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CHINA EVERBRIGHT GREENTECH LIMITED

中國光大綠色環保有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1257)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2020

FINANCIAL HIGHLIGHTS

- Revenue increased by 6% to HK\$9,835,376,000 (2019: HK\$9,279,555,000)
- EBITDA increased by 7% to HK\$3,064,595,000 (2019: HK\$2,876,139,000)
- Profit attributable to equity shareholders of the Company decreased by 7% to HK\$1,502,532,000 (2019: HK\$1,621,477,000)
- Final dividend of HK7.0 cents (2019: HK8.0 cents) per share. Total dividends for the year decreased by 6% to HK15.0 cents (2019: HK16.0 cents) per share

2020 ANNUAL RESULTS

The board of directors (the “Board”) of China Everbright Greentech Limited (the “Company” or “Everbright Greentech”) is pleased to announce the consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the year ended 31 December 2020 together with comparative figures for the year ended 31 December 2019. The annual results have been reviewed by the audit and risk management committee of the Company.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2020

		2020	2019
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
REVENUE	4	9,835,376	9,279,555
Direct costs and operating expenses		<u>(6,823,836)</u>	<u>(6,478,539)</u>
Gross profit		3,011,540	2,801,016
Other revenue	5	252,390	166,449
Other losses	5	(7,155)	(2,849)
Impairment losses of intangible assets		(216,723)	—
Administrative expenses		(550,837)	(488,148)
Finance costs	6	(543,564)	(376,891)
Share of profits/(losses) of joint ventures		<u>(19,464)</u>	<u>9,890</u>
PROFIT BEFORE TAX	7	1,926,187	2,109,467
Income tax	8	<u>(412,879)</u>	<u>(462,362)</u>
PROFIT FOR THE YEAR		<u>1,513,308</u>	<u>1,647,105</u>
ATTRIBUTABLE TO:			
Equity shareholders of the Company		1,502,532	1,621,477
Non-controlling interests		<u>10,776</u>	<u>25,628</u>
		<u>1,513,308</u>	<u>1,647,105</u>
EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY	10		
Basic and diluted (<i>HK cents</i>)		<u>72.72</u>	<u>78.48</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2020

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
PROFIT FOR THE YEAR	<u>1,513,308</u>	<u>1,647,105</u>
OTHER COMPREHENSIVE INCOME/(LOSS)		
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of financial statements of entities outside Hong Kong, net of nil tax		
— Subsidiaries	1,018,210	(307,063)
— Associates	5,216	(2,062)
— Joint ventures	<u>3,636</u>	<u>(1,295)</u>
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF TAX	<u>1,027,062</u>	<u>(310,420)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u><u>2,540,370</u></u>	<u><u>1,336,685</u></u>
ATTRIBUTABLE TO:		
Equity shareholders of the Company	2,508,635	1,315,563
Non-controlling interests	<u>31,735</u>	<u>21,122</u>
	<u><u>2,540,370</u></u>	<u><u>1,336,685</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2020

	<i>Notes</i>	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
NON-CURRENT ASSETS			
Property, plant and equipment		3,848,120	2,630,584
Right-of-use assets		648,609	416,646
Goodwill		157,609	149,079
Intangible assets		13,311,103	10,781,335
Interests in joint ventures		44,632	61,177
Interests in associates		165,415	76,621
Other receivables, deposits and prepayments	11	816,945	602,982
Contract assets	12	6,310,283	3,962,637
Deferred tax assets		64,467	29,396
		<hr/>	<hr/>
Total non-current assets		25,367,183	18,710,457
CURRENT ASSETS			
Inventories		218,493	228,391
Debtors, other receivables, deposits and prepayments	11	3,001,399	1,379,846
Contract assets	12	3,945,493	3,041,149
Tax recoverable		5,047	986
Pledged bank deposits		219,415	189,847
Deposits with banks		1,663	22,180
Cash and cash equivalents		2,505,975	2,685,459
		<hr/>	<hr/>
Total current assets		9,897,485	7,547,858
CURRENT LIABILITIES			
Creditors, other payables and accrued expenses	13	3,970,968	2,989,157
Interest-bearing bank and other borrowings		2,314,706	2,038,974
Lease liabilities		2,333	4,634
Tax payables		47,530	43,771
		<hr/>	<hr/>
Total current liabilities		6,335,537	5,076,536
NET CURRENT ASSETS		3,561,948	2,471,322
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		28,929,131	21,181,779
		<hr/>	<hr/>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(Continued)*
At 31 December 2020

	<i>Notes</i>	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
NON-CURRENT LIABILITIES			
Other payables	13	150,568	113,245
Interest-bearing bank and other borrowings		14,618,667	9,516,037
Lease liabilities		6,503	8,381
Deferred tax liabilities		1,286,552	956,764
Total non-current liabilities		16,062,290	10,594,427
NET ASSETS		12,866,841	10,587,352
EQUITY			
Equity attributable to equity shareholders of the Company			
Share capital		1,608,029	1,608,029
Reserves		10,916,253	8,738,190
		12,524,282	10,346,219
Non-controlling interests		342,559	241,133
TOTAL EQUITY		12,866,841	10,587,352

NOTES

1. BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) (which include all HKFRSs, Hong Kong Accounting Standards (“HKASs”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention. These financial statements are presented in Hong Kong dollars and all values are rounded to the nearest thousand except when otherwise indicated.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the *Conceptual Framework for Financial Reporting 2018* and the following revised HKFRSs for the first time for the current year’s financial statements.

Amendments to HKFRS 3	<i>Definition of a Business</i>
Amendments to HKFRS 9, and HKAS 39 and HKFRS 7	<i>Interest Rate Benchmark Reform</i>
Amendments to HKFRS 16	<i>COVID-19 — Related Rent Concessions</i> (early adopted)
Amendments to HKAS 1 and HKAS 8	<i>Definition of Material</i>

The Group has assessed that the adoption of the *Conceptual Framework for Financial Reporting 2018* and the above revised standards has had no significant financial effect on these financial statements.

3. OPERATING SEGMENT INFORMATION

The Group manages its business by segments, which are organised by business lines. In a manner consistent with the way in which information is reported internally to the Group’s most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following four reportable segments.

- (i) Integrated biomass utilisation project construction and operation: this segment engages in the construction and operation of biomass direct combustion power generation projects, biomass heat supply project, biomass electricity and heat cogeneration projects, waste-to-energy projects and integrated biomass and waste-to-energy projects to generate revenue from construction services, revenue from operation services as well as finance income.
- (ii) Hazardous and solid waste treatment project construction and operation: this segment engages in the construction and operation of hazardous waste landfill projects, hazardous waste incineration projects, general industrial solid waste electricity and heat cogeneration projects and physicochemical and resources recycling projects to generate revenue from construction services, revenue from operation services as well as finance income.

3. OPERATING SEGMENT INFORMATION *(Continued)*

- (iii) Environmental remediation project operation: this segment engages in the operation of environmental remediation projects covering restoration of industrial contaminated sites, contaminated farmland, mines and landfills, treatment of industrial gas emission, integrated treatment of oil sludge, treatment of river/lake sediments and industrial sludge, construction and operation of wetland parks, environmental stewardship services and anti-seepage at landfill sites to generate revenue from operation services.
- (iv) Solar energy and wind power project operation: this segment engages in the operation of solar energy projects and wind power projects to generate revenue from operation services.

For the purposes of assessing segment performance and allocating resources between segments, the Group's most senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all tangible assets, intangible assets, goodwill, interests in associates and joint ventures, deferred tax assets and current assets with the exception of intercompany receivables and other corporate assets. Segment liabilities include tax payables, deferred tax liabilities, creditors, other payables and accrued expenses attributable to the activities of the individual segments and interest-bearing bank and other borrowings managed directly by the segments, with the exception of intercompany payables and other corporate liabilities.

Revenue and expenses are allocated to the reportable segments with reference to revenue generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

The measure used for reporting segment profit is "earnings before interest, taxes, depreciation and amortisation" ("EBITDA"). To arrive at EBITDA, the Group's earnings are further adjusted for items not specifically attributed to individual segments, such as directors' remuneration and other head office or corporate administration costs.

In addition to segment information concerning EBITDA, management is provided with segment information concerning revenue, interest expense from borrowings managed directly by the segments, depreciation and amortisation and additions to non-current segment assets used by the segments in their operations.

