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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)

PROFIT WARNING

This announcement is made pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

The board of directors (the “**Board**”) of China Everbright Greentech Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, having reviewed by the Group’s management the unaudited consolidated management accounts and the operating performance of the Group for the year ended 31 December 2022, it is expected that the profit attributable to equity shareholders of the Company for the year ended 31 December 2022 will record a decrease in the range of 65% to 70% as compared with last year. Such decrease in the profit attributable to equity shareholders of the Company was mainly due to various unfavourable factors such as the repeated outbreaks of COVID-19 pandemic in 2022 and the slowing down of the domestic economic growth in the People’s Republic of China (the “**PRC**”). The reduction in operating scale of upstream enterprises and the decrease in overall waste amount in the market, which resulted in the reduction of the collection and transportation volume of the existing projects of the Company. The keen competition in the industry which attributed to the decrease in unit price for processing charged under the Group’s hazardous and solid waste treatment business which significantly affected the Group’s profit margin. And the repeated outbreaks of COVID-19 pandemic in the PRC led to the reduction of the collection and transportation volume of raw material of the Group’s integrated biomass utilisation segment, which resulted in significant increase in the raw material costs and further decrease in the Group’s profit margin. Furthermore, the Group is expected to record impairment losses on goodwill and property, plant and machinery with the aggregate amount in the range of HK\$28 million to HK\$32 million for the year ended 31

December 2022, as compared to that of nil for the year ended 31 December 2021, taking into account the industry conditions and changes in operating environment. The Group is expected to record expected credit losses on debtors and debt instruments in the range of HK\$100 million to HK\$110 million for the year ended 31 December 2022, as compared to that of approximately HK\$2 million for the year ended 31 December 2021, mainly due to failure to collect government on-grid renewable energy tariff subsidy receivables in a timely manner.

This information contained in this announcement is only based on the preliminary assessment by the Group's management according to the unaudited consolidated management accounts of the Group for the year ended 31 December 2022 which has neither been audited nor reviewed by the Group's independent auditors as well as the Group's operating performance, and therefore may be subject to possible adjustments. Shareholders and potential investors should read the Company's annual results announcement for the year ended 31 December 2022 carefully which is expected to be published on 24 March 2023.

Shareholders and potential investors should exercise caution when dealing in the shares of the Company.

By order of the Board
China Everbright Greentech Limited
QIAN Xiaodong
Executive Director and Chief Executive Officer

Hong Kong, 24 February 2023

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

Mr. HUANG Haiqing (*Chairman, Non-executive Director*)
Mr. QIAN Xiaodong (*Chief Executive Officer, Executive Director*)
Mr. LO Kam Fan (*Chief Financial Officer, Executive Director*)
Mr. ZHU Fugang (*Vice President, 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*)