

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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 INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2019

HIGHLIGHTS

- Revenue increased by 35% to HK\$4,241,430,000 (2018: HK\$3,152,907,000)
- EBITDA increased by 33% to HK\$1,369,150,000 (2018: HK\$1,029,065,000)
- Profit before taxation increased by 30% to HK\$1,040,544,000 (2018: HK\$800,501,000)
- Profit attributable to equity shareholders of the Company increased by 26% to HK\$813,184,000 (2018: HK\$644,703,000)
- Interim dividend of HK8.0 cents per share (2018: HK6.0 cents per share)

INTERIM FINANCIAL RESULTS

The board of directors (the “Board”) of China Everbright Greentech Limited (“Everbright Greentech” or the “Company”) announces the unaudited interim financial results of the Company and its subsidiaries (collectively the “Group”) for the six months ended 30 June 2019. The interim financial results are unaudited, but have been reviewed by KPMG, in accordance with Hong Kong Standard on Review Engagement 2410, “Review of interim financial information performed by the independent auditor of the entity”, issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) whose report on review of interim financial information is included in the interim report to be sent to the shareholders of the Company (“Shareholders”). The interim financial results have also been reviewed by the Company’s audit and risk management committee.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS*For the six months ended 30 June 2019 — unaudited*

		Six months ended 30 June	
		2019	2018
	<i>Note</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
REVENUE	3	4,241,430	3,152,907
Direct costs and operating expenses		<u>(2,914,325)</u>	<u>(2,166,528)</u>
GROSS PROFIT		1,327,105	986,379
Other revenue		70,344	65,315
Other loss		(334)	(19)
Administrative expenses		<u>(202,690)</u>	<u>(154,878)</u>
PROFIT FROM OPERATIONS		1,194,425	896,797
Finance costs	4(a)	(155,718)	(92,436)
Share of profit/(loss) of a joint venture		<u>1,837</u>	<u>(3,860)</u>
PROFIT BEFORE TAXATION	4	1,040,544	800,501
Income tax	5	<u>(214,183)</u>	<u>(152,524)</u>
PROFIT FOR THE PERIOD		<u>826,361</u>	<u>647,977</u>
ATTRIBUTABLE TO:			
Equity shareholders of the Company		813,184	644,703
Non-controlling interests		<u>13,177</u>	<u>3,274</u>
PROFIT FOR THE PERIOD		<u>826,361</u>	<u>647,977</u>
EARNINGS PER SHARE	7		
Basic and diluted (<i>HK cents</i>)		<u>39.36</u>	<u>31.20</u>

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**

For the six months ended 30 June 2019 — unaudited

	Six months ended 30 June	
	2019	2018
	<i>HK\$'000</i>	<i>HK\$'000</i>
PROFIT FOR THE PERIOD	826,361	647,977
OTHER COMPREHENSIVE INCOME FOR THE PERIOD:		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
— Exchange differences on translation of financial statements of entities outside Hong Kong, net of nil tax		
— Subsidiaries	(72,843)	163,447
— An associate	99	—
— A joint venture	(678)	—
	<hr/>	<hr/>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>752,939</u>	<u>811,424</u>
ATTRIBUTABLE TO:		
Equity shareholders of the Company	741,791	807,776
Non-controlling interests	<u>11,148</u>	<u>3,648</u>
	<hr/>	<hr/>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>752,939</u>	<u>811,424</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2019 — unaudited

		At 30 June 2019 <i>HK\$'000</i>	At 31 December 2018 <i>HK\$'000</i>
	<i>Note</i>		
NON-CURRENT ASSETS			
Property, plant and equipment		2,481,347	2,334,791
Interests in leasehold land held for own use		<u>195,265</u>	<u>167,263</u>
		2,676,612	2,502,054
Intangible assets	8	9,228,840	7,486,422
Goodwill	8	135,852	—
Interest in an associate		67,063	56,216
Interest in a joint venture		55,504	57,446
Other receivables, deposits and prepayments	9	522,439	425,957
Contract assets	10	3,270,056	2,852,061
Deferred tax assets		<u>39,668</u>	<u>34,797</u>
		<u>15,996,034</u>	<u>13,414,953</u>
CURRENT ASSETS			
Inventories		160,275	124,656
Debtors, other receivables, deposits and prepayments	9	1,751,419	1,239,535
Contract assets	10	2,338,929	1,562,091
Tax recoverable		4,401	734
Pledged bank deposits		167,614	198,968
Deposits with banks		16,966	17,039
Cash and cash equivalents		<u>2,160,808</u>	<u>2,044,826</u>
		<u>6,600,412</u>	<u>5,187,849</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(continued)**At 30 June 2019 — unaudited*

		At 30 June 2019 <i>HK\$'000</i>	At 31 December 2018 <i>HK\$'000</i>
	<i>Note</i>		
CURRENT LIABILITIES			
Bank loans			
— Secured		744,167	626,389
— Unsecured		486,055	288,986
		<u>1,230,222</u>	<u>915,375</u>
Creditors, other payables and accrued expenses	<i>11</i>	2,747,286	2,416,520
Lease liabilities		4,219	—
Current taxation		55,954	23,622
		<u>4,037,681</u>	<u>3,355,517</u>
NET CURRENT ASSETS		<u>2,562,731</u>	<u>1,832,332</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>18,558,765</u>	<u>15,247,285</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(continued)**At 30 June 2019 — unaudited*

		At 30 June 2019 <i>HK\$'000</i>	At 31 December 2018 <i>HK\$'000</i>
	<i>Note</i>		
NON-CURRENT LIABILITIES			
Bank loans			
— Secured		4,612,438	3,400,454
— Unsecured		2,513,906	1,690,730
		<u>7,126,344</u>	<u>5,091,184</u>
Other payables and accrued expenses	11	521,732	67,004
Lease liabilities		11,111	—
Deferred tax liabilities		813,514	658,023
		<u>8,472,701</u>	<u>5,816,211</u>
NET ASSETS		<u>10,086,064</u>	<u>9,431,074</u>
CAPITAL AND RESERVES			
Share capital		1,608,029	1,608,029
Reserves		8,330,510	7,730,823
Total equity attributable to equity shareholders of the Company		9,938,539	9,338,852
Non-controlling interests		147,525	92,222
TOTAL EQUITY		<u>10,086,064</u>	<u>9,431,074</u>

NOTES

1 BASIS OF PREPARATION

The interim financial results set out in this announcement do not constitute the Group's interim financial report for the six months ended 30 June 2019 but are extracted from that interim financial report.

The interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), including compliance with Hong Kong Accounting Standard ("HKAS") 34, *Interim financial reporting*, issued by the HKICPA.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the consolidated financial statements for the year ended 31 December 2018 ("2018 Financial Statements"), except for the accounting policy changes that are expected to be reflected in the 2019 annual financial statements. Details of any changes in accounting policies are set out in note 2.

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

The interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2018 Financial Statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs").

The interim financial report is unaudited, but has been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the HKICPA.

The financial information relating to the financial year ended 31 December 2018 that is included in the interim financial report as comparative information does not constitute the Company's statutory annual consolidated financial statements for that financial year but is derived from those financial statements.

2 CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued a new HKFRS, HKFRS 16, *Leases*, and a number of amendments to HKFRSs that are first effective for the current accounting period of the Group.

Except for HKFRS 16, *Leases*, none of the developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented in this interim financial report. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

The Group has initially applied HKFRS 16 as from 1 January 2019. The Group has elected to use the modified retrospective approach and has therefore recognised the cumulative effect of initial application as an adjustment to the opening balance of equity at 1 January 2019. Comparative information has not been restated and continues to be reported under HKAS 17.

Transitional impact

At the date of transition to HKFRS 16 (i.e. 1 January 2019), the Group measured the lease liabilities for the leases previously classified as operating leases at the present value of the remaining lease payments, discounted using the relevant incremental borrowing rates at 1 January 2019. The weighted average of the incremental borrowing rates used for determination of the present value of the remaining lease payments was 4.2%.

Right-of-use assets and lease liabilities amounted to HK\$7,970,000 were recognised as at 1 January 2019.

There is no impact on the opening balance of the Group's equity as at 1 January 2019 on the initial application of HKFRS 16.

3 REVENUE AND SEGMENT REPORTING

(a) Revenue

The principal activities of the Group are construction, integrated biomass utilisation project operation (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), hazardous and solid waste treatment project operation (hazardous waste landfill projects, hazardous waste incineration projects and physicochemical and resources recycling projects), environmental remediation project operation and solar energy and wind power project operation (solar energy projects and wind power projects).

Disaggregation of revenue

Revenue represents the revenue from construction services, revenue from integrated biomass utilisation project, hazardous and solid waste treatment project, environmental remediation project and solar energy and wind power project operation services and finance income.

3 REVENUE AND SEGMENT REPORTING (continued)

(a) Revenue (continued)

Disaggregation of revenue (continued)

Disaggregation of revenue from contracts with customers by major products or service lines is as follows:

	Six months ended 30 June	
	2019	2018
	HK\$'000	HK\$'000
Revenue from contracts with customers within the scope of HKFRS 15		
Disaggregated by major products or service lines		
— Revenue from integrated biomass utilisation project construction services	1,980,882	1,701,124
— Revenue from hazardous and solid waste treatment project construction services	254,015	170,003
— Revenue from integrated biomass utilisation project operation services	1,277,502	853,216
— Revenue from hazardous and solid waste treatment project operation services	315,736	222,017
— Revenue from environmental remediation project operation services	215,691	12,294
— Revenue from solar energy and wind power project operation services	107,575	132,989
— Finance income	90,029	61,264
	<u>4,241,430</u>	<u>3,152,907</u>

For the six months ended 30 June 2019, the Group has transactions with one (six months ended 30 June 2018: two) local government authority in the People's Republic of China ("PRC") which individually exceeded 10% of the Group's revenue. The revenue from the PRC local government authority during the six months ended 30 June 2019 amounted to HK\$906,381,000 (six months ended 30 June 2018: HK\$1,216,443,000).

The aggregated revenue from construction services, revenue from operation services and finance income derived from local government authorities in the PRC amounted to HK\$3,846,751,000 (six months ended 30 June 2018: HK\$2,875,892,000) for the six months ended 30 June 2019. The revenue arose from all the four business segments in note 3(b).

3 REVENUE AND SEGMENT REPORTING *(continued)*

(b) Segment reporting

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. No operating segments have been aggregated to form the following reportable segments.

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.

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 and physicochemical and resources recycling projects to generate revenue from construction services, revenue from operation services as well as finance income.

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.

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.

(i) Segment results, assets and liabilities

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 an associate and a joint venture, deferred tax assets and current assets with the exception of intercompany receivables and other corporate assets. Segment liabilities include current taxation, deferred tax liabilities, creditors, other payables and accrued expenses attributable to the activities of the individual segments and 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.

3 REVENUE AND SEGMENT REPORTING (continued)

(b) Segment reporting (continued)

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

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

In addition to receiving 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.

Revenue from contracts with customers by timing of revenue recognition, as well as 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 period is set out below.

	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	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
For the six months ended 30 June										
Revenue from external customers and reportable segment revenue recognised over time	<u>3,344,279</u>	<u>2,610,846</u>	<u>573,885</u>	<u>396,778</u>	<u>215,691</u>	<u>12,294</u>	<u>107,575</u>	<u>132,989</u>	<u>4,241,430</u>	<u>3,152,907</u>
Reportable segment profit (EBITDA)	<u>991,665</u>	<u>735,120</u>	<u>281,031</u>	<u>204,350</u>	<u>51,868</u>	<u>5,889</u>	<u>100,582</u>	<u>130,708</u>	<u>1,425,146</u>	<u>1,076,067</u>
Additions to property, plant and equipment, interests in leasehold land held for own use, intangible assets, goodwill and non-current portion of prepayments	<u>1,533,647</u>	<u>1,098,430</u>	<u>543,236</u>	<u>389,710</u>	<u>231,663</u>	<u>64</u>	<u>2,017</u>	<u>149</u>	<u>2,310,563</u>	<u>1,488,353</u>
Additions to non-current portion of contract assets	<u>621,351</u>	<u>683,175</u>	<u>77,566</u>	<u>4,759</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>698,917</u>	<u>687,934</u>
At 30 June 2019/31 December 2018										
Reportable segment assets	<u>16,327,621</u>	<u>13,615,644</u>	<u>3,385,264</u>	<u>2,629,636</u>	<u>599,648</u>	<u>233,334</u>	<u>1,428,421</u>	<u>1,417,251</u>	<u>21,740,954</u>	<u>17,895,865</u>
Reportable segment liabilities	<u>8,115,882</u>	<u>6,514,660</u>	<u>1,038,805</u>	<u>859,052</u>	<u>425,544</u>	<u>106,240</u>	<u>515,381</u>	<u>535,853</u>	<u>10,095,612</u>	<u>8,015,805</u>

3 REVENUE AND SEGMENT REPORTING (continued)

(b) Segment reporting (continued)

(ii) Reconciliations of reportable segment revenue, profit, assets and liabilities