3. OPERATING SEGMENT INFORMATION (Continued)

(i) Segment results, assets and liabilities

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the year is set out below:

For the year ended 31 December

	Integrated biomass utilisation project construction and operation		Hazardous and solid waste treatment project construction and operation		Environmental remediation project operation		Solar energy and wind power project operation		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment revenue (note 4):										
Revenue from external customers and reportable segment revenue	8,318,394	7,270,316	1,158,305	1,517,723	167,656	287,296	191,021	204,220	9,835,376	9,279,555
Segment results:										
Reportable segment profit (EBITDA)	2,557,204	2,192,943	419,733	571,824	39,223	55,454	181,365	185,683	3,197,525	3,005,904
Finance costs									(543,564)	(376,891)
Depreciation and amortisation, including unallocated portion									(594,844)	(389,781)
Unallocated head office and corporate income									10,910	13,522
Unallocated head office and corporate expenses									(143,840)	(143,287)
Consolidated profit before tax									<u>1,926,187</u>	<u>2,109,467</u>
Other segment information:										
Finance costs	336,161	247,809	38,950	22,958	8,065	7,759	19,537	22,084	402,713	300,610
Unallocated finance costs									140,851	76,281
Depreciation and amortisation	369,157	240,940	139,606	64,772	13,989	13,165	65,699	66,557	588,451	385,434
Unallocated depreciation and amortisation									6,393	4,347
Impairment losses of intangible assets	216,723	—	—	—	—	—	—	—	216,723	—
Impairment losses of debtors and contract assets	7,430	119	109	868	—	1,013	—	—	7,539	2,000
Share of (profits)/losses of joint ventures	—	—	19,464	(9,890)	—	—	—	—	19,464	(9,890)
Additions to property, plant and equipment, right-of-use assets, intangible assets, goodwill and non-current portion of prepayments	2,356,349	3,039,039	2,245,611	1,648,153	7,607	197,095	5,404	911	4,614,971	4,885,198
Additions to non-current portion of contract assets	<u>2,428,423</u>	<u>1,445,068</u>	<u>7,367</u>	<u>8,142</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>2,435,790</u>	<u>1,453,210</u>

3. OPERATING SEGMENT INFORMATION (Continued)

(i) Segment results, assets and liabilities (Continued)

For the year ended 31 December

	Integrated biomass utilisation project construction and operation		Hazardous and solid waste treatment project construction and operation		Environmental remediation project operation		Solar energy and wind power project operation		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Reportable segment assets	25,658,491	18,899,891	6,707,061	4,247,704	660,590	503,712	1,312,799	1,302,854	34,338,941	24,954,161
Unallocated head office and corporate assets									925,727	1,304,154
Consolidated total assets									<u>35,264,668</u>	<u>26,258,315</u>
Reportable segment liabilities	11,105,026	9,430,879	2,942,256	1,382,686	487,772	337,821	456,999	477,163	14,992,053	11,628,549
Unallocated head office and corporate liabilities									7,405,774	4,042,414
Consolidated total liabilities									<u>22,397,827</u>	<u>15,670,963</u>

(ii) Geographic information

The following table sets out information about the geographical location of (i) the Group's revenue from external customers, (ii) the Group's property, plant and equipment, right-of-use assets and intangible assets, and (iii) the Group's non-current portion of other receivables, deposits and prepayments and non-current portion of contract assets. The geographical location of customers is based on the location at which the services were provided. The geographical location of the assets is based on the physical location of the asset in the case of property, plant and equipment and right-of-use assets, whereas the location of the operation to which they are allocated in the case of other receivables, deposits and prepayments, intangible assets and contract assets.

	Revenue from external customers		Property, plant and equipment, right-of-use assets and intangible assets		Non-current portion of other receivables, deposits and prepayments and contract assets	
	2020	2019	2020	2019	2020	2019
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
People's Republic of China ("PRC")	9,829,244	9,273,442	17,769,340	13,784,710	7,131,903	4,565,619
Hong Kong	—	—	1,750	6,245	—	—
Germany	6,132	6,113	36,742	37,610	—	—
Total	<u>9,835,376</u>	<u>9,279,555</u>	<u>17,807,832</u>	<u>13,828,565</u>	<u>7,131,903</u>	<u>4,565,619</u>

3. OPERATING SEGMENT INFORMATION *(Continued)*

(iii) Information about a major customer

For the year ended 31 December 2020, the Group has transactions with one (2019: one) local government authority in the PRC which individually exceed 10% of the Group's total revenue. The aggregate revenue from this customer during the year ended 31 December 2020 amounted to HK\$1,847,626,000 (2019: HK\$1,870,814,000).

4. REVENUE

An analysis of revenue is as follows:

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Revenue from integrated biomass utilisation project construction services	3,869,337	4,050,945
Revenue from hazardous and solid waste treatment project construction services	593,292	868,814
Revenue from integrated biomass utilisation project operation services	4,182,317	3,032,982
Revenue from hazardous and solid waste treatment project operation services	557,647	640,767
Revenue from environmental remediation project operation services	167,656	287,296
Revenue from solar energy and wind power project operation services	191,021	204,220
Revenue from contracts with customers	9,561,270	9,085,024
Finance income from service concession arrangements	274,106	194,531
Total revenue	<u>9,835,376</u>	<u>9,279,555</u>

The aggregated revenue from construction services, revenue from operation services and finance income derived from the local government authorities in the PRC amounted to HK\$8,659,260,000 (2019: HK\$8,269,856,000) for the year ended 31 December 2020. The revenues are included in four segments as disclosed in note 3.

5. OTHER REVENUE AND OTHER LOSSES

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Other revenue		
Interest income	17,451	16,145
Government grants*	124,721	70,805
Value-added tax refunds**	87,989	63,709
Others	22,229	15,790
	<u>252,390</u>	<u>166,449</u>

* Government grants of HK\$120,764,000 (2019: HK\$67,648,000) were granted during the year ended 31 December 2020 to subsidise certain integrated biomass utilisation and hazardous and solid waste treatment projects of the Group in the PRC. There were no unfulfilled conditions and other contingencies attached to the receipts of those grants. There is no assurance that the Group will continue to receive such grants in the future. Government grants received for which related expenditure has not yet been undertaken are included in deferred income in the consolidated statement of the financial position.

** The Group was entitled PRC value-added tax refunds of HK\$87,989,000 (2019: HK\$63,709,000) during the year ended 31 December 2020. There were no unfulfilled conditions and other contingencies attached to the receipts of such tax refunds. There is no assurance that the Group will continue to receive such tax refunds in the future.

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Other losses		
Net (gain)/loss on disposal of items of property, plant and equipment	(384)	849
Impairment losses of debtors and contract assets	7,539	2,000
	<u>7,155</u>	<u>2,849</u>

6. FINANCE COSTS

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Interest on bank and other borrowings	539,409	400,290
Interest on medium-term notes	23,026	—
Interest on lease liabilities	466	605
	<u>562,901</u>	<u>400,895</u>
Less: interest capitalised*	(19,337)	(24,004)
	<u>543,564</u>	<u>376,891</u>

* The borrowing costs have been capitalised at a rate ranging from 3.05% to 4.95% (2019: 4.66% to 5.39%) per annum during the year ended 31 December 2020.

7. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Cost of inventories consumed	2,190,698	1,558,524
Depreciation of property, plant and equipment*	172,296	134,183
Depreciation of right-of-use assets	16,625	10,489
Amortisation of intangible assets**	405,923	245,109
Lease payments not included in the measurement of lease liabilities	11,791	8,248
Auditor's remuneration		
— audit services	2,650	2,990
— other services	729	—
	<u>3,379</u>	<u>2,990</u>
Employee benefit expense (excluding directors' remuneration)#		
Wages and salaries	607,632	533,603
Pension scheme contributions	31,218	56,875
	<u>638,850</u>	<u>590,478</u>
Impairment losses of debtors	15	2,000
Impairment losses of intangible assets	216,723	—
Impairment losses of contract assets	7,524	—
Foreign exchange differences, net	<u>(244)</u>	<u>(907)</u>

* The depreciation of property, plant and equipment of HK\$139,906,000 (2019: HK\$107,800,000) was included in "Direct cost and operating expense" on the face of the consolidated statement of profit or loss.

** The amortisation of intangible assets of HK\$386,507,000 (2019: HK\$230,105,000) was included in "Direct cost and operating expense" on the face of the consolidated statement of profit or loss.

As at 31 December 2020, the Group had no forfeited contributions available to reduce its contributions to the pension schemes in future years (2019: nil).

8. INCOME TAX

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong for the year ended 31 December 2020 (2019: nil).

Tax for the PRC operations is charged at the statutory rate of 25% of the assessable profits under tax rules and regulations in the PRC. During the year, certain PRC subsidiaries are subject to tax concessions under the relevant tax rules and regulations.

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Current tax — Elsewhere		
Charge for the year	197,705	192,493
Overprovision in prior years	(6,946)	(5,923)
Deferred tax	<u>222,120</u>	<u>275,792</u>
Total tax expenses for the year	<u><u>412,879</u></u>	<u><u>462,362</u></u>

9. DIVIDENDS

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Dividends attributable to the year:		
Interim — HK8.0 cents (2019: HK8.0 cents) per ordinary share	165,286	165,286
Final — HK7.0 cents (2019: HK8.0 cents) per ordinary share	<u>144,625</u>	<u>165,286</u>
	<u><u>309,911</u></u>	<u><u>330,572</u></u>

The final dividend for the year is proposed after the end of the reporting period and is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

10. EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY

The calculation of the basic earnings per share amounts is based on the profit for the year attributable to ordinary equity shareholders of the Company of HK\$1,502,532,000 (2019: HK\$1,621,477,000), and the weighted average number of ordinary shares of 2,066,078,000 (2019: 2,066,078,000) in issue during the year.

