



2024 Interim Results Presentation

CHINA EVERBRIGHT ENVIRONMENT GROUP LIMITED

August 2024



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Financial Review



(HK\$ million)	For six months ended 30 June		Change
	2024	2023	
Revenue	15,612	16,297	-4%
Gross Profit	6,046	7,193	-16%
EBITDA	6,550	7,376	-11%
Profit Attributable to Equity Holders of the Company	2,454	2,785	-12%
Return on Shareholders' Equity (%)	5.00 [#]	5.82 [#]	-0.82ppt*
Basic Earnings per Share (HK cents)	39.95	45.34	-12%
Interim Dividend per Share (HK cents)	14.0	14.0	–
Dividend Payout Ratio (%)	35	31	4ppt*

calculated based on half-year actual results

** ppt: percentage point*

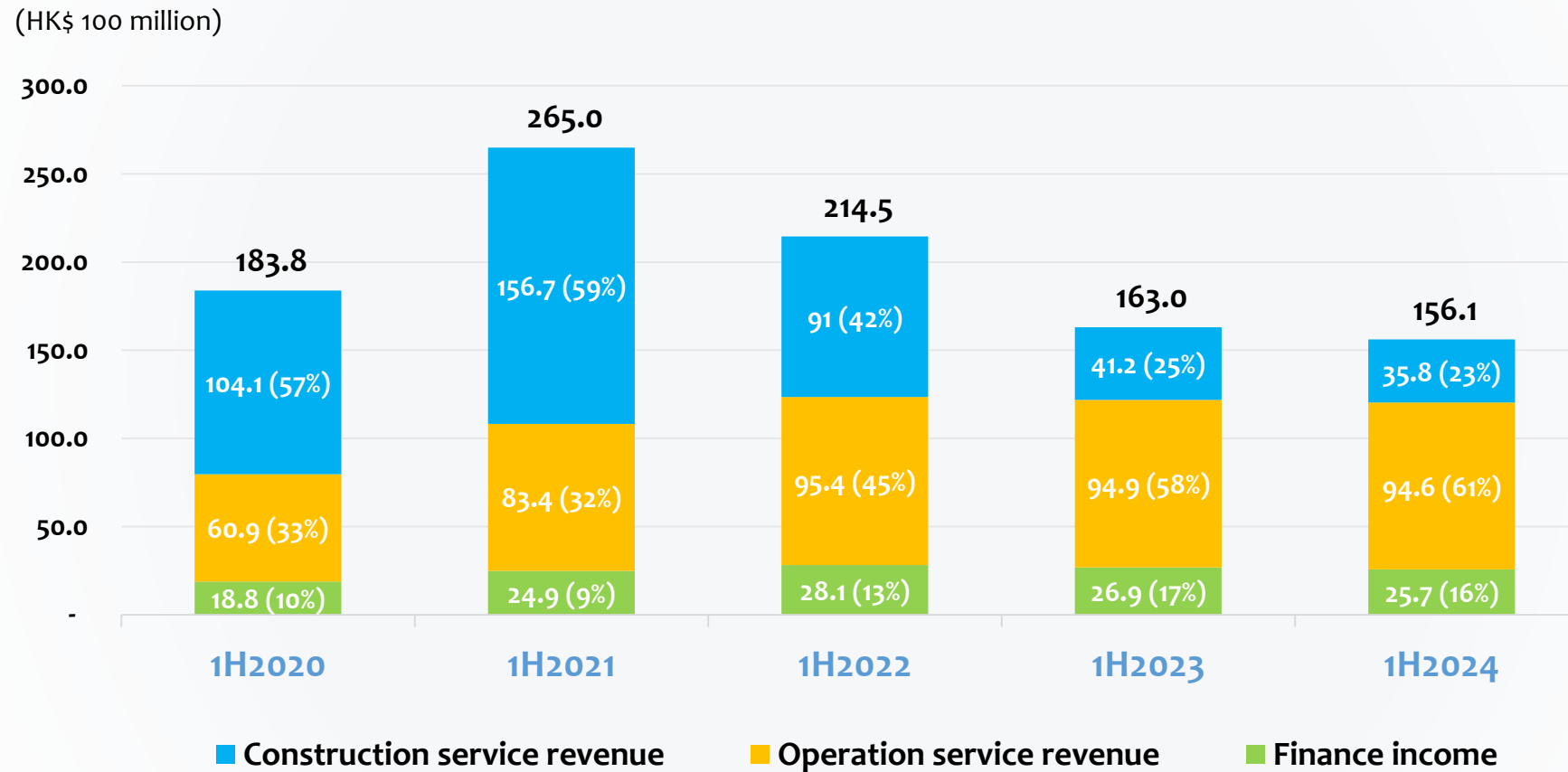


(HK\$ million)	As at 30/06/2024	As at 31/12/2023	Change
Total Assets	189,453	189,183	–
Total Liabilities	121,767	123,660	-2%
Equity Attributable to Equity Holders of the Company	50,008	48,141	4%
Cash and Bank Balance	8,274	8,633	-4%
Gearing Ratio (%) (total liabilities/total assets)	64	65	-1ppt*

* ppt: percentage point



Trend in Revenue Structure and Revenue Analysis by Categories





Operating Highlights

- **Consistent Growth
in Business Indicators**
- **Effective Enhancement
of Management Efficiency**
- **Empowering Development
Through Technological Innovation**
- **Innovative Advances
in Market Expansion**
- **Strengthening
Our Industry-leading Position**



Household Waste Treatment Volume*

Household waste treatment volume was approx. 28 million tonnes, **an increase of 9%** as compared with the first half of 2023 (“1H2023”).

The integrated power consumption ratio was approx. 15%, which remained consistent with 1H2023.

The average electricity generated per tonne of waste incinerated at waste-to-energy projects was approx. 446 kWh.



Agricultural and Forestry Waste Treatment Volume*

Agricultural and forestry waste treatment volume was approx. 3.9 million tonnes, **an increase of 4%** as compared with 1H2023.



Waste Water and Leachate Treatment Volume*

Treatment volume of waste water and leachate from waste-to-energy projects was approx. 840 million m³, which **remained largely consistent** with 1H2023.

Reusable water supply volume was approx. 22 million m³, **an increase of 4%** as compared with 1H2023.



Sales of Environmental Protection Equipment*

Contract value of external sales of environmental protection equipment **increased by 9%** as compared with 1H2023.

Total electricity generated* was approx. 13.6 billion kWh, **an increase of 5%** as compared with 1H2023.