	Six months ended 30 June	
	2019 <i>HK\$'000</i>	2018 <i>HK\$'000</i>
Revenue		
Reportable segment revenue and consolidated revenue	<u>4,241,430</u>	<u>3,152,907</u>
Profit		
Reportable segment profit (EBITDA) derived from the Group's external customers	1,425,146	1,076,067
Depreciation and amortisation	(172,888)	(136,128)
Finance costs	(155,718)	(92,436)
Unallocated head office and corporate income	8,047	14,055
Unallocated head office and corporate expenses	<u>(64,043)</u>	<u>(61,057)</u>
Consolidated profit before taxation	<u>1,040,544</u>	<u>800,501</u>
	At	At
	30 June	31 December
	2019	2018
	<i>HK\$'000</i>	<i>HK\$'000</i>
Assets		
Reportable segment assets	21,740,954	17,895,865
Unallocated head office and corporate assets	<u>855,492</u>	<u>706,937</u>
Consolidated total assets	<u>22,596,446</u>	<u>18,602,802</u>
Liabilities		
Reportable segment liabilities	10,095,612	8,015,805
Unallocated head office and corporate liabilities	<u>2,414,770</u>	<u>1,155,923</u>
Consolidated total liabilities	<u>12,510,382</u>	<u>9,171,728</u>

4 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):

(a) Finance costs

	Six months ended 30 June	
	2019	2018
	HK\$'000	HK\$'000
Interest on bank loans	167,936	97,003
Interest on lease liabilities	220	—
	<u>168,156</u>	<u>97,003</u>
Less: interest expenses capitalised into construction in progress*	<u>(12,438)</u>	<u>(4,567)</u>
	<u>155,718</u>	<u>92,436</u>

* The borrowing costs have been capitalised at a rate of 4.90% to 5.39% (six months ended 30 June 2018: 4.66% to 4.90%) per annum during the six months ended 30 June 2019.

(b) Other items

	Six months ended 30 June	
	2019	2018
	HK\$'000	HK\$'000
Amortisation		
— interests in leasehold land held for own use	2,333	2,154
— intangible assets	106,316	77,505
Depreciation	64,239	56,469
Staff costs	231,168	177,176
Interest income	(6,871)	(14,837)
Government grants*	(27,314)	(15,632)
Value-added tax refunds**	(28,172)	(27,621)
Operating lease charges: minimum lease payment		
— hire of premises	4,232	4,256
Carrying amount of inventories consumed	<u>696,561</u>	<u>481,373</u>

4 PROFIT BEFORE TAXATION (continued)

(b) Other items (continued)

* Government grants of HK\$25,605,000 (six months ended 30 June 2018: HK\$14,128,000) were granted during the six months ended 30 June 2019 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. The remaining amounts represent amortisation of deferred income.

** The Group was entitled to PRC value-added tax refunds of HK\$28,172,000 (six months ended 30 June 2018: HK\$27,621,000) during the six months ended 30 June 2019. 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.

5 INCOME TAX

	Six months ended 30 June	
	2019	2018
	HK\$'000	HK\$'000
Current tax		
— Hong Kong Profits Tax		
Provision for the period	—	—
Current tax		
— PRC Income Tax		
Provision for the period	93,150	46,340
Over-provision in respect of prior periods	(2,421)	(2,807)
	<u>90,729</u>	<u>43,533</u>
Deferred tax		
Origination and reversal of temporary differences	<u>123,454</u>	<u>108,991</u>
	<u><u>214,183</u></u>	<u><u>152,524</u></u>

No provision for Hong Kong Profits Tax has been made as the Group's operations in Hong Kong did not earn any income subject to Hong Kong Profits Tax purpose for the six months ended 30 June 2019 and 2018.

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

6 DIVIDENDS

	Six months ended 30 June	
	2019	2018
	<i>HK\$'000</i>	<i>HK\$'000</i>
Interim dividend declared and payable after the interim period of HK8.0 cents (six months ended 30 June 2018: HK6.0 cents) per share	<u>165,286</u>	<u>123,965</u>

The interim dividend has not been recognised as a liability at the end of the reporting period.

7 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to equity shareholders of the Company of HK\$813,184,000 (six months ended 30 June 2018: HK\$644,703,000) and the weighted average of 2,066,078,000 (six months ended 30 June 2018: 2,066,078,000) shares in issue during the interim period.

(b) Diluted earnings per share

Diluted earnings per share for the six months ended 30 June 2019 and 2018 were the same as the basic earnings per share as there were no potentially dilutive shares in existence during both periods.

8 INTANGIBLE ASSETS AND GOODWILL

	Integrated biomass utilisation project operating rights <i>HK\$'000</i>	Hazardous and sold waste treatment project operating rights <i>HK\$'000</i>	Licences <i>HK\$'000</i>	Technology <i>HK\$'000</i>	Backlog contracts <i>HK\$'000</i>	Total intangible assets <i>HK\$'000</i>	Goodwill <i>HK\$'000</i>	Total <i>HK\$'000</i>
Cost:								
At 1 January 2019	6,958,966	919,142	—	—	—	7,878,108	—	7,878,108
Exchange adjustments	(57,054)	(8,513)	(2,409)	(324)	(71)	(68,371)	(2,443)	(70,814)
Additions	1,520,779	254,015	—	—	—	1,774,794	—	1,774,794
Acquisition of subsidiaries	—	—	121,575	14,229	3,070	138,874	138,295	277,169
At 30 June 2019	<u>8,422,691</u>	<u>1,164,644</u>	<u>119,166</u>	<u>13,905</u>	<u>2,999</u>	<u>9,723,405</u>	<u>135,852</u>	<u>9,859,257</u>
Accumulated amortisation:								
At 1 January 2019	337,577	54,109	—	—	—	391,686	—	391,686
Exchange adjustments	(2,821)	(484)	(104)	(15)	(13)	(3,437)	—	(3,437)
Charge for the period	85,078	13,984	5,755	805	694	106,316	—	106,316
At 30 June 2019	<u>419,834</u>	<u>67,609</u>	<u>5,651</u>	<u>790</u>	<u>681</u>	<u>494,565</u>	<u>—</u>	<u>494,565</u>
Net book value:								
At 30 June 2019	<u>8,002,857</u>	<u>1,097,035</u>	<u>113,515</u>	<u>13,115</u>	<u>2,318</u>	<u>9,228,840</u>	<u>135,852</u>	<u>9,364,692</u>

9 DEBTORS, OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	At 30 June 2019 <i>HK\$'000</i>	At 31 December 2018 <i>HK\$'000</i>
Debtors	582,705	369,417
Other receivables, deposits and prepayments	1,682,533	1,291,325
Amounts due from fellow subsidiaries	<u>8,620</u>	<u>4,750</u>
	2,273,858	1,665,492
Less: Non-current portion		
— Other receivables, deposits and prepayments	<u>(522,439)</u>	<u>(425,957)</u>
Current portion	<u><u>1,751,419</u></u>	<u><u>1,239,535</u></u>

