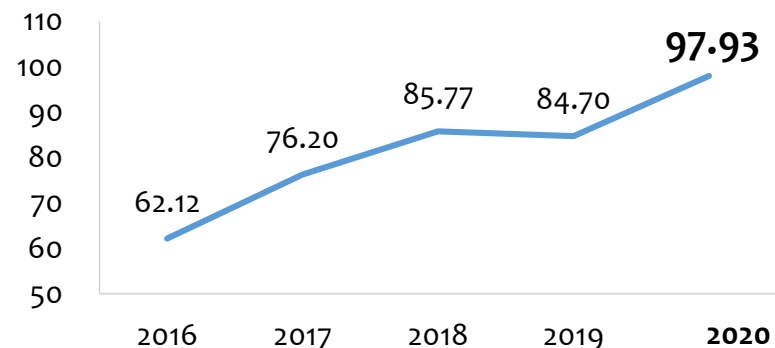
CAGR: 21%



Basic Earnings per Share

(HK cents)

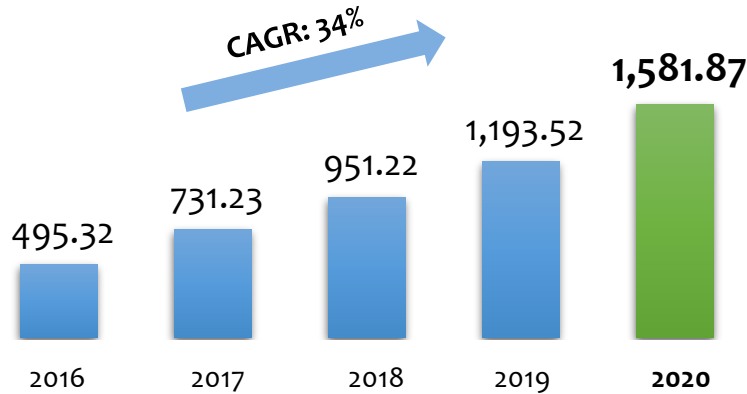
CAGR: 12%



Stable Growth of Operating Indicators

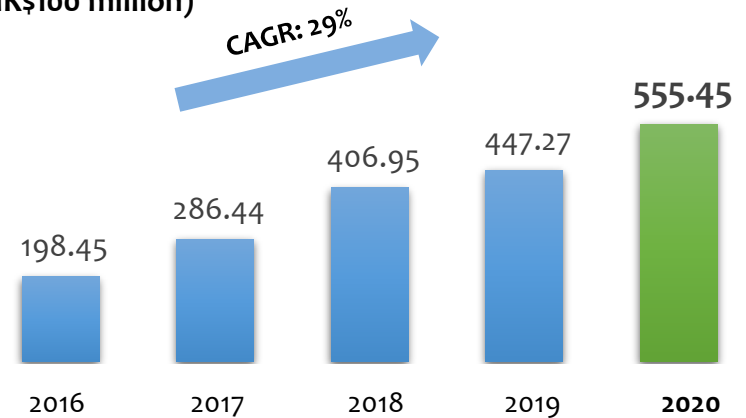
Total Assets

(HK\$100 million)



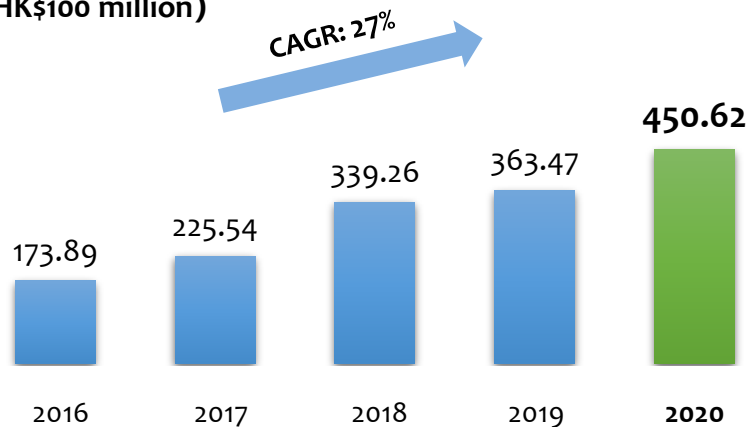
Net Assets

(HK\$100 million)

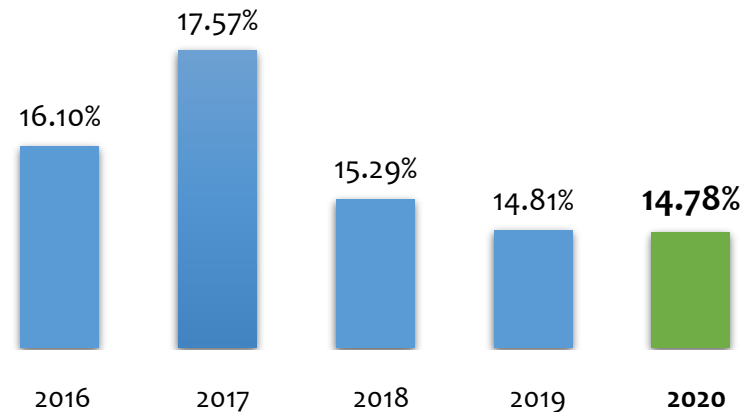


Equity Attributable to Equity Holders of the Company

(HK\$100 million)