No adjustment has been made to the basic earnings per share amounts presented for the years ended 31 December 2020 and 2019 in the calculation of diluted earnings per share as there were no potential dilutive ordinary shares during the years ended 31 December 2020 and 2019.

11. DEBTORS, OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Debtors	2,294,824	714,916
Other receivables, deposits and prepayments	1,485,286	1,219,028
Amounts due from fellow subsidiaries	1,268	30,516
Loan to non-controlling interest	25,021	22,180
Amounts due from joint ventures	16,117	—
	<u>3,822,516</u>	<u>1,986,640</u>
Impairment	(4,172)	(3,812)
	<u>3,818,344</u>	<u>1,982,828</u>
Less: Non-current portion		
— Other receivables, deposits and prepayments	(791,924)	(580,802)
— Loan to non-controlling interest	(25,021)	(22,180)
	<u>(816,945)</u>	<u>(602,982)</u>
Current portion	<u>3,001,399</u>	<u>1,379,846</u>

The movements in the loss allowance for impairment of debtors are as follows:

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
At beginning of year	3,812	1,939
Impairment losses, net	15	2,000
Exchange realignment	345	(127)
At end of year	<u>4,172</u>	<u>3,812</u>

11. DEBTORS, OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (Continued)

An ageing analysis of the debtors, based on the date of invoice (or date of revenue recognition, if earlier) and net of loss allowance as at the end of the reporting period is as follows:

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Within 1 month	1,703,520	269,187
More than 1 month but within 2 months	75,253	112,467
More than 2 months but within 4 months	83,109	87,208
More than 4 months but within 7 months	98,907	86,545
More than 7 months but within 13 months	177,487	77,489
More than 13 months	152,376	78,208
	<u>2,290,652</u>	<u>711,104</u>

Debtors are mainly due immediately to within 90 days from the date of billing.

The amounts due from fellow subsidiaries are unsecured, interest-free and the prepayments are expected to be recognised as expense within one year.

Included in the amounts due from joint ventures is a loan to a joint venture of RMB5,000,000 (equivalent to HK\$5,923,000), which is unsecured, interest bearing at 125% of Loan Prime Rate (“LPR”) in PRC and recoverable in 2021. The remaining balance is unsecured, interest-free and repayable within one year.

The loan to non-controlling interest is secured by its equity interest in a non-wholly owned subsidiary, interest bearing at 110% of rates announced by the People’s Bank of China and recoverable by December 2022.

12. CONTRACT ASSETS

	<i>Notes</i>	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Service concession assets	(a)	6,789,387	4,225,112
Unbilled renewable energy tariff subsidy	(b)	3,162,113	2,561,239
Environmental remediation contract assets	(c)	312,203	217,435
		<u>10,263,703</u>	<u>7,003,786</u>
Impairment		<u>(7,927)</u>	<u>—</u>
		10,255,776	7,003,786
Less: Non-current portion			
— Service concession assets		<u>(6,310,283)</u>	<u>(3,962,637)</u>
Current portion		<u>3,945,493</u>	<u>3,041,149</u>
Contract assets arising from performance under construction contracts in connection with service concession arrangements, which are included in “Intangible assets”		<u>1,763,796</u>	<u>2,156,941</u>

12. CONTRACT ASSETS (Continued)

The movements in the loss allowance for impairment of contract assets is as follows:

	2020 HK\$'000
At beginning of year	—
Impairment losses, net	7,524
Exchange realignment	403
	<hr/>
At end of year	7,927
	<hr/> <hr/>

Notes:

- (a) Service concession assets arose from the Group's revenue from construction services under certain Build-Operate-Transfer ("BOT") and Build-Operate-Own ("BOO") arrangements and bear interest at rates ranging from 4.90% to 6.60% (2019: 4.90% to 6.60%) per annum as at 31 December 2020.

As at 31 December 2020, HK\$4,623,440,000 (2019: HK\$3,400,221,000) relates to certain BOT and BOO arrangements with operations commenced.

Pursuant to the BOT and BOO arrangements, the Group receives no payment from the local governments in Mainland China (the "Grantors") during the construction period and instead receives service fees for the Group's operation services when relevant services are rendered during the operating periods.

The service concession assets are not yet due for payment and will be settled by the service fees to be received during the operating periods of the arrangements.

All of the current portion of service concession assets is expected to be recovered within one year.

- (b) The balance represents government on-grid tariff subsidy receivables for certain integrated biomass utilisation projects which newly commenced operations and arose from the Group's revenue from operations. The amounts will be billed and settled upon the completion of government administrative procedures pursuant to "Notice on Relevant Review Work on the Projects List of Renewable Energy Power Generation Subsidies" (Caibanjian [2020] No. 6) (關於開展可再生能源發電補貼項目清單審核有關工作的通知) issued by the Ministry of Finance of the PRC.
- (c) The balance arose from performance under environmental remediation contracts. Such contracts include payment schedules which require stage payments over the service periods once milestones are reached.

13. CREDITORS, OTHER PAYABLES AND ACCRUED EXPENSES

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Creditors		
— third parties	2,619,974	2,126,266
— fellow subsidiaries	23,254	12,005
Other payables and accrued expenses	1,347,102	824,844
Amounts due to fellow subsidiaries	892	618
Amount due to non-controlling interest	1,273	—
Deferred income — government grants	<u>129,041</u>	<u>138,669</u>
	4,121,536	3,102,402
Less: Non-current portion		
— Deferred income — government grants	(71,559)	(54,318)
— Other payables and accrued expenses	<u>(79,009)</u>	<u>(58,927)</u>
	(150,568)	(113,245)
Current portion	<u>3,970,968</u>	<u>2,989,157</u>

Included in “Creditors, other payables and accrued expenses” are creditors with the following ageing analysis based on the date of invoice as at the end of the reporting period:

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Within 6 months	2,396,749	1,913,174
More than 6 months	<u>246,479</u>	<u>225,097</u>
	<u>2,643,228</u>	<u>2,138,271</u>

Creditors totaling HK\$1,951,163,000 (2019: HK\$1,594,892,000) as at 31 December 2020 represent construction payables for the Group’s BOT and certain BOO arrangements.

Creditors due to fellow subsidiaries are unsecured, interest-free and repayable in accordance with the contract terms.

The amounts due to fellow subsidiaries are unsecured, interest-free and repayable on demand.

The amount due to non-controlling interest is unsecured, interest-free and repayable within one year.

SCOPE OF WORK OF ERNST & YOUNG ON THE PRELIMINARY RESULTS ANNOUNCEMENT

The financial figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2020 as set out in the preliminary results announcement have been compared by the Group's auditor, Ernst & Young, Certified Public Accountants, to the amounts set out in the Group's draft consolidated financial statements for the year and the amounts were found to be in agreement. The work performed by Ernst & Young in this respect did not constitute an audit, review or other assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by the auditor on this preliminary result announcement.

OPERATING RESULTS

In 2020, international trade conflicts escalated, while the profound changes occurring in the global economic landscape took on a faster pace under the impact of the pandemic caused by the novel coronavirus ("COVID-19"). Amidst enormous changes in the global landscape and a public health crisis not seen since a century ago, the Chinese government adopted effective measures to address the situation and ensured positive developments under stable and normalised epidemic prevention measures. Social life and production operations gradually returned to normal and sound recovery trends were reported in investment, consumption and export, making China the only major economy in the world achieving positive economic growth.

During the past year, the Chinese government maintained its strategic focus on the development of ecological civilisation, while driving the accomplishment of staged goals for the critical battle against pollution. Meanwhile, in connection with anti-epidemic initiatives, we expedited our effort to amend the shortfalls of our hazardous waste collection and treatment facilities. During the year under review, policies and regulations such as the "Guiding Opinions on Establishing a Modern System of Environmental Treatment" and a new revised version of the "Law on the Prevention and Control of Environmental Pollution by Solid Waste" were announced and implemented, while the plan for protecting the ecological environment of the Yangtze River Economic Belt was also progressing in an orderly manner, as environmental inspection by China's central authorities continued to roll out. With the launch and implementation of such policy planning and action plans, the environmental industry embraced a positive development trend as it continued to improve in terms of regulation and professional quality.

As a provider of specialised environmental protection services in China, the Group achieved steady development in various businesses in 2020 despite the impacts of multiple unfavourable factors, such as the COVID-19 epidemic, rainstorms and floods, among others, as it rolled out comprehensive business development with the aim of “creating value and enhancing reform” in ongoing firm adherence to the corporate mission of being “Devoted to Ecology and Environment for a Beautiful China” and the corporate vision of endeavouring to “Create Better Investment Value and Undertake More Social Responsibility”.