Included in “Debtors, other receivables, deposits and prepayments” are debtors (net of loss allowance) with the following ageing analysis as at the end of the reporting period:

	At 30 June 2019 <i>HK\$'000</i>	At 31 December 2018 <i>HK\$'000</i>
Current	<u>303,128</u>	<u>205,409</u>
Within 1 month past due	81,115	117,451
More than 1 month but within 3 months past due	14,236	10,666
More than 3 months but within 6 months past due	137,037	17,816
More than 6 months but within 12 months past due	28,853	8,464
More than 12 months past due	<u>18,336</u>	<u>9,611</u>
Amounts past due	<u>279,577</u>	<u>164,008</u>
	<u><u>582,705</u></u>	<u><u>369,417</u></u>

9 DEBTORS, OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS *(continued)*

The ageing analysis of debtors based on the date of invoice and net of loss allowance as at the end of the reporting period is as follows:

	At 30 June 2019 <i>HK\$'000</i>	At 31 December 2018 <i>HK\$'000</i>
Within 1 month	200,472	173,350
More than 1 month but within 2 months	40,518	20,940
More than 2 months but within 4 months	77,372	131,584
More than 4 months but within 7 months	96,672	18,770
More than 7 months but within 13 months	142,714	12,354
More than 13 months	24,957	12,419
	<u>582,705</u>	<u>369,417</u>

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

10 CONTRACT ASSETS

	At 30 June 2019 <i>HK\$'000</i>	At 31 December 2018 <i>HK\$'000</i>
Non-current		
Service concession assets <i>(note 10(a))</i>	3,270,056	2,852,061
Current		
Service concession assets <i>(note 10(a))</i>	230,790	204,598
Unbilled renewable energy tariff subsidy <i>(note 10(b))</i>	1,844,823	1,290,468
Environmental remediation contract assets <i>(note 10(c))</i>	263,316	67,025
	<u>2,338,929</u>	<u>1,562,091</u>
	<u>5,608,985</u>	<u>4,414,152</u>
Contract assets arising from performance under construction contracts in connection with service concession arrangements, which are included in "Intangible assets"	<u>3,566,147</u>	<u>2,237,255</u>

10 CONTRACT ASSETS *(continued)*

(a) Service concession assets

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% (31 December 2018: 4.90% to 6.60%) per annum as at 30 June 2019.

As at 30 June 2019, HK\$2,183,901,000 (31 December 2018: HK\$2,213,959,000) relates to certain BOT and BOO arrangements with operations commenced.

Pursuant to the BOT and BOO arrangements, the Group receives no payment from the 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 position of service concession assets are expected to be recovered within one year.

(b) Unbilled renewable energy tariff subsidy

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 CaiJian [2012] No.102 Notice on the Interim Measures for Administration of Subsidy Funds for Tariff Premium of Renewable Energy (可再生能源電價附加補助資金管理暫行辦法) jointly issued by the Ministry of Finance, the National Development and Reform Commission and the National Energy Administration.

(c) Environmental remediation contract assets

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.

11 CREDITORS, OTHER PAYABLES AND ACCRUED EXPENSES

	At 30 June 2019 <i>HK\$'000</i>	At 31 December 2018 <i>HK\$'000</i>
Creditors		
— third parties	2,043,032	1,726,771
— fellow subsidiaries	<u>11,480</u>	<u>11,653</u>
	2,054,512	1,738,424
Other payables and accrued expenses	647,315	644,276
Amounts due to fellow subsidiaries	14	307
Amount due to non-controlling interests	16,967	—
Amount due to intermediate holding company	452,947	—
Deferred income — government grants	<u>97,263</u>	<u>100,517</u>
	<u>3,269,018</u>	<u>2,483,524</u>
Less: Non-current portion		
— Amount due to intermediate holding company	(452,947)	—
— Deferred income — government grants	(56,869)	(59,080)
— Other payables and accrued expenses	<u>(11,916)</u>	<u>(7,924)</u>
	<u>(521,732)</u>	<u>(67,004)</u>
Current portion	<u><u>2,747,286</u></u>	<u><u>2,416,520</u></u>

11 CREDITORS, OTHER PAYABLES AND ACCRUED EXPENSES (continued)

The ageing analysis of creditors based on the date of invoice as at the end of the reporting period is as follows:

	At 30 June 2019 <i>HK\$'000</i>	At 31 December 2018 <i>HK\$'000</i>
Within 6 months	1,940,990	1,627,355
More than 6 months	<u>113,522</u>	<u>111,069</u>
	<u>2,054,512</u>	<u>1,738,424</u>

Creditors totaling HK\$1,654,652,000 (31 December 2018: HK\$1,593,174,000) as at 30 June 2019 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 interests is unsecured, interest bearing at rates announced by the People's Bank of China and repayable within one year.

The amount due to intermediate holding company is unsecured, interest bearing at 85% of rates announced by the People's Bank of China and repayable in May 2022.

OPERATING RESULTS

We are celebrating the 70th anniversary of the founding of new China in 2019. It is also a crucial year for achieving success in the realisation of a moderately prosperous society and winning the critical battle for the prevention and treatment of pollution. With resolute determination, the People's Republic of China ("PRC") government will continue to thoroughly fulfill the requirements put forth at the National Conference on Ecological and Environmental Protection and seek to win the critical battle for the prevention and treatment of pollution, such that the quality of our ecological environment will be further improved. In the meantime, a new cycle of environmental inspection will be commenced in full scale, ongoing demand for environmental treatment services is expected, and the environmental protection industry will continue to thrive as the environmental protection authorities under the central government continue to roll out "repeat inspection".

As a provider of specialised environmental protection services in China, Everbright Greentech bears in mind its initial commitment and keeping pace with the times in 2019, as it made steady advances in market development, project construction, operating management, technology research and development and industry participation, and reported further improvements in business scale and profitability on the back of efforts guided by technology and innovation.

The Group is principally engaged in the businesses of integrated biomass utilisation, hazardous and solid waste treatment, environmental remediation and solar energy and wind power. As of 30 June 2019, the Group had 106 environmental protection projects with a total investment of approximately RMB28.083 billion (including Anqing Solid Waste Integrated Treatment Project, in which 49% interest held by the Group, with an investment amount of approximately RMB576 million); and undertook 24 environmental remediation projects in total, with a contract amount of approximately RMB656 million.