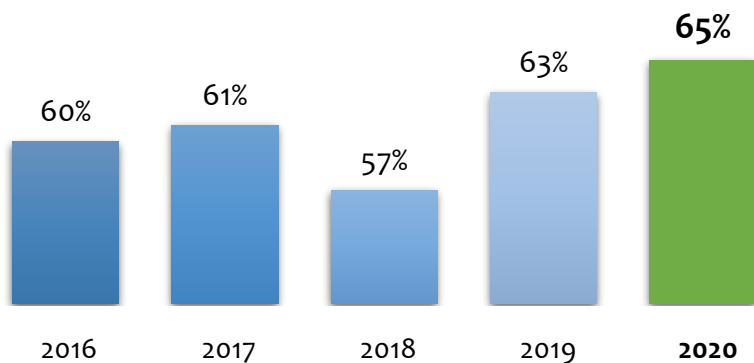


Return on Shareholders' Equity

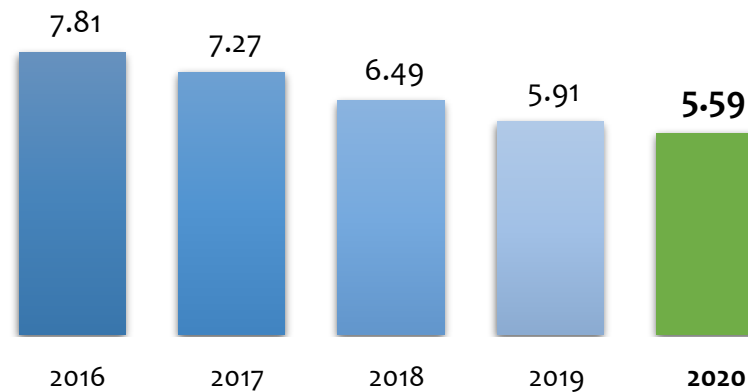


Sustained and Stable Operating Indicators

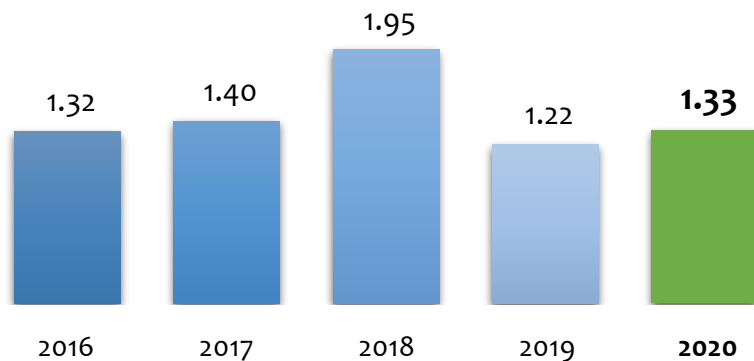
Gearing Ratio



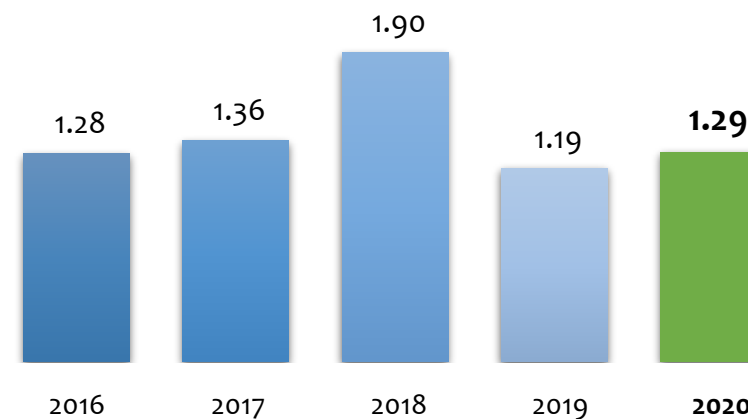
Interest Coverage Ratio (times)



Current Ratio (times)



Quick Ratio (times)



Sustained and Good Financial Performance



(HK\$'000)	For full year ended 31 December		Change
	2020	2019	
Revenue	42,926,426	37,557,635	14%
Gross profit	14,103,833	11,457,901	23%
EBITDA	12,851,501	10,957,474	17%
Profit attributable to equity holders of the Company	6,015,863	5,203,291	16%
Basic earnings per share (HK cents)	97.93	84.70	16%
Final dividend per share (HK cents)	16.0	13.0	23%
Total dividend per share (HK cents)	30.0	26.0	15%