The Group is principally engaged in the businesses of integrated biomass utilisation, hazardous and solid waste treatment, environmental remediation, solar energy and wind power. As of 31 December 2020, the Group had 119 environmental protection projects with a total investment of approximately RMB31.468 billion; and had undertaken 36 environmental remediation projects with a total contract amount of approximately RMB1.014 billion.

In terms of market development, the Group has been actively seeking premium projects with greater returns and stronger cashflow generating ability with an innovative mindset. First, we achieved breakthrough in terms of new business sectors by successfully tapping the end-of-life tyre (ELT) disposal business in a further enrichment of the Company’s business portfolio; second, we continued to explore the market for treatment of general industrial solid waste and signed for two general industrial solid waste treatment projects in Xiao County and Lianshui County, respectively, in an ongoing effort to increase our industry influence in this sector; third, we continued to develop the environmental remediation market and drive business mix optimisation, as we reported record-high numbers and amounts of environmental remediation contracts signed.

During the year under review, the Group secured 17 new projects and entered into 4 supplemental agreements involving additional total investments of approximately RMB2.56 billion and environmental remediation project contracts with a total amount of approximately RMB289 million. Such new projects included 2 integrated biomass utilisation projects, 6 hazardous and solid waste treatment projects and 9 environmental remediation projects. In terms of project scale, our designed capacities for household waste and food waste processing, steam supplied and hazardous and solid waste treatment were increased by approximately 386,900 tonnes, 820,000 tonnes and 612,500 tonnes per year, respectively.

During the year under review, EB Urban and Rural Renewable Energy (Nanjing) Limited (“EB Energy Nanjing”), an indirect wholly-owned subsidiary of the Company, Nanjing Liuhe Environment Company Limited (“Liuhe Environment”) and Nanjing Liuhe Jasmine Green Energy Company Limited (the “Project Company”) entered into a share capital increase agreement in respect of the Nanjing Liuhe Waste-to-Energy Project, pursuant to which a capital contribution of RMB70,560,000 was made for a 44.1% equity interest in the Project Company. The Project Company had a total amount of committed investment of RMB792 million and a household waste processing designed capacity of

1,000 tonnes per day. In November 2020, the Company had completed the capital contribution and the Project Company was held as to 44.1% by EB Energy Nanjing and 55.9% by Liuhe Environment.

In terms of project construction, the Group continued to ensure steady progress in the construction work of its projects in adherence to the principle of “Brand Building through Excellence in Quality”. During the year under review, 28 new projects started implementation or construction, while 20 projects were completed construction or commenced operation. As at 31 December 2020, the Group had 34 projects under construction or implementation, including 6 integrated biomass utilisation projects, 15 hazardous and solid waste treatment projects and 13 environmental remediation projects. With a strong emphasis on construction safety, construction quality and work scheduling for projects under construction, the Group has enhanced safety management at project sites through ongoing optimisation of its construction management system and framework.

In connection with technology research and development, the Group sought to drive quality and efficiency enhancement for its projects through technological innovation, while providing support to the technical viability of new business types. During the year under review, the Group’s effort was focused on the incineration of hazardous waste with high sulphuric and halogenic contents, treatment and disposal of general industrial solid waste, physicochemical treatment of hazardous waste, ultra-low emission of biomass and waste-to-energy projects, oil sludge treatment, ELT recycling, disposal and recycling of industrial waste salt, among others.

During the year under review, the Group’s research on the “Development and Application of Safe, Clean and Efficient Incineration Technology for General Combustible Industrial Solid Waste” was included in the list of “Key Program for International Science and Technology Cooperation Projects” maintained by the Ministry of Science and Technology of the PRC; development of the process design package for the incineration of hazardous waste with high sulphuric and halogenic contents was completed and the package was applied in the operation of our projects; research on the implementation scheme for ultra-low emission of biomass and waste-to-energy projects came into shape; technical deliberation for the recycling of ELT was completed. As of 31 December 2020, the Group held 149 authorised patents, including 21 invention patents and 128 utility model patents, and 5 software copyrights.

During the year under review, the Group further enhanced end-to-end operational management through its environmental, safety, health and social responsibility (“ESHS”) system, as it continued to introduce improvements to its hierarchical risk management mechanism and hazard inspection mechanism in an ongoing effort to enhance health and safety levels at work sites and their surrounding environments. In persistent adherence to the production principle of “prevention-based production safety”, the Group drafted plans for safe technology measures and anti-accident measures and launched comprehensive risk identification and control activities to ensure the prevention of all kinds of accidents. To address issues commonly found among high-risk groups and operational management procedures, the Group scheduled multiple rounds special inspection on high-risk operations and organised issue-specific training sessions and emergency drills to enhance the staff responsiveness to contingency situations and their ability to deal with emergencies. During the year under review, the Group formulated and published 9 environmental management standards for the enhancement of environmental management after reviewing its operating procedures for operational management in accordance with the requirements of regulations and relevant standards. Moreover, to further standardise the organisational structure for ESHS management, the Group has established a management team with 142 dedicated staff to bolster its strengths in safety, environmental, health and social responsibility management.

In terms of risk management, the Group has continued to make improvements to its risk management system and align its risk management objectives with its strategic business objectives in a dynamic way. During the year under review, the Group conducted the risk assessment for 2020 and specific control measures were implemented in response to significant risks to ensure effective management and control of material risks.

To counter risks in connection with epidemic, the Group formulated and published the “Special Environmental Report on Risks associated with the Sudden Epidemic Outbreak” to provide a timely reminder of and set out the key measures against risks relating to disrupted operation and delayed construction. Complementing the extensive practical experience of various departments and their flexible responses, operations of the Group remained stable amid the epidemic outbreak. During the year under review, the Group achieved notable results in risk management by drawing on the prospective and precautionary natures of risk management.

The Group responded with calm and poise to the epidemic during 2020 and adopted sound and scientific counter-epidemic measures, such that business operations and production were swiftly resumed. During the year under review, the Group's integrated biomass utilisation business brought into play the extensive geographical distribution of its projects, as it resorted to complementary supplies of fuel resources among different regions to ensure normal supply of fuel and consumables, while effectively lowering procurement costs by promoting the "premium quality and premium price" purchase model. Our hazardous and solid waste treatment business established regional business coordination centres and perfected its "Big Customer" regime to generate regional synergy and expand the outreach of its market for hazardous waste treatment in full utilisation of the potential local resources at its disposal. Our investment development department maintained good communication with the government and partners through a variety of channels, such as telephone and video-conferencing, and drove market expansion in an orderly manner with the use of copywriting. Our construction works management department controlled construction costs at an optimal level by urging the suppliers to deploy more workers, reasonably extending construction work hours, conducting stringent examination of drawings, optimising designs and exercising control over work visas. For details of our management of risks associated with epidemic prevention and control, please refer to the Company's 2020 annual report.

During the year under review, the Group garnered a number of awards on the back of its outstanding performance in sustainable development, corporate governance and social responsibility, winning approval and commendation among the general public. During the year under review, the Group was selected as a constituent stock of the Hang Seng Corporate Sustainability Benchmark Index for three consecutive years, while receiving the "BOCHK Corporate Environmental Leadership Awards 2019 — EcoChallenger" certificate from the Federation of Hong Kong Industries and Bank of China (Hong Kong); the "Outstanding Greater Bay Area Enterprises — Social Sustainability Award (Industry, Innovation and Infrastructure)" and "Green Sustainability Award (Climate Initiative)" awards in the "Greater Bay Area Enterprises Sustainability Awards 2020" organised by Metro Finance; the 2019/2020 ESG Award of Yazhou Zhoukan and the Hong Kong Council of Social Service — "Caring Company" 2019/20 logo for the first time.

As a member of the Standing Committee of the Biomass Energy Branch of China Association for the Promotion of Industrial Development (“BEIPA”), the Group worked in tandem with BEIPA and submitted the “Critical Report on the Impact of COVID-19 on the Biomass Energy Sector” to the National Development and Reform Commission (“NDRC”) and other competent national authorities during the year under review to promptly reflect how the industry had been affected by the epidemic and propose responsive measures. To improve the current conditions of the industry, we have also participated in the drafting of the “Report on the Development of China’s Biomass Power Generation Industry in 2020” to provide an in-depth analysis of the opportunities and challenges for the biomass power generation industry. To provide guidance for the sustainable development of the industry, we have actively participated in the discussion of NDRC’s opinion the development in the industries of waste-to-energy power generation and power generation using agricultural and forestry residues and provided information on the current status of the biomass power generation industry to foster a positive ambience in the industry.