In terms of market development, the Group reported strong momentum and remarkable results in business expansion. During the period under review, the Group secured 14 new projects and entered into 1 supplementary agreement, involving an additional total investment of approximately RMB3.238 billion and environmental remediation contract amount of approximately RMB37.71 million. Such new projects included 1 biomass electricity and heat cogeneration project, 9 hazardous and solid waste treatment projects and 4 environmental remediation projects. In terms of project scale, our aggregate power generation designed capacity was increased by 7MW, while our biomass processing designed capacity was increased by approximately 120,000 tonnes per year. Our designed capacity for steam supply and designed capacity for hazardous and solid waste treatment were increased by approximately 775,200 tonnes and 675,000 tonnes per year, respectively.

In addition, the Group once again achieved a double breakthrough in terms of both geographic coverage and business sector. During the period under review, we further diversified our business types by expanding into the business of general industrial solid waste electricity and heat cogeneration. Meanwhile, the Group's business footprint continued to expand. We successfully entered the environmental protection markets of Heilongjiang Province and Inner Mongolia Autonomous Region, enlarging our geographic coverage of environmental protection business to 16 provinces, municipalities and autonomous region in China.

In terms of project construction, 7 projects started construction or implementation, while 9 projects were completed and commenced operation during the period under review. As of 30 June 2019, the Group had 32 projects under construction or implementation, including 12 integrated biomass utilisation projects, 5 hazardous and solid waste treatment projects and 15 environmental remediation projects. The Group enhanced safety management at project sites to ensure steady progress of construction works by further amending and improving its engineering management systems and regulations.

In connection with technology research and development, Everbright Greentech Research Institute commenced research on aspects including general industrial solid waste treatment, bio natural gas, pre-treatment and physicochemical processing of hazardous waste, industrial waste salt treatment and resources recycling. During the period under review, after carrying out comprehensive research and studies, a process route for the incineration treatment of general industrial solid waste that suits China's national conditions was formulated while major equipment models were selected, laying a solid foundation for the expansion of the Group's related business. As of 30 June 2019, the Group held 105 authorised patents, including 32 invention patents and 73 utility model patents.

During the period under review, the Group continued to deepen the implementation of the environmental, safety, health and social responsibility ("ESHS") system, and refined its "dual prevention mechanism" for hierarchical safety risk control and potential hazard rectification, as well as environmental management throughout its operation process. It also tightened specific control over high-risk operation locations and procedures, and improved safety conditions at project sites. Moreover, a series of activities were organised with a view to promoting the idea of safe production and enhancing staff awareness of production safety, including the Safe Production Month, a speech contest on topics about safe production and risk prevention and a competition on the promotion of safety and environment knowledge. At the same time, the Group carried on advancing and improving information construction of ESHS management, and completed the application of the ESHS management system (functional modules) to Lingbi Integrated Biomass and Waste-to-Energy Project and Chuzhou Biomass Direct Combustion Power Generation Project in the first half of 2019, which will be optimised and further expanded to other projects in operation in the second half of the year.

Regarding risk management, the department of risk management prepared a “risk appetite questionnaire” to normalise research on risk appetite, which is conducive to identifying material risks to the Company. Furthermore, it issued more specific requirements on risk management under the current risk management system to all functional departments and refined the “risk management and internal control report” prepared quarterly, contributing to a maturing risk management process. During the period under review, key risks were effectively managed by appropriate measures.

As the convenor of the Biomass Energy Branch of China Association for the Promotion of Industrial Development (“BEIPA”), during the period under review, the Group worked in tandem with BEIPA and assisted the national Ministry of Agriculture and Rural Affairs and Ministry of Finance to conduct research on issues concerning the subsidisation of biomass power generation and policies on subsidising bio natural gas. The Group compiled the “Implementation Plan for the Industrialisation Development of Bio Natural Gas” and “Master Proposal for Subsidy Policies”, both of which were critical to the formulation and modification of relevant subsidy policies. To analyse the current status of the industry, the Group prepared and published the “China Biomass Power Generation Industry Ranking Report” and “Industry Report on China Household Waste-to-Energy Power Generation in Cities and Towns (2019)”. In order to cope with ultra-low emissions from biomass power generation, it submitted the “Proposal for Study on Emission Limits of Agricultural and Forestry Biomass Direct Combustion Boilers” to the Ministry of Ecology and Environment, demonstrating the Group’s commitment to fulfilling corporate social responsibilities and driving the industry’s advancement.

During the period under review, the Group continued to make vigorous efforts to publish announcements on the environment information network and open its environmental facilities to the public. Flue emission and sewage discharge data of all projects in operation was instantly uploaded to the synchronised government’s regulatory public announcement platforms for governmental and public supervision. To popularise and spread knowledge and ideas of environmental protection, the Group established a team of 125 for the reception of public visitors. A total of 12 projects were made open in the first half of 2019, with visitors including government officials, villagers’ representatives, students, retired cadres, public service activists and contractors. During the period under review, the Group’s environmental protection projects welcomed a total of 6,248 visitors in 430 groups.

The Group endeavours to develop its environmental protection business and strives to propel global green and sustainable development. During the period under review, the Group received “Bank of China (Hong Kong) Corporate Environmental Leadership Awards 2018 (Belt and Road Environmental Leadership Recognition Award)” and the title of “EcoChallenger” from the Federation of Hong Kong Industries, and obtained “Green Finance” certification from Hong Kong Quality Assurance Agency.

In terms of operating results, the Group reported encouraging growth in revenue and profitability for the first half of 2019. The Group's revenue from construction services reached a historical high as compared to the same periods of previous years, thanks to enhanced management of the projects at the preparatory stage and steady progress of project construction. In connection with project operation services, revenues from the operation service segment continued to grow in line with the sustained increase in the volume of projects processed. For the period under review, the Group's revenue amounted to approximately HK\$4,241,430,000, an increase of 35% over HK\$3,152,907,000 for the same period last year. EBITDA amounted to approximately HK\$1,369,150,000, an increase of 33% over HK\$1,029,065,000 for the same period last year. Profit attributable to equity shareholders of the Company for the period was approximately HK\$813,184,000, 26% more than HK\$644,703,000 recorded for the same period last year. Basic earnings per share for the first half of 2019 amounted to HK39.36 cents, HK8.16 cents more than HK31.20 cents for the same period last year. The Group had ample cash flow, ready access to various financing options and sound financial indicators across the board.

For the period 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\$4,241,430,000 in aggregate, comprising approximately HK\$2,234,897,000 from construction services, representing a 19% growth compared to HK\$1,871,127,000 for the same period last year, and approximately HK\$1,916,504,000 from project operation services representing a 57% growth compared to HK\$1,220,516,000 for the same period last year. Revenue from construction services, revenue from operation services and finance income accounted for 53%, 45% and 2%, respectively, of our total revenue.