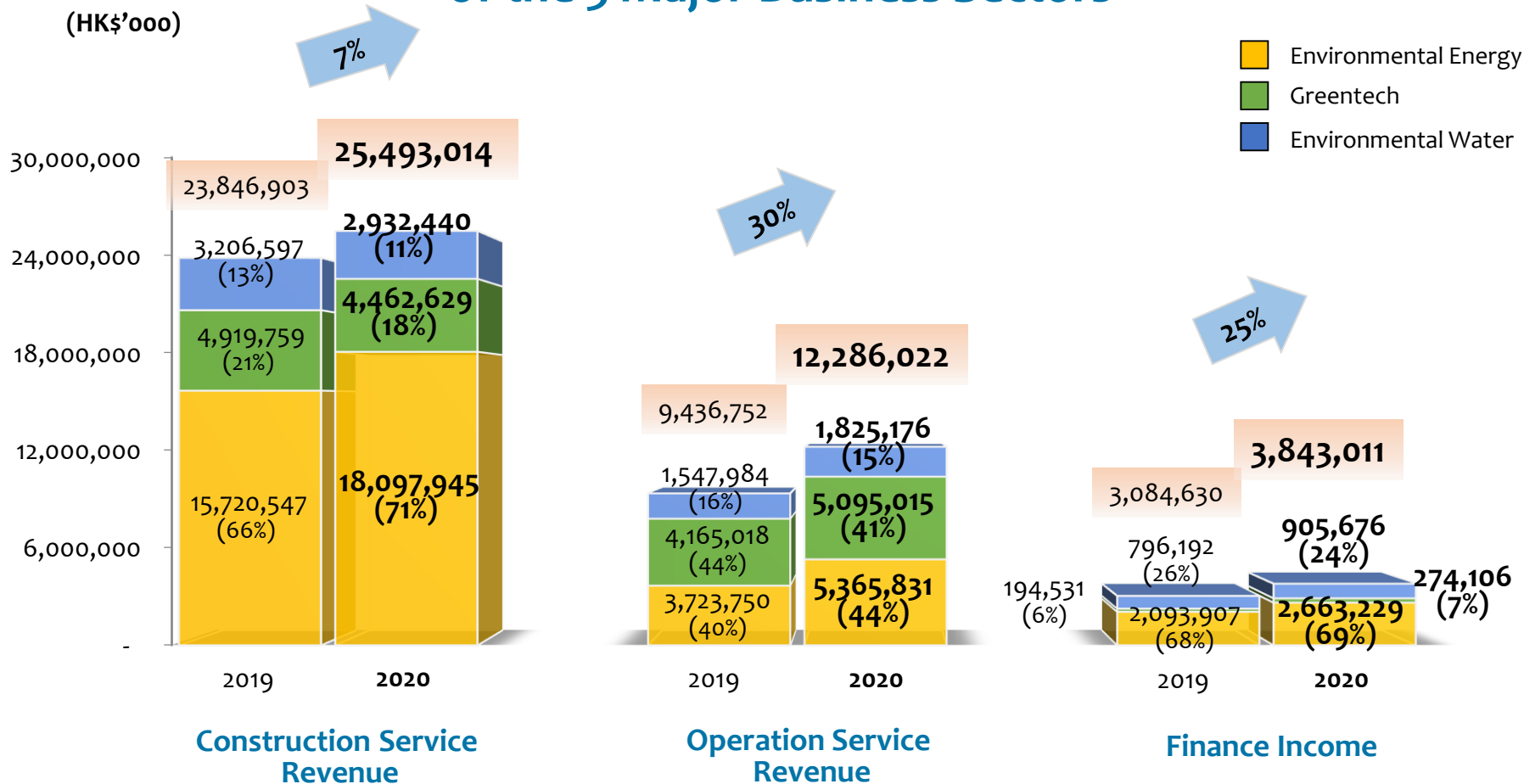
Sustained and Good Financial Performance

(HK\$ million)	As at 31/12/2016	As at 31/12/2017	As at 31/12/2018	As at 31/12/2019	As at 31/12/2020
Total assets	49,532	73,123	95,122	119,352	158,187
Total liabilities	29,687	44,480	54,426	74,625	102,642
Equity attributable to equity holders of the Company	17,389	22,554	33,926	36,347	45,062
Cash and bank balances	7,038	10,838	15,974	12,303	11,706
Return on shareholders' equity (%)	16.10	17.57	15.29	14.81	14.78
Dividend payout ratio (%)	33.0	30.7	29.5	30.7	30.6
Gearing ratio (%) (total liabilities/total assets)	60	61	57	63	65

- The Group has high quality assets, reasonable gearing ratio, abundant financing facility and healthy financial position.
- The Group has been adopting a diverse financing model, diversifying its financing channels and keeping strict control of finance cost.

Sustained and Good Financial Performance

Year-on-year Revenue Analysis of the 3 Major Business Sectors

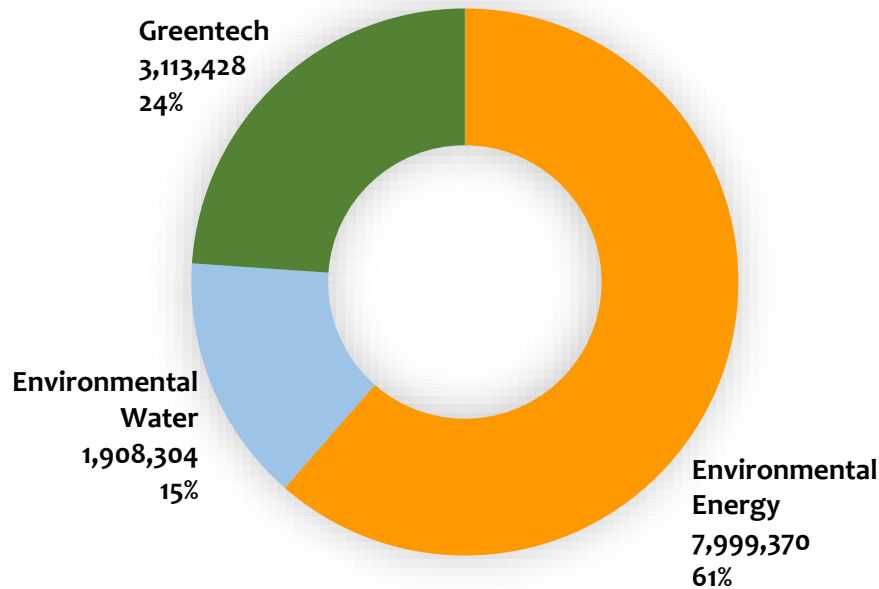


Total revenue of the 3 major business sectors in 2020: HK\$41,622,047,000 (up by 14%)