The Group firmly believes that the disclosure of environmental information in a highly transparent manner and the opening of environmental facilities to the public as a normalised practice are essential to the sustainable development of an ecological and environmental enterprise. Flue gas emission and sewage discharge data of all of the Company’s projects in operation, among others, were synchronised and instantly uploaded to government-regulated public announcement platforms, while the environmental impact assessment reports and environmental surveillance data of projects are also disclosed to the public via various media for governmental and public supervision.

During the year under review, the Group continued to fulfill the responsibility of opening its environmental facilities to the public with more intensive actions, as it explored an online approach based mainly on live webcast to enhance the influence, in terms of both magnitude and scope, of the opening of its environmental facilities to the public. As of 31 December 2020, a total of 26 projects were officially open to the public and 240 offline open-to-the-public activities had been held, receiving a total of 2,676 visitors. In addition, 9 online open-to-the-public sessions were organised and attracted over 700,000 views.

The Group is committed to building long-lasting and close relationships with its customers and suppliers. Over the years, the Group has won the approval of governments at various levels through the stable operations and compliant discharge standards of its environmental projects, as well as assistance offered to local governments to improve the living environments of and create job opportunities for local communities. In connection with suppliers, the Group consistently adheres to the principle of fairness and impartiality in its selection of suppliers. During the year under review, the Group conducted an annual evaluation on the products or services provided by all existing suppliers, and achieved a dynamic update of the supplier list through the hierarchical management.

In terms of operating results, the Group reported growth in revenue for 2020. The Group continued to enhance project management at the preparatory stage and drive steady progress of project construction. In connection with operation services, revenues from the operation service segment continued to grow in line with ongoing increase in the volumes of on-grid electricity through integrated biomass utilisation, household waste processed and steam supplied. For the year under review, the Group's revenue amounted to approximately HK\$9,835,376,000, increasing by 6% compared with HK\$9,279,555,000 for 2019. EBITDA increased by 7% to approximately HK\$3,064,595,000 compared to HK\$2,876,139,000 for 2019. Although the profit attributable to equity shareholders of the Company for the year was approximately HK\$1,502,532,000, 7% less than HK\$1,621,477,000 recorded for 2019 and basic earnings per share for 2020 was HK72.72 cents, HK5.76 cents less than HK78.48 cents for 2019, the Group was backed by ready access to various financing options and ample cash flow and reported sound financial indicators across the board.

The decrease in the company's earnings attributable to equity shareholders and basic earnings per share for the year were mainly due to the supplementary circular on issues related to the "Opinions on promoting the healthy development of non-hydro renewable power generation" (Caijian [2020] No. 426) (關於促進非水可再生能源發電健康發展的若干意見》有關事項的補充通知) (the "Supplementary Circular") issued during the year, certain operating rights of the Group will not be entitled to the renewable energy tariff subsidy when the operation period exceeds prescribed lifetime operation hours. The Group's future operating cashflow was affected. In light of the above, management performed impairment assessment on the intangible assets, property, plant and equipment and right-of-use assets within the scope of the Supplementary Circular and therefore, a one-off impairment loss of HK\$216,723,000 on intangible assets was made on the Group's concession rights (recognized as intangible assets) for certain integrated biomass utilisation projects. This decreased the net profit for the year by HK\$162,542,000 after netting off with the related tax impact of HK\$54,181,000. Excluding the impact of the one-off impairment of the intangible assets, the company's earnings attributable to equity shareholders and basic earnings per share for the year were HK\$1,665,074,000 and HK80.59 cents, respectively, an increase of approximately 3% compared with 2019.

BUSINESS REVIEW AND PROSPECTS

Business Review

For the year under review, revenue generated from the integrated biomass utilisation, hazardous and solid waste treatment, environmental remediation and solar energy and wind power segments amounted to approximately HK\$9,835,376,000 in aggregate, comprising approximately HK\$4,462,629,000 from construction services, representing a 9% decline compared to HK\$4,919,759,000 for 2019, and approximately HK\$5,098,641,000 from operation services, representing a 22% growth compared to HK\$4,165,265,000 for 2019. Analysed by the nature of revenue, construction services, operation services and finance income accounted for 45%, 52% and 3%, respectively, of the total revenue.

Major financial data of integrated biomass utilisation, hazardous and solid waste treatment, environmental remediation and solar energy and wind power projects for 2020 are set out as follows:

	2020				Total HK\$'000	2019				Total HK\$'000
	Integrated biomass utilisation projects HK\$'000	Hazardous and solid waste treatment projects HK\$'000	Environmental remediation projects HK\$'000	Solar energy and wind power projects HK\$'000		Integrated biomass utilisation projects HK\$'000	Hazardous and solid waste treatment projects HK\$'000	Environmental remediation projects HK\$'000	Solar energy and wind power projects HK\$'000	
Revenue										
— construction services	3,869,337	593,292	—	—	4,462,629	4,050,945	868,814	—	—	4,919,759
— operation services	4,182,317	557,647	167,656	191,021	5,098,641	3,032,982	640,767	287,296	204,220	4,165,265
— finance income	266,740	7,366	—	—	274,106	186,389	8,142	—	—	194,531
	<u>8,318,394</u>	<u>1,158,305</u>	<u>167,656</u>	<u>191,021</u>	<u>9,835,376</u>	<u>7,270,316</u>	<u>1,517,723</u>	<u>287,296</u>	<u>204,220</u>	<u>9,279,555</u>
EBITDA	<u>2,557,204</u>	<u>419,733</u>	<u>39,223</u>	<u>181,365</u>	<u>3,197,525</u>	<u>2,192,943</u>	<u>571,824</u>	<u>55,454</u>	<u>185,683</u>	<u>3,005,904</u>

Benefitting from favourable national policies, the Group received a total of approximately RMB137 million in government grants and approximately RMB78.26 million in value-added tax refunds in 2020.

The Company remains committed to enhancing value for the shareholders of the Company (the “Shareholders”). To reward Shareholders for their support while taking into account the Group’s long-term sustainable development, the Board has recommended the payment of a final dividend for the year ended 31 December 2020 of HK7.0 cents (2019: HK8.0 cents) per share to the Shareholders.

Integrated biomass utilisation

The Group mainly utilises biomass raw materials to generate both electricity and heat. Biomass raw materials are categorised into yellow culms and grey culms. Yellow culms consist mainly of agricultural residues, such as wheat straw, rice straw, corn straw, rice husks, peanut husks, etc.; while grey culms consist of forestry residues such as branches, barks and other manufacturing wood wastes, etc. In addition, the Group has developed a unique business model of urban-rural integration combining the construction of integrated biomass utilisation projects and waste-to-energy projects for integrated treatment of agricultural and forestry residues and rural household wastes in a pioneering attempt at treatment of the ecological environment in county areas.

The comprehensive biomass raw material supply regime has safeguarded sufficient fuel supply for and the stable operation of integrated biomass utilisation projects, while the Group has also curbed fuel costs by acquiring biomass raw materials in nearby regions through regional coordination initiatives. Through the combination of technological optimisation and delicacy management, the Group's integrated biomass utilisation projects have achieved stable operations for long cycles, resulting in a major boost to the operating standards and economic benefits of the projects. Moreover, the unique advantages afforded by the Group's urban-rural integration business model has contributed to significant reductions in the operating costs of projects and enhanced our competitiveness as a result.

As of 31 December 2020, the Group had a total of 50 integrated biomass utilisation projects, located variously in 10 provinces in China, including mainly Anhui Province, Jiangsu Province, Shandong Province, Hubei Province and Henan Province, etc. Such projects commanded a total investment of approximately RMB15.971 billion and provided an aggregate power generation designed capacity of 1,027 MW, an aggregate annual biomass processing designed capacity of approximately 8,089,800 tonnes, and a daily aggregate household waste processing designed capacity of approximately 9,910 tonnes.

During the year under review, the Group operated and completed 44 integrated biomass utilisation projects, generating approximately 5,365,724 MWh of on-grid electricity which represented an increase of 40% over 2019. Meanwhile, the Group processed approximately 6,707,958 tonnes of biomass raw materials and approximately 2,271,844 tonnes of household waste, representing increases of 45% and 58% over 2019, respectively. During the year under review, the Group supplied approximately 1,343,552 tonnes of steam, representing an increase of 64% over 2019. As of 31 December 2020, the Group had 6 integrated biomass utilisation projects under construction, with an aggregate power generation designed capacity of 59.5MW, a daily household waste processing designed capacity of approximately 2,760 tonnes.

During the year under review, the Group's integrated biomass utilisation projects contributed EBITDA of approximately HK\$2,557,204,000, an increase of 17% over 2019. The integrated biomass utilisation projects contributed net profit of approximately HK\$1,478,719,000, an increase of 10% over 2019. The increase in profit was mainly attributable to the substantial increase in revenue from operation services in tandem with the continuous growth in total on-grid electricity from projects in operation, volume of household waste processed and steam supplied during the year under review.