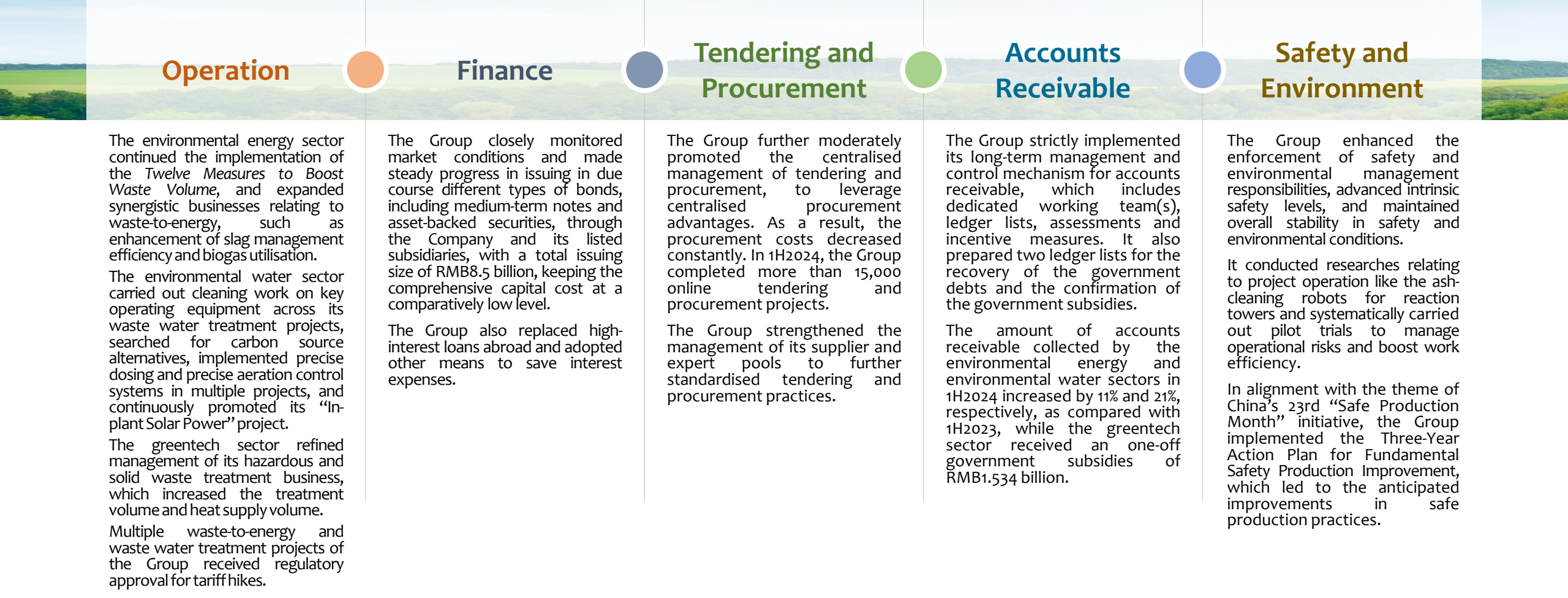
Heat and steam supply volume* **increased by over 60%** as compared with 1H2023.

* for the first half of 2024



Effective Enhancement of Management Efficiency

In the first half of 2024 (“1H2024”), Everbright Environment further enhanced its efforts in management and control, leading to noticeable enhancement in quality and effectiveness.





In 1H2024, Everbright Environment carried out technology research and development (“R&D”) and promoted the commercialisation of technology research outcomes; focused on the cultivation of new businesses and technologies to empower all business development; and advanced internal system construction to accelerate the management digitalisation process.

■ Commercialisation and Application of Research Results

The Group achieved commercialisation of 13 technology research outcomes, covering high-efficiency wet desulfurisation, integrated desulfurisation and denitrification and other technologies.

It launched the unmanned decarbonising machine product(s) into the market and provided decarbonising services to internal and external clients for more than 20 times.

The Group also applied technologies and processes to its projects, boosting the project operation proficiency and efficiency, in the areas of anaerobic membrane bioreactor (MBR), intelligence-related fields, etc.

The Group carried out the R&D and pilot trials on several major topics, such as fly ash utilisation, flue gas purification and intelligent and precise control systems for waste water treatment plants, to address limitations and challenges encountered in actual production.

■ Innovation in Technology and Equipment

The Group carried out exploration in new fields such as high-value biogas utilisation, fly ash utilisation, and biomass-to-ethanol technology.

A project on the R&D and commercialisation of rapid assembly small-scale solid treatment equipment with a treatment capacity of 200 tonnes/day passed relevant assessments and inspections, facilitating the Group’s efforts to upgrade its equipment products.

The Group was granted 64 new patents. As of 30 June 2024, the Group held a total of 1,812 patents.

■ Acceleration of Management Digitalisation

With an emphasis on the construction of a business and finance integration system and an intelligent management platform, the Group fostered the digitalisation of its management platforms relating to finance, capital, document and other areas. This enhanced data collaboration and integration within the Group, leading to greater overall management efficiency.

It also promoted the “Equipment Cloud Service” intelligent maintenance service platform, expanding digital services for the entire lifecycle of environmental protection equipment.