Total revenue of the 3 major business sectors in 2019: HK\$36,368,285,000

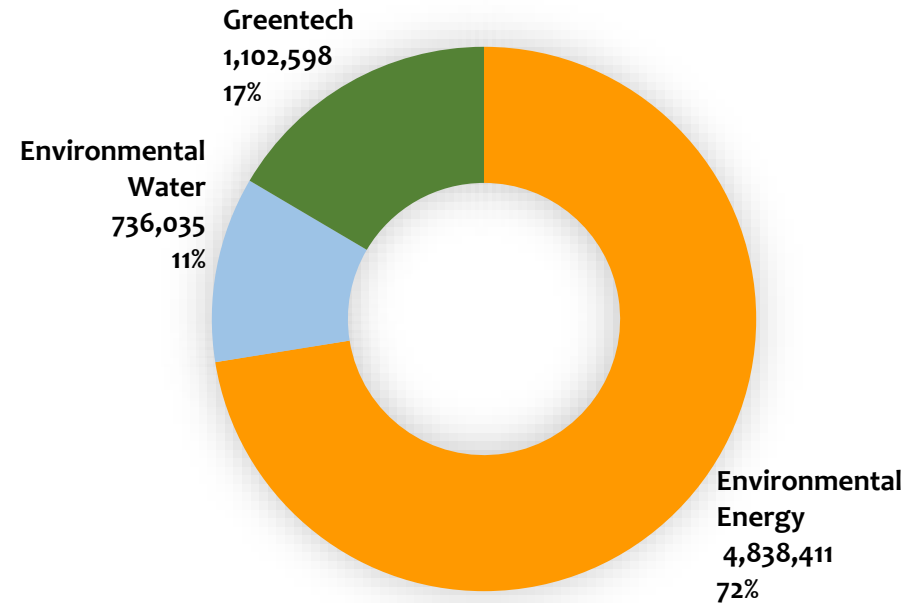
Year-on-year Profit Analysis of the 3 Major Business Sectors

2020 EBITDA* (HK\$'000)
By 3 Major Business Sectors



Total EBITDA in 2020: HK\$13,021,102,000 (up by 16%)
Total EBITDA in 2019: HK\$11,201,069,000

2020 Net Profit** (HK\$'000)
By 3 Major Business Sectors



Total net profit in 2020: HK\$6,677,044,000 (up by 13%)
Total net profit in 2019: HK\$5,896,595,000

* Excluding the EBITDA of other sectors

** Excluding the profit contribution of other sectors and before deduction of unallocated head office and corporate net expenses



Business Highlights

Steady Business Development Momentum

Investment of
new projects

approx.

RMB16.5 billion

- In 2020, the Group secured 56 new projects and signed 2 supplementary agreements for the existing projects.
- New projects cover a number of business areas, including waste-to-energy, food and kitchen waste treatment, construction and decoration waste treatment, medical waste treatment, sludge treatment and disposal, hazardous and solid waste treatment, waste water treatment, reusable water, waste sorting and energy-saving lighting.

Contract value of
asset-light business

approx.

RMB610 million

- The Group undertook 9 environmental remediation services and signed 2 supplementary agreements for the existing environmental remediation services;
- 3 engineering, procurement and construction (“EPC”) projects;
- 2 energy management contract (“EMC”) projects; and
- 1 operation and management project.