Major operating and financial data of the integrated biomass utilisation segment in 2020 are summarised in the table below:

	2020	2019
Integrated biomass utilisation projects		
On-grid electricity (<i>MWh</i>)	5,365,724	3,826,504
Biomass raw materials processing volume (<i>tonnes</i>)	6,707,958	4,635,939
Household waste processing volume (<i>tonnes</i>)	2,271,844	1,439,893
Volume of steam supplied (<i>tonnes</i>)	1,343,552	818,804
EBITDA (<i>HK\$'000</i>)	<u>2,557,204</u>	<u>2,192,943</u>

Hazardous and solid waste treatment

The Group is principally engaged in the safe treatment and integrated utilisation of wastes including general industrial solid wastes, hazardous wastes and infectious animal carcasses. Currently, the Group conducts the disposal by way of incineration, landfill, physicochemical treatment and integrated utilisation.

The Group is a leading industry player in the hazardous waste treatment business, with capabilities for safely disposing of 43 out of 46 categories of hazardous wastes listed in the National Catalog of Hazardous Wastes. During the year under review, we continued to explore the potential of the general industrial solid waste electricity and heat cogeneration business. The Group is well-positioned to fully meet various requirements of customers on the back of its solid technical strengths and ability to provide one-stop services.

As of 31 December 2020, the Group had a total of 60 hazardous and solid waste treatment projects, located variously in 10 provinces and autonomous region in China, including mainly Jiangsu Province, Shandong Province, Anhui Province, Hubei Province and Zhejiang Province, etc. Such projects commanded a total investment of approximately RMB14.102 billion and an aggregate annual processing designed capacity of approximately 2,841,900 tonnes.

During the year under review, the Group operated and completed 23 hazardous and solid waste treatment projects. For detoxification treatment, approximately 166,825 tonnes of hazardous and solid waste were treated in total, a 9% decrease compared to 2019. For integrated resource utilisation, 15,276 tonnes of hazardous and solid waste were treated, increasing by 12% compared to 2019, and approximately 5,768 tonnes of recycled products were sold, a 10% increase compared to 2019. There were 15 hazardous and solid waste treatment projects under construction with an aggregate annual processing designed capacity of approximately 873,800 tonnes.

During the year under review, the Group's hazardous and solid waste treatment projects contributed EBITDA of approximately HK\$419,733,000, a decline of 27% over 2019. Hazardous and solid waste treatment projects contributed net profit of approximately HK\$203,180,000, a decrease of 44% over 2019. The decrease in profit was mainly attributable to the decrease in revenue from operation services as the processing volume had been affected by the epidemic.

Major operating and financial data of the hazardous and solid waste treatment segment in 2020 are summarised in the table below:

	2020	2019
Hazardous and solid waste treatment projects		
Hazardous and solid waste processing volume (<i>tonnes</i>)		
— Detoxification treatment	166,825	184,248
— Integrated resource utilisation	15,276	13,654
Sales volume of recycled products (<i>tonnes</i>)	5,768	5,242
EBITDA (<i>HK\$'000</i>)	<u>419,733</u>	<u>571,824</u>

Environmental remediation

The Group's environmental remediation business covers mainly the restoration of industrial contaminated sites, restoration of contaminated farmland, restoration of ecology for mines and landfills, treatment of industrial gas emission, integrated treatment of oil sludge, treatment of river and lake sediments and industrial sludge, construction and operation of wetland parks, environmental stewardship services and anti-seepage at landfill sites.

In connection with qualifications, as of 31 December 2020, the Group held the following accreditations: First-grade Professional Contracting Qualification for Environmental Protection Projects, Second-Grade General Contractor for Municipal Public Works, Third-Grade General Contractor for Construction Works, Environmental Engineering EPO License (Class B) (for pollution remediation and prevention of water pollution), Environmental Pollution Control License (Class A) (remediation of contaminated sites) in Jiangsu Province, Environmental Pollution Control License (Class B) (contaminated water body remediation) in Jiangsu Province, Environmental Pollution Control License (First Class) (remediation of contaminated sites) in Jiangsu Province and Environmental Pollution Control License (Second Class) (contaminated water remediation) in Jiangsu Province. It had also obtained an “AAA” corporate credit rating given by a credit rating agency, as well as ISO9001, OHSAS18001 and ISO14001 management system accreditations. In addition, the Group holds the China National Accreditation Services for Conformity Assessment (CNAS) certificate which qualifies it to issue test data and results to third parties as valid proof for certification purposes.

As of 31 December 2020, the Group had 13 environmental remediation projects under implementation, the majority of which were located variously in Jiangsu Province, Jiangxi Province and Guangdong Province, with a total contract amount of approximately RMB583 million. There were also 3 projects in the preparatory stage, with a total contract amount of approximately RMB117 million.

For the year under review, the Group’s environmental remediation projects contributed EBITDA of approximately HK\$39,223,000, a decrease of 29% over 2019. The environmental remediation projects contributed net profit of approximately HK\$15,317,000, a decrease of 50% over 2019. The decrease in profit was mainly attributable to the impact of the epidemic on construction work progress and reduction in government tenders.

Major financial data of the environmental remediation segment for 2020 are summarised as follows:

	2020	2019
Environmental remediation projects		
EBITDA (HK\$’000)	<u>39,223</u>	<u>55,454</u>

Solar energy and wind power

The Group has 7 solar energy projects and 2 wind power projects in operation located in Jiangsu Province, Anhui Province, Shanxi Province and Germany respectively, involving a total investment of approximately RMB1.395 billion and providing an aggregate power generation designed capacity of 125.9MW. The Group is responsible for building, managing and operating these projects and selling electricity generated by such projects to local power grid companies.

During the year under review, the Group's solar energy and wind power projects sold approximately 257,781 MWh of electricity, representing a decrease of 4% compared to 2019. EBITDA contribution decreased by 2%, as compared to 2019, to approximately HK\$181,365,000. Solar energy and wind power projects contributed net profit of approximately HK\$78,415,000, representing a decrease of 6% as compared to 2019. It was mainly attributable to the decrease in on-grid power volume following the suspension of wind power operation in Shanxi Province owing to the epidemic.

Major operating and financial data of the solar energy and wind power segment in 2020 are summarised in the table below:

	2020	2019
Solar energy and wind power projects		
On-grid electricity (<i>MWh</i>)	257,781	268,675
EBITDA (<i>HK\$'000</i>)	<u>181,365</u>	<u>185,683</u>

The Group has been consistently committed to a dual emphasis on both social benefits and economic benefits in its vigorous efforts to promote energy conservation and emission reduction. During the year under review, the Group generated approximately 5,623,505 MWh of green electricity, which was sufficient for the annual electricity consumption of 4,686,259 households, reducing standard coal consumption by 2,249,402 tonnes and carbon dioxide (CO₂) emissions by 4,478,665 tonnes, while saving 731,055,625 trees. The Group also processed 501,782.6 m³ of leachate in its waste-to-energy power plants and hazardous waste landfills eliminating aggregate chemical oxygen demand (COD) by 15,599.8 tonnes.

Business Prospects

In the wake of the 18th National Congress of the Communist Party of China, the development of ecological civilisation has been afforded a strategic priority like never before, and the building of a beautiful China has become a consensus for all throughout the nation. The unexpected outbreak of the epidemic has warranted new requirements for the nation's development of ecological civilisation, while the complicated and severe external environment has caused an impact on the traditional patterns of economic development. Given the significance of the development the ecological and environmental business to protecting public health and safety and realising sustainable development of mankind, ecological and environmental governance could have enormous effect on directing the adjustment of the economic structure, transforming the pattern of economic development and enhancing qualitative economic growth. Going forward, the environmental sector is bound to embrace new historic opportunities for development.

Year 2020 is the concluding year for the general development of a moderately prosperous society and the “13th Five-year Plan”, as well as the year of planning and formulation for the “14th Five-year Plan”. At the 75th United Nations General Assembly held during the year, President Xi Jinping made a solemn pledge to the world that China’s carbon emission will peak by 2030 and carbon neutrality will be achieved by 2060. According to the “Proposals for the Formulation of the “14th Five-year Plan” and Long-term Goals 2035 for National Economic and Social Development” adopted at the 5th plenary session of the 19th Central Committee of the Communist Party of China, the task of low-carbon green development, improving environmental quality and facilitating eco-friendly transformation of important industries and sectors was further emphasised. In the foreseeable years to come, the perfection of the carbon emission trading regime, the ongoing battle against pollution with synergies in pollution and carbon reduction has become the latest critical point for the environmental industry in its service to the national cause and people’s livelihood.

The fast-changing scenes in domestic as well as international developments in 2020 posed not a few risks and had a profound impact on the industrial structure of China. All in all, it has expedited the process of consolidation in the environmental sector for more in-depth development, where strong players were driving out the weak. Against a backdrop where both opportunities and challenges abound, we continued to persist in development in “three dimensions”: extending the length of the industry chain, penetrating the depth for more market shares and broadening the scope of our business. Based on a profound commitment to “delivering value to customers”, we constantly enhanced our ability to provide service and create value through a market-oriented and technology-driven approach.