Major financial data of integrated biomass utilisation, hazardous and solid waste treatment, environmental remediation and solar energy and wind power projects for the first half of 2019 are summarised as follows:

	Six months ended 30 June 2019					Six months ended 30 June 2018				
	Integrated biomass utilisation projects	Hazardous and solid waste treatment projects	Environmental remediation projects	Solar energy and wind power projects	Total	Integrated biomass utilisation projects	Hazardous and solid waste treatment projects	Environmental remediation projects	Solar energy and wind power projects	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue										
— Construction services	1,980,882	254,015	—	—	2,234,897	1,701,124	170,003	—	—	1,871,127
— Operation services	1,277,502	315,736	215,691	107,575	1,916,504	853,216	222,017	12,294	132,989	1,220,516
— Finance income	85,895	4,134	—	—	90,029	56,506	4,758	—	—	61,264
	<u>3,344,279</u>	<u>573,885</u>	<u>215,691</u>	<u>107,575</u>	<u>4,241,430</u>	<u>2,610,846</u>	<u>396,778</u>	<u>12,294</u>	<u>132,989</u>	<u>3,152,907</u>
EBITDA	<u>991,665</u>	<u>281,031</u>	<u>51,868</u>	<u>100,582</u>	<u>1,425,146</u>	<u>735,120</u>	<u>204,350</u>	<u>5,889</u>	<u>130,708</u>	<u>1,076,067</u>

As supported by the favourable policies of the government, the Group received a total of approximately RMB74,668,000 in government grants and value-added tax refunds of approximately RMB24,453,000 in the first half of 2019.

The Group remains dedicated to enhancing value for the Shareholders. To reward the Shareholders for their support and to take into account the Group's long-term sustainable development, the Board has declared an interim dividend of HK8.0 cents per share to the Shareholders (2018: HK6.0 cents per share).

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 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 integrated biomass utilisation projects and waste-to-energy projects to provide one-stop services 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.

As of 30 June 2019, the Group had a total of 52 integrated biomass utilisation projects, located variously in 12 provinces and municipalities in China, including mainly in Anhui Province, Jiangsu Province, Shandong Province, Hubei Province and Henan Province. Such projects commanded a total investment of approximately RMB16.074 billion and provided aggregate power generation designed capacity of 1,080MW, an annual aggregate biomass processing designed capacity of approximately 8,819,800 tonnes, and a daily aggregate household waste processing designed capacity of approximately 9,350 tonnes.

During the period under review, the Group had 24 integrated biomass utilisation projects in operation, generating approximately 1,648,634MWh of on-grid electricity which represented an increase of 52% over the same period last year. Meanwhile, the Group processed approximately 2,020,000 tonnes of biomass raw materials and approximately 632,000 tonnes of household waste, representing increases of 54% and 84% over the same period last year, respectively. During the period under review, the Group supplied approximately 353,000 tonnes of steam, representing an increase of 154% over the same period last year. As of 30 June 2019, the Group had 12 integrated biomass utilisation projects under construction, with an aggregate power generation designed capacity of 294MW, an annual biomass processing designed capacity of approximately 2,200,000 tonnes and a daily household waste processing designed capacity of approximately 2,150 tonnes.

During the period under review, EBITDA of the Group's integrated biomass utilisation projects was approximately HK\$991,665,000, an increase of 35% over the same period last year. The integrated biomass utilisation projects contributed net profit of approximately HK\$626,507,000, an increase of 34% over the same period last year.

The increase in profit was mainly attributable to the steady progress of a number of projects under construction during the period under review, resulting in the increase in the revenue from construction services. In addition, the aggregate volume of on-grid electricity of projects in operation continued to rise, contributing to a significant increase in revenue from the operation services.

Major operating and financial data of the integrated biomass utilisation segment for the first half of 2019 are summarised as follows:

	2019	2018
Integrated biomass utilisation projects		
On-grid electricity (<i>MWh</i>)	1,648,634	1,085,128
Biomass raw materials processing volume (<i>tonne</i>)	2,020,000	1,310,000
Household waste processing volume (<i>tonne</i>)	632,000	344,000
Steam generating volume (<i>tonne</i>)	353,000	139,000
EBITDA (<i>HK\$'000</i>)	991,665	735,120
Segment net profit (<i>HK\$'000</i>)	626,507	466,059

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 period under review, we further expanded into the business of general industrial solid waste electricity and heat cogeneration, giving us the ability to fully meet various hazardous and solid waste treatment demands on the back of our solid technical strengths and ability to provide one-stop services.

As of 30 June 2019, the Group had a total of 45 hazardous and solid waste treatment projects, located variously in 8 provinces in China, including mainly in Jiangsu Province and Shandong Province. During the period, our geographic reach was further extended to Heilongjiang Province and Inner Mongolia Autonomous Region. Such projects commanded a total investment of approximately RMB10.614 billion (including

approximately RMB576 million in Anqing Solid Waste Integrated Treatment Project, in which the Group held 49% interest) and an aggregate annual processing designed capacity of approximately 1,839,130 tonnes.

During the period under review, there were 17 hazardous and solid waste treatment projects in operation and completed construction. For detoxification treatment, approximately 82,000 tonnes of hazardous and solid waste were treated in total, an increase of 19% over the same period last year. For integrated resource utilisation, 4,300 tonnes of hazardous and solid waste were treated and approximately 2,000 tonnes of recycled products were sold. There were 5 hazardous and solid waste treatment projects under construction with an aggregate annual processing designed capacity of 106,000 tonnes. Among the projects in operation and completed construction, Jiangsu Jiayuan Environmental Technology Company Limited, which was acquired in early 2019, had suspended production as it is in the process of replacing its license for operation of hazardous waste disposal. Lishui Industrial Solid Waste Landfill Project was completed during the period under review, but has not contributed any operating revenue.

During the period under review, the Group's hazardous and solid waste treatment projects contributed EBITDA of approximately HK\$281,031,000, an increase of 38% over the same period last year. Hazardous and solid waste treatment projects contributed net profit of approximately HK\$168,094,000, an increase of 18% over the same period last year. The increase in profit was mainly attributable to stable business development and the increase in aggregate processing capacity of our operating projects.