Newly-secured Treatment/Supply Capacities in 2020

16,000
tonnes/day

Household
waste

1,920
tonnes/day

Food and
kitchen waste

612,500
tonnes/year

Hazardous and
solid waste

1,340,000
tonnes/year

Steam
supply

320,000
m³/day

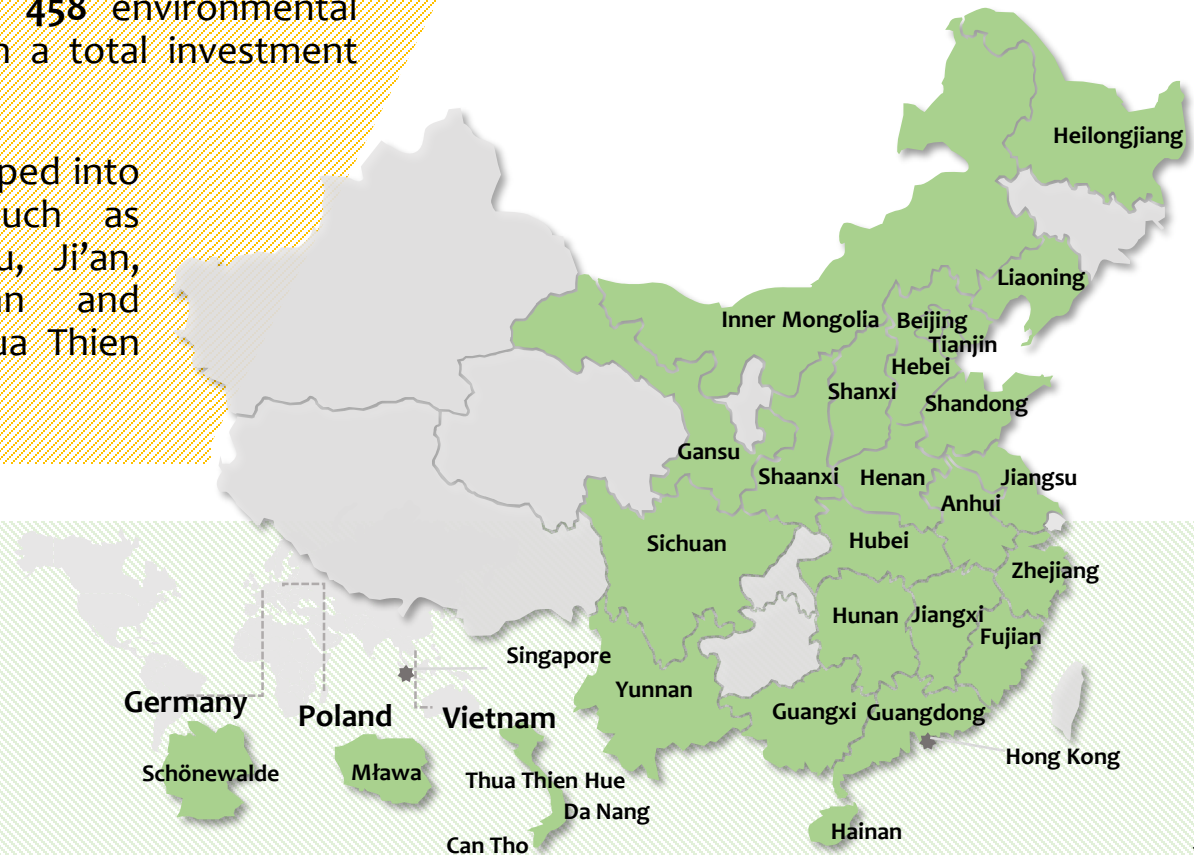
Water
treatment

Smooth Progress in Market Expansion

As of 31 December 2020, the Group had expanded its business footprint to **over 200 cities, counties and districts** across **23 provinces, municipalities and autonomous regions** in China, as well as overseas markets such as Germany, Poland and Vietnam.

It had invested in and secured **458** environmental protection projects in total, with a total investment exceeding **RMB140 billion**.

In 2020, its business footprint tapped into new geographical markets, such as Xiongan New Area, Zhangjiakou, Ji'an, Jinzhong, Zhangjiatie, Xiangtan and Xinyang in China, as well as Thua Thien Hue and Da Nang in Vietnam.



Locations of Everbright Environment's projects



Environmental Energy

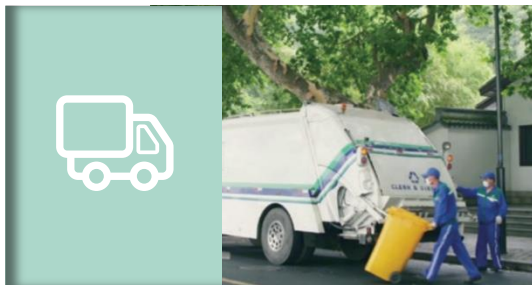
- In 2020, the sector adhered to the principle of “Three Priorities and One Clarification” to foster high-quality growth of the waste-to-energy business.
- It leveraged on Everbright Environment’s “Five Points in One Line” process model for waste sorting to access the upstream business of the waste-to-energy industry.
- It also expanded synergistic business development relating to waste-to-energy and promoted centralised treatment of various waste to foster optimised allocation and efficient utilisation of resources.

Greentech

- In 2020, the sector made effort to transform its hazardous and solid waste treatment business with a focus on integrated utilisation.
- It fostered the transformation and upgrading of its integrated biomass utilisation business.
- It continued to enhance its environmental remediation service capabilities.

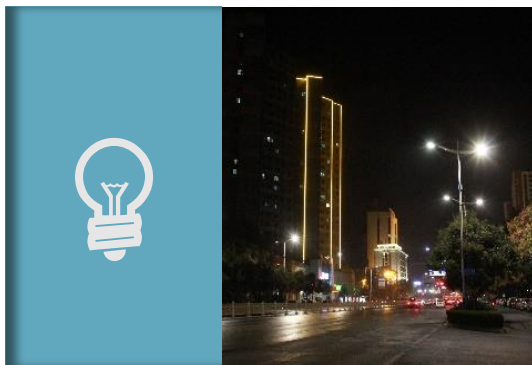
Environmental Water

- In 2020, the sector cultivated its traditional businesses, such as the waste water treatment.
- It solidified its full-fledged business coverage and full industry chain relating to the water environment management sector.



Eco-recycling

- In 2020, the sector adhered to the “Five Points in One Line” process model for waste sorting, and focused on 3 major business areas, namely waste sorting and zero-waste cities, environmental sanitation integration and resource recycling.
- The sector continued to follow up several waste sorting projects and won the bidding for 1 kitchen waste treatment project.



Greenergy

- In 2020, the sector continued to develop a full-service business chain that covers urban energy-saving lighting, as well as research and development (“R&D”) and manufacturing of energy-saving lighting products.
- It secured 2 streetlight retrofitting projects based on an EMC model, secured 1 streetlight retrofitting project based on an EPC model, and signed 85 contracts for the internal and external direct sales of Everbright New Sodium Lamps (“Lamps”).
- It also established the Greenergy Intelligent Industrial Park in Ji’nan City, which will be responsible for manufacturing of the Lamps and other products.



Environmental Planning

- In 2020, with a focus on environmental protection and energy, the sector expanded its business scope and achieved its technological strength.
- It has developed the designed processing capacity of a full range of waste incineration treatment lines, with processing capacity ranging from 300 tonnes/day to 1,000 tonnes/day.
- It also expanded its design and consulting services to the fields of food and kitchen waste treatment, waste landfill, sludge treatment and disposal, integrated slag utilisation and medical waste treatment.

Steady Development of Equipment Manufacturing and Envirotech

EQUIPMENT MANUFACTURING



- In 2020, the sector strengthened its full-process service system that covers R&D, manufacturing and maintenance services.
- It explored business transformation, including water purification and other consumer business opportunities.
- The self-developed 1,000 tonnes/day grate furnace completed assembly and got off the production line, showcasing the Group's self-developed large-scale grate furnace has reached new highs.
- Phase III of the Group's equipment manufacturing centre in Changzhou City commenced operation, which effectively expanded the equipment manufacturing capacity.

