

TARGET

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CHINA EVERBRIGHT GREENTECH LTD: LEARNING TO COME TO GRIPS WITH THE LOVING ARMS OF THE MOTHERLAND

Despite having the financial backing of a total of 20 principal banks, many of which are amongst the richest and largest banks in the world (by any known measure), China Everbright Greentech Ltd (中國光大綠色環保有限公司) (Code: 1257, Main Board, The Stock Exchange of Hongkong Ltd) nevertheless, found itself having to eat humble pie as the day of reckoning loomed ... menacingly.

For the Financial Year, ended December 31, 2022, Senior Management of China Everbright Greentech Ltd was forced to accept its lot: The Company's Bottom Line was the worst of at least the past five Financial Years.

The following table, much and which has been copied from Page 153 of 2022 Annual Report of China Everbright Greentech Ltd, tells tale without any hoo-has:

	For The Financial Year, Ended December 31		Percentage Increase/(Decrease)*
	2022	2021	
	All Figures Are Denominated In \$HK'000 (except where otherwise stipulated)		
Revenue	8,048,171	8,446,999	(4.72)
Gross Profit	1,683,448	2,345,971	(28.24)
Gross Profit Margin*	20.92 percent	27.77 percent	(24.67)
Profit Before Taxation	510,158	1,348,602	(62.17)
Profit For The Year	345,000	1,120,031	(69.20)
Net Profit Attributable To Shareholders Of The Company	340,201	1,110,385	(69.36)
Net Profit Margin*	4.23 percent	13.15 percent	(67.83)
Earnings Per Share Attributable To Shareholders Of The Company	16.47 cents	53.74 cents	(69.35)

* These are **TARGET**'s calculations.

At Page 155 of the 2022 Annual Report of the Company, under the heading, '**Consolidated Statement of Financial Position**', one notes two statistics that might well have the potential to surprise many an administrative assistant of a publicly listed company:

	<u>2022</u>	<u>2021</u>	<u>Percentage</u> <u>Increase/(Decrease)</u>
	<u>\$HK'000</u>	<u>\$HK'000</u>	
Cash And Cash Equivalents:	1,904,785	2,483,568	(23.30)
Interest-Bearing Bank And Other Borrowings:	5,809,395	4,493,433	29.29

Then, at the following Page 156 of the 2022 Annual Report of China Everbright Greentech Ltd, one notes that Total Equity (Shareholders' Funds) had been diminished by 4.32 percent, compared with the 2021 figure of \$HK14,145,367,000.00 and the 2022 figure of \$HK13,534,285,000.00.

The Chairman of China Everbright Greentech Ltd, Mr Huang Hai Qing (黃海清), started off his three-page eloquent and masterful statements to his shareholders, at Page 10 of the 2022 Annual Report, as follows:

'In 2022, the 20th National Congress of the Communist Party of China ("20th National Congress") was held, elucidating the significance of the ecological civilisation to the building of a modernised China and the mission of achieving this civilisation as a national strategy for the first time and calling for coordinated promotion of the goals of carbon reduction, pollution reduction, green enlargement, growth, ecological priority, economical and intensive operation and low-carbon green development. As an important pillar in the building of ecological civilisation, the environmental protection industry has been playing an active and important role in the nation's battle to protect the sky, waters and land from pollution in recent years. Following the gradual implementation of various strategic arrangements for the building of the ecological civilisation set out at the 20th National Congress, the environmental protection industry would be obliged to step up with its role to serve qualitative economic development and measures to facilitate coordinated efficiency enhancement in pollution and carbon reduction, making intensive efforts to identify the sector's intrinsic potential and extend its scope of business and thereby continuing to embrace new opportunities for development.'

Then, at Page 11 of the 2022 Annual Report of the Company, under the heading, '***Dear Shareholders***', Chairman Huang Hai Qing pontificated as follows:

'Overcoming hurdles to forge ahead amidst the accelerated and drastic changes unseen in centuries.

'Year 2022 has been marked by profound and complicated evolution in the international landscape, escalating geopolitical conflicts, recurring outbreaks of the unprecedented pandemic, frequent occurrence of massive climate disasters, and unexpected factors dealing a blow to the course of

global economic recovery, resulting in significant and far-reaching impact on all nations. Against turbulent developments on the international front and enormously difficult tasks in reform and development at home, the Chinese economy has nevertheless withstood the downside pressure and accelerated green transformation in the mode of development, reporting steady improvement in the quality of development and showcasing immense resilience. To seize opportunities arising from the national policies while addressing enormous challenges presented by the external conditions during this period that marked a new turn in history, Everbright Greentech explored its intrinsic potentials against all odds in adherence to the corporate vision of “Create Better Investment Value and Undertake More Social Responsibility” and stayed focused on quality and efficiency enhancement in its principal operations while extending its business outreach in prudent steps to overcome various adverse factors.

‘Innovation-driven transformation safeguarding development.

‘In 2022, the Company was focused on efforts to optimise and enhance its operational and management regime, as it continued to advance benchmarking management and enhance standardisation of project operation. The foundation of its principal businesses was fortified as the integrated biomass utilisation business reported year-on-year growth in on-grid electricity supply, heat supply and revenue following initiatives to increase the proportion of yellow-straw fuel and local fuel, while the hazardous and solid waste ... [CLICK TO ORDER FULL ARTICLE](#)

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