Major operating and financial data of the hazardous and solid waste treatment segment for the first half of 2019 are summarised as follows:

	2019	2018
Hazardous and solid waste treatment projects		
Hazardous and solid waste processing volume (<i>tonne</i>)		
— Detoxification treatment	82,000	69,000
— Integrated resource utilisation	4,300	—
Sales volume of recycled products (<i>tonne</i>)	2,000	—
EBITDA (<i>HK\$'000</i>)	281,031	204,350
Segment net profit (<i>HK\$'000</i>)	168,094	142,295

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 30 June 2019, the Group had obtained the following licenses: the First-grade Professional Contracting Qualification for Environmental Protection Projects, Environmental Engineering EPO License (Class B) (for pollution remediation and prevention of water pollution), the Third-Grade General Contractor for Municipal Public Works, Jiangsu Environmental Pollution Control License (Class A) (contaminated water body and soil remediation) and the General Contractor for Jiangsu Environmental Pollution Control License (1st Class). It had also obtained an “AAA” corporate credit rating and an “AA” credit rating given by a credit rating agency and China Construction Bank, respectively, as well as ISO9001, OHSAS18001 and ISO14001 management system accreditations. In addition, the Group holds the China Metrology Accreditation which qualifies it to issue valid data and results with proof.

As of 30 June 2019, the Group had 15 environmental remediation projects under implementation, mainly in Jiangsu Province, Tianjin, Shandong Province and Jiangxi Province, with a total contract amount of approximately RMB425 million. One project is in the preparatory stage, with a contract amount of RMB14.46 million.

During the period under review, the Group’s environmental remediation projects contributed EBITDA of approximately HK\$51,868,000, an increase of 781% over the same period last year. Environmental remediation projects contributed net profit of approximately HK\$35,885,000, an increase of 542% over the same period last year. The increase in profit was mainly attributable to the completion or implementation of 20 environmental remediation projects by the Group during the period under review, 18 more than the same period last year.

Major financial data of the environmental remediation segment for the first half of 2019 are summarised as follows:

	2019	2018
Environmental remediation projects		
EBITDA (<i>HK\$’000</i>)	51,868	5,889
Segment net profit (<i>HK\$’000</i>)	35,885	5,589

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 period under review, the Group's solar energy and wind power projects sold approximately 143,625MWh of electricity, representing a decrease of 17% from the same period last year. The projects contributed EBITDA of approximately HK\$100,582,000, representing a decrease of 23% from the same period last year. Solar energy and wind power projects contributed net profit of approximately HK\$47,335,000, representing a decrease of 31% from the same period last year, which was mainly attributable to the weaker wind resources for wind power projects during the period.

Major operating and financial data of the solar energy and wind power segment for the first half of 2019 are summarised as follows:

	2019	2018
Solar energy and wind power projects		
On-grid electricity (<i>MWh</i>)	143,625	172,272
EBITDA (<i>HK\$'000</i>)	100,582	130,708
Segment net profit (<i>HK\$'000</i>)	47,335	68,478

The Group strives to make vigorous efforts to drive energy conservation and discharge reduction, in persistent fulfilment of the mission and undertaking to “Devoted to Ecology and Environment for a Beautiful China”. During the period under review, the Group generated approximately 1,792,259MWh of green electricity, which was sufficient for one year's consumption by 1,493,549 households, representing saving of 716,904 tonnes of standard coal, reduction of 1,435,150 tonnes of carbon dioxide (CO₂) emission and preservation of 232,993,670 trees. Also, 112,149 tonnes of leachate generated by waste-to-energy power plants and hazardous waste landfills were processed.

BUSINESS PROSPECTS

In 2019, the world is faced with volatility unseen in the past century. Global uncertainties and instability continue to escalate, while international relations will undergo profound and complex changes, leading to change in phase in external circumstances for China's development.

Despite the difficult and complex domestic and external environment, the political drive and urgent need in global nations for responding to climate change and pursuing better environmental quality remain unchanged, while China's determination and persistence for progressing ecological civilisation construction, strengthening ecological protection as well as preventing and controlling environmental pollution stay unaltered. During this golden era for the industry's development, environmental protection enterprises are embracing more opportunities and challenges following the growth of China's environmental protection industry and optimisation in the industry mix. The Group will persist in seeking developments in “three dimensions”: in length as we seek to extend the industry

chain, in depth as we try to penetrate for more market shares, and in breadth as we look to widen our business scope, with a view to procuring sustainable development in various businesses on the back of efforts guided by technology and innovation.

To further optimise its business structure, the Group will continue to advance the construction and operation of its integrated biomass utilisation projects in a steady pace to cement its position in the industry, edge up our effort in the development of the hazardous and solid waste treatment business to enhance its position in the industry and increase its weighting among our principal businesses, and commence the environmental remediation business with full force. In terms of business types, the Group will drive the development of its biomass integrated utilisation business towards high value-added industries such as electricity and heat cogeneration. In connection with hazardous and solid waste treatment, an end-to-end change in the industry chain to the model of “integrated utilisation + physicochemical processing + incineration + landfill” will be implemented, so as to constantly widen our business scope. Our environmental remediation business will diversify into integrated environmental services, as opposed to restoring individual sites only.

Looking to the future, with the solid backing of China Everbright Group and strong support of China Everbright International 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 closely follow national policies, grasp market trends, maintain strategic focus, and continue to adhere to the corporate pursuit of “creating better investment value and bearing more social responsibilities” as it strives incessantly to become a leader in China’s environmental business sector.

SUBSEQUENT EVENTS

In July 2019, a non-wholly owned subsidiary of the Group entered into an agreement with two independent third parties to acquire the entire equity interest in Zhangjiagang Gelin Environmental Engineering Company Limited* (張家港格林環境工程有限公司) (“Gelin Environmental”) at a consideration of RMB68 million. As of the date of this announcement, the acquisition of Gelin Environmental has not been completed subject to fulfillment of certain terms and conditions under the agreement. Furthermore, the Group secured Zhangjiagang Hazardous Waste Physicochemical Integrated Treatment Project with an investment amount of approximately RMB176 million and an annual hazardous waste treatment designed capacity of 100,000 tonnes.

* *For identification purpose only*

FINANCIAL REVIEW

Financial position

As at 30 June 2019, the Group's total assets amounted to approximately HK\$22,596,446,000 (31 December 2018: HK\$18,602,802,000) with net assets amounting to approximately HK\$10,086,064,000 (31 December 2018: HK\$9,431,074,000). Net asset value per share attributable to equity shareholders of the Company was HK\$4.81 per share, an increase of 6% as compared to net asset value per share of HK\$4.52 as at the end of 2018. As at 30 June 2019, gearing ratio (total liabilities over total assets) of the Group was 55%, an increase of 6 percentage points as compared to that of 49% as at the end of 2018. Current ratio of the Group was 163%, an increase of 8 percentage points as compared to that of 155% as at the end of 2018.