The Group will continue to operate in close adherence to national strategies and seize opportunities for development presented by “peak carbon dioxide emission” and “carbon neutrality”, with a view to transition towards qualitative growth. To consolidate its existing business strengths, the Group will drive quality and efficiency enhancement for its existing projects, while seeking further optimisation of its business mix in an active move to advance business transformation. Our integrated biomass utilisation business will negotiate a general transition to electricity and heat cogeneration and high value-added businesses. The hazardous and solid waste treatment business will develop new operations such as general industrial solid waste treatment and ELT recycling in a transition to the provision of industrial environmental services. We will enhance development of the environmental remediation business and step up with business deployment in areas such as landfill remediation, mine remediation and agricultural field remediation. To seize opportunities in the new development ahead of our competition, the Group will expedite research in new business models and a business positioning pivoting on three areas: energy, resources and environment, investigating new approaches and transform the enterprise into a technology-oriented and versatile business ecology platform. The Group

will persist in leading the way through business innovations and driving sustainable development of various businesses through technological innovation and innovations in business model, in a full effort to foster core corporate competitiveness.

Moving forward, with the solid backing of China Everbright Group Limited and strong support of China Everbright Environment Group Limited, the Company's controlling shareholder, and on the back of its extensive experience in the development and operation of diversified project portfolios and strong ability in market development, the Group will work in close tandem with national policies and market trends with a firm strategic focus, as it continues to uphold the corporate vision of endeavouring to "Create Better Investment Value and Undertake More Social Responsibility" and strive incessantly to become a leader in China's environmental business sector.

Subsequent events

On 28 January 2021, the Company received the notice of registration acceptance issued by the National Association of Financial Market Institutional Investors (the "NAFMII") in respect of the Company's application for the proposed issue of asset-backed notes (the "ABN") with the maximum registered principal amount of RMB2 billion in the national inter-bank bond market in the People's Republic of China (the "PRC"). The registered principal amount shall be valid for two years from the date of the notice of registration acceptance, being 27 January 2021. The targeted subscribers for the ABN shall be institutional investors in the national inter-bank bond market in the PRC. The ABN shall be traded in the inter-bank bond market.

As at the date of this announcement, the Company has not issued any ABN. The Company will make further disclosure on the progress of the possible ABN issue as and when appropriate.

FINANCIAL REVIEW

Financial position

As at 31 December 2020, the Group's total assets amounted to approximately HK\$35,264,668,000 (31 December 2019: HK\$26,258,315,000) with net assets amounting to approximately HK\$12,866,841,000 (31 December 2019: HK\$10,587,352,000). Net asset value per share attributable to equity shareholders of the Company was HK\$6.06 per share, an increase of 21% as compared to HK\$5.01 per share as at the end of 2019. As at 31 December 2020, the gearing ratio (total liabilities over total assets) of the Group was 63.5%, an increase of 3.8 percentage points as compared to that of 59.7% as at the end of 2019. The current ratio of the Group was 156.2%, an increase of 7.5 percentage points as compared to that of 148.7% as at the end of 2019.

Financial resources

The Group adopts a prudent approach on cash and financial management to ensure proper risk control and lower the costs of funds. It finances its operations primarily with internally generated cash flow, proceeds from the issue of medium-term notes and bank loans. As at 31 December 2020, the Group had cash and bank balances of approximately HK\$2,727,053,000, a decrease of HK\$170,433,000 as compared to HK\$2,897,486,000 at the end of 2019. Most of the Group's cash and bank balances were denominated in Hong Kong dollars and Renminbi.

Indebtedness

The Group endeavours to develop a diverse range of financing options and increasing banking facilities to reserve funds for the development of its environmental protection business. As at 31 December 2020, the Group had outstanding borrowings including 2020 First Tranche Medium-term Notes (as defined below) of approximately HK\$16,933,373,000, an increase of approximately HK\$5,378,362,000 as compared to HK\$11,555,011,000 as at the end of 2019. The borrowings included secured interest-bearing borrowings of approximately HK\$8,566,054,000 (31 December 2019: HK\$6,472,644,000) and unsecured interest-bearing borrowings of approximately HK\$8,367,319,000 (31 December 2019: HK\$5,082,367,000). The borrowings of the Group were denominated in Renminbi and Hong Kong dollars, representing 73% and 27% of the total respectively. The majority of the Group's borrowings were subject to floating rates. As at 31 December 2020, the Group had banking facilities of approximately HK\$22,038,898,000 (31 December 2019: HK\$17,423,770,000), of which approximately HK\$7,591,705,000 (31 December 2019: HK\$6,328,994,000) was unutilised. The tenor of banking facilities ranged from 1 year to 16 years.

In June 2018, the Company entered into a comprehensive strategic cooperation agreement with Bank of China Limited, Shenzhen Branch ("BOC") to deepen the two parties' strategic cooperation in energy conservation and environmental protection. Pursuant to the agreement, BOC will provide RMB4 billion funding to the Group in the coming 3 years, which would offer strong financial backup for its development. The RMB4 billion funding is subject to definitive agreements to be entered into by the Group and BOC.

The Company entered into a strategic cooperation agreement with Postal Savings Bank of China Co., Ltd., Shenzhen Branch ("PSBC Shenzhen Branch") in July 2019, paving the way for cooperation in the fields of ecology and environmental protection between the two parties. Pursuant to the cooperation agreement, PSBC Shenzhen Branch would offer financial cooperation with an aggregate amount of RMB5 billion to the Group in the coming 3 years. By extending its full support to the investment in construction and working capital requirements of the Group's environmental protection projects, it will offer comprehensive, quality, efficient, preferential and tailored financial services to the

Group. The Company will take the opportunity presented by this strategic cooperation to deepen the cooperation between both parties continuously, establish a long-term, stable and mutually beneficial cooperative relationship with PSBC Shenzhen Branch.

On 20 May 2020, the Company received the notice of registration acceptance issued by the NAFMII in respect of the Company's application for the proposed issue of medium-term notes in an aggregate principal amount of not more than RMB3.5 billion in the national inter-bank bond market of the PRC, which registered principal amount shall be valid for 2 years from the date of the notice of registration acceptance, being 19 May 2020. The targeted subscribers for the medium-term notes shall be institutional investors in the national inter-bank bond market. The medium-term notes shall be traded in the national inter-bank bond market.

During the year, the Company completed the issuance of 2020 first tranche medium-term notes (the "2020 First Tranche Medium-term Notes") on 12 June 2020. The 2020 First Tranche Medium-term Notes was issued for an amount of RMB1 billion with a maturity period of 3+2 years at a coupon rate of 3.68% per annum for the first 3 years. The Company shall be entitled to adjust the coupon rate of the 2020 First Tranche Medium-term Notes on the third anniversary of the issuance date. The adjusted coupon rate shall remain unchanged for the last 2 years. The proceeds from issuance of the 2020 First Tranche Medium-term Notes will be used as general working capital and for loan repayment. As at 31 December 2020, the Company's outstanding medium-term notes had an unissued registered principal amount of RMB2.5 billion.

Foreign exchange risks

The Company's financial statements are denominated in Hong Kong dollars, which is also the functional currency of the Company. The Group's investments made outside Hong Kong (including Mainland China) may incur foreign exchange risks. The Group's operations have been predominantly based in Mainland China, which makes up over 95% of its total investments and revenue. The majority of the Group's assets, borrowings and major transactions are denominated in Renminbi, forming basically a natural hedging effect. The Group closely manages its foreign exchange risk through the optimal allocation of borrowings in different currencies, moderate control of borrowings in non-base currencies, and adoption of appropriate financial instruments.

Pledge of assets

Certain banking facilities of the Group were secured by certain revenue rights, contract assets and receivables in connection with the Group's service concession arrangements, bank deposits, mortgages on property, plant and equipment and right-of-use assets of the Group. As at 31 December 2020, the aggregate net book value of assets pledged amounted to approximately HK\$19,019,934,000 (31 December 2019: HK\$14,193,658,000).

Commitments

As at 31 December 2020, the Group had purchase commitments of approximately HK\$1,104,064,000 (31 December 2019: HK\$1,934,256,000) under the construction contracts and capital commitments relating to capital injection in an associate and a joint venture of approximately HK\$35,405,000 (31 December 2019: HK\$33,148,000) and HK\$3,575,000 (31 December 2019: Nil) respectively.

Contingent liabilities

As at 31 December 2020, the Group did not have any contingent liabilities (31 December 2019: Nil).

Tax relief and exemption

The Company is not aware of any tax relief and exemption available to the Shareholders by reason of their holding of the Company's shares.