ENVIROTECH



- In 2020, the sector substantially established the “Four-in-One” technological innovation and R&D layout with platforms in Hong Kong, Shenzhen, Nanjing and Qingdao cities.
- It reported progress and achievements in technology R&D in the fields of solid waste treatment, flue gas treatment, water treatment, intelligent control, etc.
- In 2020, it was granted 235 patents, and a total of 17 major scientific essays were published.

Diversified Allocation in Capital Market

In 2020, the Group actively explored and expanded its financing channels, continuing to develop a diverse, long-term and stable capital reserve, so as to maintain sustainable development and meet the capital demands in support of its mid- to long-term growth.

Everbright Environment participated in Everbright Belt And Road Green Equity Investment Fund and signed a green loan

- Everbright Environmental Protection (China) Limited (as a limited partner), a wholly-owned subsidiary of the Company, intended to contribute RMB500 million to the fund.
- The Company signed with Bank of China (Hong Kong) Limited for a HK\$2 billion green loan with a five-year term for its environmental energy business.

Everbright Greentech issued first tranche of medium-term notes (“MTN”)

- With a principal amount of RMB1 billion, proceeds from the first tranche MTN issuance were used for the replenishment of working capital of Everbright Greentech and its loan repayments.

Everbright Water issued asset-backed securities (“ABS”) and first tranche of MTN

- With an issuance size of RMB300 million, proceeds from the ABS issuance were used to replenish Everbright Water’s working capital.
- With an issuance size of RMB1 billion, proceeds from the first tranche MTN were used to replenish working capital for Everbright Water’s subsidiaries.



Effective Pandemic Prevention and Control

At the early stage of the Pandemic outbreak, Everbright Environment followed relevant requirements of government authorities at all levels and in various locations, took a positive attitude and made the best effort to deploy relevant work. It formed a three-level management system for pandemic prevention and control, and issued relevant guidelines and emergency plans. Under the premise of ensuring staff health and safety, the Group:

- carried out pandemic control for its construction sites and resumption of construction work in an orderly manner;
- ensured full-speed operations of its projects that were in operation, providing efficient and quality environmental services that helped prevent secondary transmission of the virus through waste;
- facilitated local authorities and institutions to conduct safe treatment of medical waste, waste water, as well as waste from hospitals and quarantine areas;
- established an e-tendering and procurement platform, starting a new journey for the Group's tendering and procurement process;
- donated money and relief supplies through its domestic projects and the project in Poland, to support pandemic prevention in various locations; and
- shifted offline public opening-up activities into online events, continuously promoting and popularising ecological and environmental protection philosophies.



100 million+
residents protected
in terms of
environment and
hygiene



Zero
infection in
workplace

30 million+
tonnes
medical waste and
household waste
treated



approx.
1.6 billion m³
waste water
treated

10,000+
staff committed
to their duties



Completion of Company Name Change to Better Showcase Core Business



The Company's name has changed from "China Everbright International Limited" to "China Everbright Environment Group Limited" with effect from 10 September 2020.

The change of the Company's name and logo intends to more directly reflect Everbright Environment's business focuses and development directions, to better support its long-term development, and also demonstrate the Group's firm commitment to engaging in the environmental sector.

Looking forward, Everbright Environment will be committed to its mission of engaging in the environmental sector under "the new name" and with "greater strength", and hold fast to its strategies, in order to properly handle various challenges and opportunities arising from future development. It will continue to promote its "Three Five Eight Seven" development strategy, with the aim to take the Group's development to the next level. Everbright Environment will fulfil the best interest of the shareholders of the Company and other stakeholders. It will also continue to promote the "three-win" situation for the economic, environmental and social benefits through offering quality environmental services.

Showcase of Brand Honors

Operating Performance

The Most Honored Company

(4th consecutive year) - *Institutional Investor's* All-Asia Executive Team ranking

First place in 2020 Top 50 Environmental Protection Enterprises in China

(2nd consecutive year) – China Environment Chamber of Commerce

First place in Top 10 Influential Solid Waste Treatment Enterprises in China

(10th consecutive year) - 2020 Annual Solid Waste Enterprises Ranking



Technology R&D

Laboratory of Excellence

Everbright-Qingdao University of Technology
Research Institute of Environmental Technology
awarded by the Environmental Resources Association

First prize in Tianjin Technology Invention Award

The R&D project on the technologies and application in relation to the efficient incineration of large household waste and control of sensitive secondary pollutants

First prize in China Construction Science and Technology Award

The R&D project on the technologies and application in relation to ecological recycling of urban reusable water



Management and Governance

2018-2019 Green China Person of the Year

Mr. Wang Tianyi, Chairman of the board of directors and CEO of the Company, awarded by 6 government departments, including the Environmental Protection and Resources Conservation Committee of the National People's Congress

Asia's Best CEO

Mr. Wang Tianyi awarded by *Institutional Investor* for the 2nd consecutive year and by *Corporate Governance Asia* for the 3rd consecutive year

One of Top 10 Firms with Highest Corporate Governance Index Scores

The Hong Kong Institute of Directors



Sustainability and Social Responsibility

Member of
Dow Jones
Sustainability Indices
Powered by the S&P Global CSA

Constituent Stock of Dow Jones Sustainability Indices

(5th consecutive year)

Constituent Stock of Hang Seng Corporate Sustainability Index

(7th consecutive year)

Constituent Stock of FTSE4Good Index

(4th consecutive year)