Innovative Advances in Market Expansion

In 1H2024, with a focus on the three major areas of solid waste, water-related business and clean energy, Everbright Environment solidified its advantages in core business areas, enhanced industrial chain extension, proactively expanded synergistic businesses, and nurtured the balanced development of asset-light and asset-heavy businesses.

Serving China’s Major Strategic Areas

- The Group invested in 8 new projects, with a total investment of approx. RMB1.611 billion, solidifying its business development in China’s major strategic regions, such as the Yangtze River Economic Belt, Yellow River Basin and the Guangdong-Hong Kong-Macau Greater Bay Area.

Deployment of Asset-light and Asset-heavy Businesses

- The Group signed Henan Anyang Municipal Waste Water Treatment Centre Phase I Project, tapping into a new prefectural city market.
- It undertook various new asset-light businesses, with a total contract value of approx. RMB392 million. Among which, Changzhou Waste Lithium Battery Recycling Project was considered the first demonstration project for the battery recycling industrial chain in Jiangsu Province.





Steady Progress in New Business Development

- Leveraging its existing experience in developing zero-carbon industrial parks, the Group signed 3 new projects for the construction of zero-carbon industrial parks in Changzhou City and Lianshui County, Jiangsu Province, facilitating the Group’s further exploration of the “zero-carbon park + virtual power plant + power trading” business model.
- Securing Guangdong Guangzhou Guangbao Distributed Energy Storage System Project, marking the Group’s first energy storage project.
- The Group implemented the first biomass gasification project in Xiao County, Anhui Province, increasing the Group’s biomass utilisation channels.

Active Efforts to “Go Global”

- In active pursuit of opportunities in the “Belt and Road” Initiative countries, the Group won the bids for asset-light projects relating to equipment supply in Malaysia and India.

Additional Major Designed Treatment / Supply Capacities

	Waste water treatment capacity	200,000 m ³ /day
	Biomass raw materials treatment capacity	70,000 tonnes /year
	Heat and steam supply capacity	260,000 tonnes /year
	Solar power and energy storage installed capacity	39.66 megawatt (“MW”)



Strengthening Our Industry-leading Position

In-depth Industry Dialogue

- The Group was invited to attend a dialogue between the Prime Minister of Vietnam and Chinese companies that run business in Vietnam, the 2024 Annual Meeting of Beautiful China Forum 100 and the Green Development Forum of Shanghai Cooperation Organisation Countries.
- The Group was invited to attend the launching ceremony of the Boao near-zero carbon demonstration zone in Hainan Province as a party participating in construction.
- The Group was invited to participate in prominent industry events such as the IE expo China 2024 and the 2024 Macao International Environmental Co-operation Forum and Exhibition.

In-depth Market Engagement

- The Group organised nearly 20 project visits, engaging over 100 domestic and international investment institutions, which strengthened communication with investors, media outlets and other stakeholders. These project visits fostered a deeper understanding and greater recognition of the Group’s operation and development strategies among these stakeholders.
- As of 30 June 2024, 23 institutions offered the Company positive ratings, and the Company’s stock price increased by over 50% as compared with the end of 2023.

Harmonious and Inclusive Community

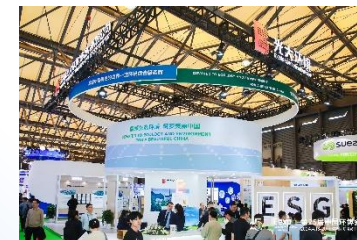
- The Group organised a series of environmental protection education activities around themes like the World Water Day and World Environment Day at its operating projects, serving as platforms to promote environmental protection and sustainable development.
- The Group organised and launched the “Green Wings Programme” in Hong Kong, to strengthen environmental awareness and promote sustainable development concepts among the younger generations through project-based learning and summer internship.
- As at 30 June 2024, a total of 220 projects of the Group opened up for public visit.