HUMAN RESOURCES

With a special emphasis on human resource management, the Group makes reasonable plans to structure its human resource requirements according to the Company's business development trends to provide an ongoing drive force for its rapid development. During the year under review, the Group continued to actively promote and attract talents through internal training, open recruitment and on-campus recruitment, among others. We seek to improve staff quality through different approaches, such as collective external training, internal associations, technical exchange sessions and personal learning programmes. The Group has also provided different types of trainings designed to explore the potentials of employees, with a view to achieving co-development with employees and sharing with them the rewards of its business achievements.

As at 31 December 2020, the Group had over 3,500 employees in total in Hong Kong and Mainland China. Employees are remunerated according to their qualifications, experiences, job nature and performance, with reference to market conditions. Apart from the discretionary performance bonus, the Group also provides other benefits such as medical insurance and mandatory provident fund.

PRINCIPAL RISKS AND UNCERTAINTIES

During the year under review, the Group placed a stronger emphasis on the effectiveness of risk control on the back of an improved internal control and risk management system. Feasible and effective risk mitigation measures were implemented by improving the internal environment, enhancing dissemination of information and conducting specific inspections, among others, to address material risks which had been identified and evaluated. Key risks associated with the development of the Group's environmental business included policy changes, trade receivables, environmental compliance and safety management, investment and business development, construction work budget and cost management, as well as recruitment and staff allocation. In addition to the above-mentioned material risks, prevention and control of the epidemic represented one of the Company's key risk control tasks for the year. Details of the Group's key risks will be discussed in the Company's 2020 annual report.

ENVIRONMENTAL AND SOCIAL MANAGEMENT

The Group has continued to make improvements to its ESHS management system, driving ongoing upgrades in the external as well as internal management of environment, safety, occupational health and social responsibility and improving systematic, regulated, standardised and delicacy management throughout the Group to maximise control over relevant risks and eliminate management deficiencies.

In 2020, the Group focused on enhancing management over operators of relevant parties and high-risk operations and launched joint inspections on specific areas. The development and utilisation of biomass fuel was enhanced, while strict regulation and examination of flue emission was implemented. In connection with epidemic prevention and control, the Group undertook social responsibility in a proactive manner as it assisted local governments in the disposal of contaminated medical wastes and made monetary donations as well as donations of anti-epidemic supplies, earning commendations and honours from the government in recognition of its contributions. In connection with environmental management, we compiled an environmental compliance checklist covering 110 items in 16 areas, as well as 9 managements standards relating to ashes, rainwater and storage yards. We continued to subject ourselves to public supervisions by actively opening our environmental facilities at various projects to the public via online means.

The performance of the operations and environmental services of the Group's projects are gauged in strict adherence to relevant standards and requirements of their respective environmental impact assessment reports, taking into account the expectations of the neighboring communities. Major laws, regulations and standards applicable to the Group's projects include the "Environmental Protection Law of the People's Republic of China", the "Production Safety Law of the People's Republic of China", the "Labor Law of the People's Republic of China", the Standard for Pollution Control on Municipal Solid Waste Incineration (GB18485-2014), Directive 2010/75/EU and its relevant Annexes/Amendments, the Emission Standard of Air Pollutants for Thermal Power Plants (GB13223-2011), the Standard for Pollution Control on Landfill Sites for Hazardous Waste (GB18598-2019) and the Pollution Control Standard for Hazardous Wastes Incineration (GB18484-2001), among others. No breach of the said laws and regulations and environmental standards resulting in significant loss for and impact to the Group was recorded in 2020.

FINAL DIVIDEND

The Board proposes the payment of a final dividend of HK7.0 cents (2019: HK8.0 cents) per share for the year ended 31 December 2020, which together with the interim dividend of HK8.0 cents paid in October 2020, results in a full-year dividend of HK15.0 cents (2019: HK16.0 cents) per share. The dividend payout ratio in 2020 is 20.6%.

A final dividend will be paid to the Shareholders whose names appear on the register of members of the Company on Friday, 28 May 2021. Subject to approval by the Shareholders of the final dividend at the forthcoming annual general meeting (the "AGM") of the Company, the final dividend will be paid to the Shareholders on or around Friday, 11 June 2021.

AGM

The AGM of the Company expected to be held on Monday, 17 May 2021 and the notice of annual general meeting will be published and dispatched in the manner as required by the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing Rules").

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed for the following periods:

- (a) For the purpose of determining the Shareholders who are entitled to attend and vote at the AGM expected to be held on Monday, 17 May 2021, the register of members of the Company will be closed on Tuesday, 11 May 2021 to Monday, 17 May 2021, both days inclusive. In order to qualify for attending and voting at the AGM, all transfer documents should be lodged for registration with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong expected not later than 4:30 p.m. on Monday, 10 May 2021.
- (b) For the purpose of determining the Shareholders who qualify for the final dividend, the register of members of the Company will be closed on Wednesday, 26 May 2021 to Friday, 28 May 2021, both days inclusive. In order to qualify for the final dividend, all transfer documents should be lodged for registration with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong expected not later than 4:30 p.m. on Tuesday, 25 May 2021.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

During the year under review, neither the Company nor any of its subsidiaries has purchased, redeemed or sold any of the Company's listed securities.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 to the Listing Rules as its code of conduct for securities transactions by the directors. Having made specific enquiries with all directors of the Company, the Company confirmed that all directors have complied with the required standard set out in the Model Code during the year under review.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Group believes that maintaining sound and high standards of corporate governance is not only a key element in safeguarding the interest of the Shareholders, but also a way to enhance the corporate value and strengthen the accountability and transparency of the Group. Through a set of rules and regulations, the Group has constantly reinforced its internal control, risk prevention and management.

The Corporate Governance Code (the “CG Code”) set out in Appendix 14 to the Listing Rules has been adopted by the Board as the code for corporate governance practices of the Company. During the year of 2020, the Company has full complied with the code provisions set out in the CG Code.

BOARD COMMITTEES

The Board has established three Board committees, namely audit and risk management committee, remuneration committee and nomination committee, to oversee the particular aspect of the Company’s affairs. The Board committees are provided with sufficient resources to discharge their duties.

Audit and Risk Management Committee

The audit and risk management committee, currently comprises all 3 independent non-executive directors, namely Mr. CHOW Siu Lui (Chairman), Mr. Philip TSAO and Prof. YAN Houmin. The committee is primarily responsible for, among others, providing an independent review of the effectiveness of financial reporting process, risk management and internal control systems of the Group, overseeing the audit process, reviewing the completeness, accuracy, clarity and fairness of the Company’s financial statements, considering the scope, approach and nature of both internal and external audits and reviewing and monitoring connected transactions. The terms of reference of the audit and risk management committee are published on the respective websites of Hong Kong Exchanges and Clearing Limited (the “HKEx”) and the Company.

Remuneration Committee

The remuneration committee currently comprises Mr. Philip TSAO (Chairman), an independent non-executive director, Mr. QIAN Xiaodong, the executive director and chief executive officer of the Company, and 2 other independent non-executive directors, namely Mr. CHOW Siu Lui and Prof. YAN Houmin. The duties of the remuneration committee, including but not limited to the determination of remuneration packages for the individual executive directors and senior management based on their duties, setting out in the terms of reference of the remuneration committee, which are published on the respective websites of the HKEx and the Company.

Nomination Committee

The nomination committee currently comprises Mr. WANG Tianyi (Chairman), the Chairman of the Board, and all 3 independent non-executive directors, namely Mr. CHOW Siu Lui, Mr. Philip TSAO and Prof. YAN Houmin. Its primary responsibilities include, among others, reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy; considering the need for identifying suitable persons to become directors and made recommendations to the Board on the selection of individuals nominated for directorships. The terms of reference of the nomination committee are published on the respective websites of the HKEx and the Company.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the directors, the Board confirms that the Company has maintained a sufficient public float as required by the Listing Rules during the year under review.

PUBLICATION OF THE RESULTS ANNOUNCEMENT

The results announcement of the Company for the year ended 31 December 2020 is published on the respective websites of the HKEx (www.hkexnews.hk) and the Company (www.ebgreentech.com/en/ir/announcements.php).

By Order of the Board
China Everbright Greentech Limited
QIAN Xiaodong
Chief Executive Officer

Hong Kong, 4 March 2021

As at the date of this announcement, the members of the Board comprise:

Mr. WANG Tianyi (*Chairman, Non-executive director*)
Mr. QIAN Xiaodong (*Chief Executive Officer, Executive director*)
Mr. YANG Zhiqiang (*Vice President, Executive director*)
Mr. LO Kam Fan (*Chief Financial Officer, Executive director*)
Ms. GUO Ying (*Non-executive director*)
Mr. SONG Jian (*Non-executive director*)
Mr. CHOW Siu Lui (*Independent non-executive director*)
Mr. Philip TSAO (*Independent non-executive director*)
Prof. YAN Houmin (*Independent non-executive director*)