Outstanding Enterprise Award in Response to Climate Change

CDP

Social Responsibility Brand of the Year

(6th consecutive year) - China Charity Festival



Optimised Strategies

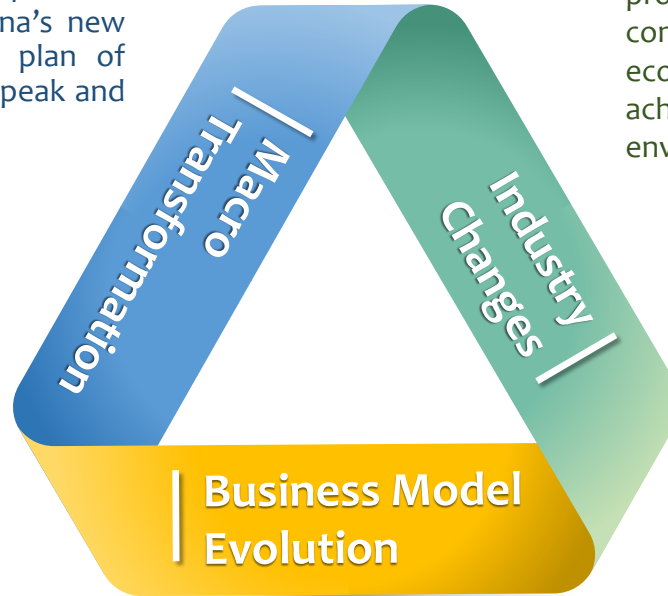
Actively Responding to Changes and Bravely Stepping outside of Comfort Zone

Intense Changes of Macro-environment

- The global economy is likely to recover and embrace a green recovery, with various challenges and risks looming ahead.
- China is expected to achieve rapid recovery with an estimated economic growth rate exceeding 6% for 2021. The country's 14th Five-year Plan and Vision 2035 mark China's new journey for development, and the plan of achieving "carbon dioxide emissions peak and carbon neutrality" has started.

Transformation of Business Models

- For the ecological and environmental protection industry, the supportive role of increasing scale in value creation has gradually abated, while technological progression, transformation and innovation are expected to become the driving forces behind industry development.
- Business models like the Ecology-oriented Development (EOD) model, which have a broader vision, are expected to be promoted, helping improve environmental management efficiency.



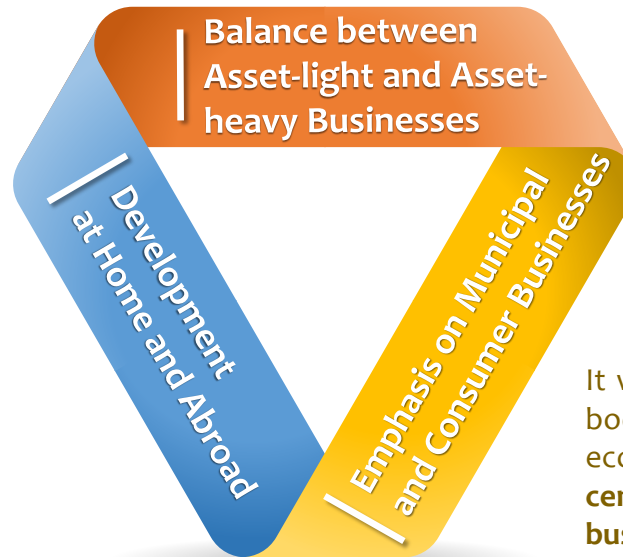
Enrichment of Industry Connotation

- China's 14th Five-year Plan and Vision 2035 propose to set out clear guidelines and overall requirements for ecological and environmental protection. The 14th Five-year Plan for ecological and environmental protection that is being prepared is committed to promoting sophisticated ecological and environmental protection and achieving efficient ecological and environmental management.
- While seeing more development opportunities, the ecological and environmental protection industry will also face stricter regulatory conditions and fiercer competition, which will put forward higher requirements for relevant companies in terms of marketisation and business structure.

Actively Responding to Changes and Bravely Stepping outside of Comfort Zone

Everbright Environment will continue to focus on “value creation”, accelerate its strategic transformation and high-quality development, bravely step outside of its comfort zone, and forge ahead more aggressively through innovation.

The Group will closely watch out for business opportunities overseas, capitalise on development opportunities like the Green Belt and Road initiative, and leverage on the existing business platforms overseas, to **increase the proportion of its international business** in a steady and orderly manner.