Major Recognitions

- First place in the Top 10 Influential Solid Waste Treatment Enterprises (the 13th consecutive year)
- Everbright Water* was shortlisted in the Top 10 Influential Enterprises in China’s Water Industry (the 7th consecutive year)
- Everbright Greentech# was awarded the Global Excellence ESG Award by Yazhou Zhoukan (the 3rd time)
- The Prime Minister of Vietnam attended the completion ceremony of the Group’s Hue Waste-to-energy Project in Vietnam.

* Everbright Water (China Everbright Water Limited) is the Company’s listed subsidiary and also the environmental water sector of the Group.

Everbright Greentech (China Everbright Greentech Limited) is the Company’s listed subsidiary and also the greentech sector of the Group.



Development Path



Analysis of Internal and External Situations

Policy Landscape

The Third Plenary Session of the 20th Central Committee of the Communist Party of China (the “Session”) emphasised the importance of building a beautiful China by accelerating the comprehensive green transformation of economic and social development. This includes prioritising eco-environmental protection, promoting resource conservation and efficient utilisation, advancing green and low-carbon development, and fostering a harmonious coexistence between humans and nature. To deepen the reform of the ecological civilisation system, the Session outlined three key areas: improving the foundational aspects of ecological civilisation, enhancing the ecological environment governance system, and perfecting the mechanisms for green, low-carbon development.

Recent national-level documents issued by the Chinese government have also provided a conducive policy environment for the high-quality development of the environmental protection industry and related enterprises.

Industry Trends

China’s environmental protection industry is gradually shifting from the “Era of Investments” to the “Era of Operations”, and transitioning from the “Era of Scale” to the “Era of Efficiency”. The market is moving from urban areas to county regions. The model of environmental management is evolving from a single approach to comprehensive solutions. The control over the amount and intensity of energy consumption is shifting toward the control over the amount and intensity of carbon emissions. The waste management approach is transitioning from end disposal to waste recycling at source.

The environmental protection industry is dedicated to seeking upgrade and advancement through cost control, efficiency enhancement, innovation as the driving force and sustainable operations. Areas such as environmental management solutions to sub-sectors of the industry, pollution and carbon reduction, and waste recycling are expected to emerge as new business areas, offering fresh opportunities for the high-quality development of environmental protection enterprises.

Business Development

During its transformation and development, Everbright Environment has gained a clearer vision for its future. It will continue to evaluate internal and external conditions, solidify its market position, enhance operational efficiency, drive innovation to empower growth, and explore overseas markets. The Group will also address operational challenges, mitigate various risks, to establish a solid foundation for the next phase of high-quality development.



Near-term Development Path

Everbright Environment will adhere to its corporate mission of “Devoted to Ecology and Environment for a Beautiful China” to unwaveringly pursue high-quality development.

Cost Control and Efficiency Enhancement

The Group will enhance operational efficiency and effectiveness through initiatives such as operational benchmarking, operational upgrading through refined and digital management practices, etc. It will also strengthen financial management and control by strictly managing various expenses and reducing financing costs.

Diversified Expansion

The Group will leverage on the advantages of its core businesses to diversify its business models, tap into the increment and potential of the traditional markets, accelerate the transformation and promotion of new businesses, and continuously explore opportunities in overseas markets in a prudent manner.

Technological Innovation Empowerment

The Group will empower traditional businesses in a more detailed and comprehensive manner, and expand the application of the self-developed equipment. It will also promote the practical implementation of R&D outcomes, cultivate new quality productive forces, advance the marketisation of technological innovation products, and continuously optimise the systems and mechanisms for technological innovation.

Management Efficiency Enhancement

The Group will improve investment management practices through strict quality control for new businesses and projects, explore various measures and intensify efforts to address challenges in accounts receivable recovery, and uphold the basic standards for safety production and environmental management.

Talent Cultivation

The Group will develop a high-quality comprehensive management team. Guided by the strategic objectives of globalisation and innovation-driven growth, it will also cultivate a pool of talents with a global vision, an innovative mindset and a comprehensive skillset.



QA Session



Thank You!