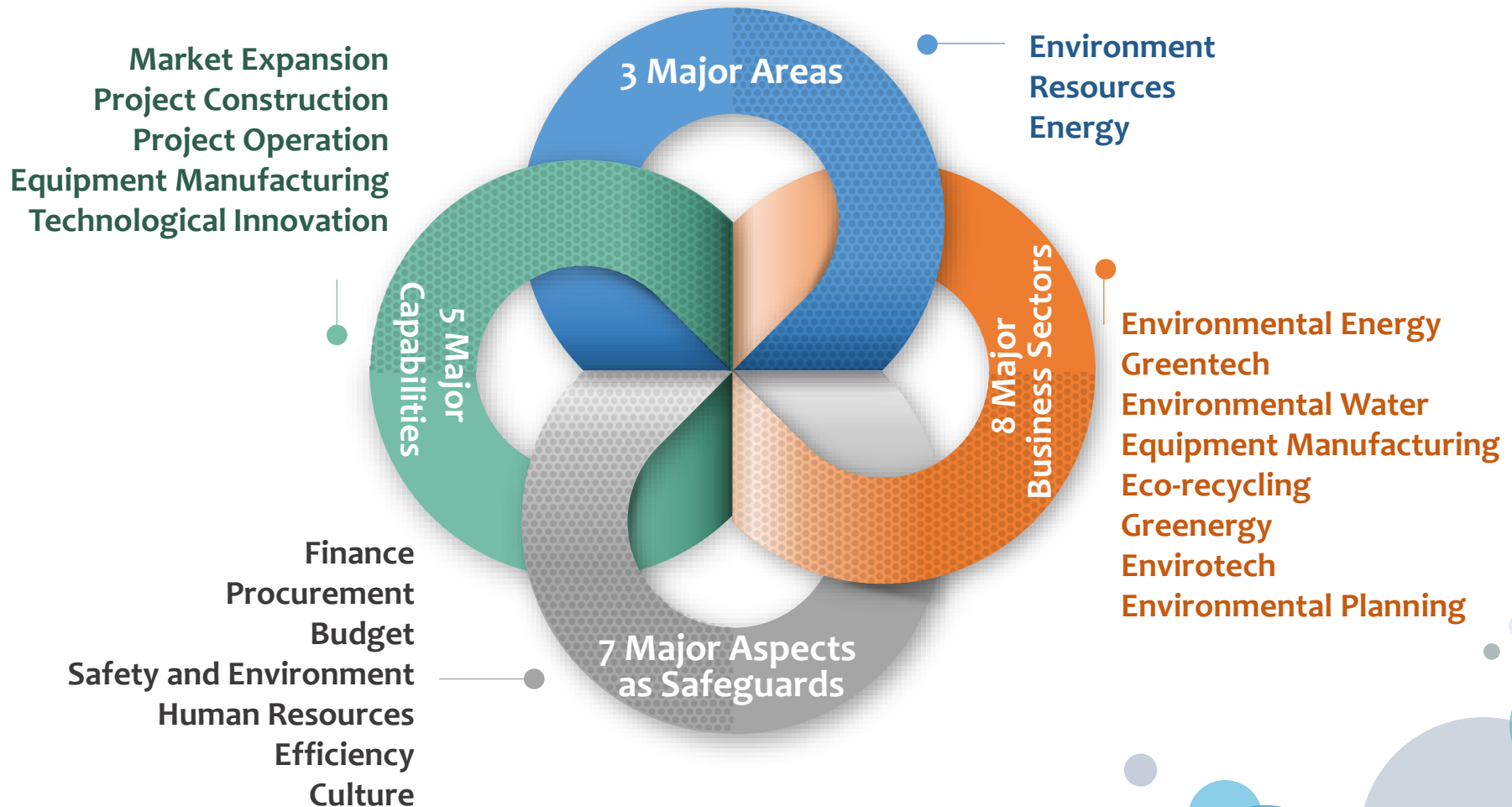


It will adjust the existing business structure through various means, such as digital and intelligent transformation and expansion of new businesses, to **strike a balance between asset-light and asset-heavy businesses.**

It will pay close heed to China’s shift to boost the domestic demand and drive economic growth through consumption, **cement its position in the municipal business market** while **identifying its focuses and competitiveness in the consumer business market.**

The “Three Five Eight Seven” Development Strategy

Everbright Environment will step up the implementation of its “Three Five Eight Seven” development strategy, in order to take its development to the next level and to steadily move towards the goal of “becoming a world-leading ecological and environmental group”.



Synergistic Development of 8 Major Business Sectors

Environmental Energy

- Waste-to-energy and synergistic treatment
- To become the world's largest, technologically-advanced and highly-efficient waste-to-energy investor and operator

Equipment Manufacturing

- R&D and manufacturing of environmental protection equipment, such as waste incineration facilities, and environmental protection-related consumer products
- To become Asia's largest environmental protection equipment manufacturer and service provider

Greentech

- Green and low-carbon businesses including hazardous and solid waste treatment, integrated biomass utilisation and environmental remediation
- To become China's leading investor and operator dedicated to hazardous waste treatment business

Greenery

- Energy-saving, intelligent lighting projects for urban areas
- To become China's leading urban integrated lighting investor and operator

Environmental Water

- Water environment management
- To become China's first-class full-chain water business investor and operator

Eco-recycling

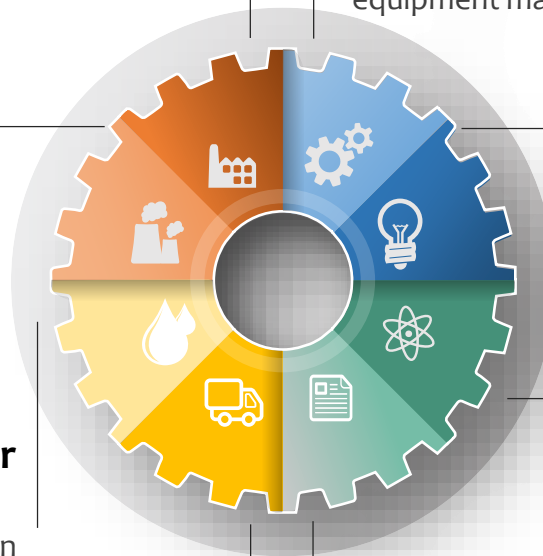
- Waste sorting and resource recycling
- To become China's top investor and operator specialised in full-process waste sorting and resource recycling, with the "Five Points in One Line" full process

Envirotech

- Leveraging the "Four-in-One" technological innovation and R&D layout to focus on R&D relating to advanced and practical environmental technologies
- To become a world-class centre dedicated to green technological innovation and commercialisation of research results

Environmental Planning

- Solutions to development of "zero-waste cities" and environmental management planning
- To become a first-class planning and design institute in China



Q&A Session

Thank You!