Financial resources

The Group adopts a prudent approach to cash and financial management to ensure proper risk control and lower the costs of funds. It finances its operations primarily with the net proceeds from the global offering, internally generated cash flow and bank loans. As at 30 June 2019, the Group had cash and bank balances of approximately HK\$2,345,388,000, an increase of HK\$84,555,000 as compared to HK\$2,260,833,000 at the end of 2018. 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 30 June 2019, the Group had outstanding borrowings of approximately HK\$8,356,566,000, an increase of approximately HK\$2,350,007,000 as compared to HK\$6,006,559,000 as at the end of 2018. The borrowings included secured interest-bearing borrowings of approximately HK\$5,356,605,000 (31 December 2018: HK\$4,026,843,000) and unsecured interest-bearing borrowings of approximately HK\$2,999,961,000 (31 December 2018: HK\$1,979,716,000). The borrowings of the Group were denominated in Renminbi and Hong Kong dollars, representing 80% and 20% of the total respectively. All of the borrowings were at floating rates. As at 30 June 2019, the Group had banking facilities of approximately HK\$13,799,300,000 (31 December 2018: HK\$11,261,010,000), of which approximately HK\$5,442,734,000 (31 December 2018: HK\$5,254,451,000) 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 will 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 this year, 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 will provide financial cooperation of RMB5 billion in aggregate 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 personalised financial services to the Group. The Company will take this strategic cooperation as an opportunity to establish a long-term, stable and mutually beneficial cooperative relationship with PSBC Shenzhen Branch.

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 are predominantly based in Mainland China, which makes up over 95% of its total investments and revenue. Most of the Group’s assets, borrowings and major transactions are denominated in Renminbi, basically forming a natural hedging effect. The Group closely manages its foreign exchange risk through an optimal allocation of borrowings in different currencies, controlling borrowings in non-base currencies at a moderate level, and the adoption of appropriate financial instruments.

Pledge of assets

Certain banking facilities at the Group were secured by revenue, contract assets and receivables in connection with the Group’s service concession arrangements, bank deposits, property, plant and equipment and interests in leasehold land held for own use. As at 30 June 2019, the aggregate net book value of assets pledged amounted to approximately HK\$9,715,500,000 (31 December 2018: HK\$7,597,951,000).

Commitments

As at 30 June 2019, the Group had purchase commitments of approximately HK\$1,231,728,000 (31 December 2018: HK\$1,578,260,000) under the construction contracts and the capital injection to an associate of approximately HK\$44,893,000 (31 December 2018: HK\$56,216,000).

Contingent liabilities

As at 30 June 2019, the Group did not have any contingent liabilities, including liabilities under the financial guarantees mentioned above (31 December 2018: 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.

Use of proceeds

The net proceeds from the global offering on 8 May 2017 after deducting share issuance expenses and listing expenses ("Net Proceeds") was approximately HK\$3,234,510,000. As of 30 June 2019, the Company had fully utilised (31 December 2018: HK\$3,104,211,000) the Net Proceeds for the purposes as set out in the prospectus of the Company dated 21 April 2017.

Item	Movements <i>HK\$'000</i>
Proceeds utilised	
Including:	
Investments in integrated biomass utilisation projects	2,069,048
Investments in hazardous and solid waste treatment projects	693,952
Working capital and other general corporate purposes	310,000
Research and development and acquisition of advanced technologies	<u>161,510</u>
Net Proceeds used	<u><u>3,234,510</u></u>

HUMAN RESOURCES

As at 30 June 2019, the Group had over 3,000 employees in total in Hong Kong and Mainland China. For the six months ended 30 June 2019, the total staff cost was approximately HK\$231,168,000 (As of 30 June 2018: HK\$177,176,000). 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 continuous training and other benefits such as medical insurance and mandatory provident fund.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Group believes that maintaining sound and high standards of corporate governance is not only a key element in safeguarding the Shareholders' interests, but also a way to enhance the corporate value and strengthen the accountability and transparency of the Group. The Group seeks to strengthen internal control, risk prevention and management through the implementation of relevant rules and regulations.

The Board has adopted the Corporate Governance Code (the "CG Code") set out in Appendix 14 to the "Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited" (the "Listing Rules") as the code for corporate governance practices of the Company. The Company has been in full compliance with the code provisions of the CG Code from 1 January 2019 to 30 June 2019.

The Board holds meetings on a regular basis. The Board has currently established three Board committees, namely audit and risk management committee, nomination committee and remuneration committee.

In addition, the Company has a management committee in place to take in charge of the daily operations, formulating and implementing annual work plans and medium-term development plans for the Group. The management committee is the decision-making body for day-to-day business activities and makes collective decisions on major matters relating to the Group's daily business operations, management and personnel matters, etc. Moreover, an internal audit department and a risk management department have also been set up to perform internal audits and risk control functions respectively to bolster the Group's governance standards.

Audit and Risk Management Committee

The audit and risk management committee currently comprises 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 Company, 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 The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and the Company.

The audit and risk management committee reviewed with the management and the auditors of the Company, including but not limited to the accounting principles and practices adopted by the Group, significant audit matters such as significant accounting estimates and judgmental areas, and discussed the Group's risk management and internal control and financial reporting matters, including review of the audited annual financial results for the year ended 31 December 2018 and reports issued by internal audit department and risk management department of the Company.

Nomination Committee

The nomination committee currently comprises Mr. Wang Tianyi (chairman), the Chairman of the Board and 3 independent non-executive directors, 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 Stock Exchange and the Company.

Remuneration Committee

The remuneration committee currently comprises Mr. Philip Tsao (chairman), an independent non-executive director, Mr. Qian Xiaodong, the 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 Stock Exchange and the Company.

During the period from 1 January 2019 to 30 June 2019, the members of remuneration committee reviewed the remuneration packages of executive directors, non-executive directors and senior management.

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 period under review.

INTERIM DIVIDEND

To share the fruit of success with Shareholders, the Board has declared an interim dividend of HK8.0 cents (2018: HK6.0 cents) per share for the six months ended 30 June 2019 to Shareholders whose names appear on the register of members of the Company on Friday, 13 September 2019. The interim dividend payout ratio is 20.3% (2018: 19.2%) for the six months ended 30 June 2019. The interim dividend will be paid on or around Wednesday, 2 October 2019.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members will be closed from Wednesday, 11 September 2019 to Friday, 13 September 2019 (both days inclusive), during which no transfer of shares of the Company will be registered. In order to qualify for the interim dividend, all transfers and the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 p.m. on Tuesday, 10 September 2019.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the six months ended 30 June 2019, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company.

PUBLICATION OF INFORMATION ON THE WEBSITES OF THE STOCK EXCHANGE AND OF THE COMPANY

The interim results announcement of the Company for the six months ended 30 June 2019 is published on the website of the Stock Exchange at www.hkex.com.hk and the website of the Company at <http://www.ebgreentech.com/en/ir/announcements.php>.

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

Hong Kong, 12 August 2019

As at the date of this announcement, the directors of the Company are:

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

* *Executive Director*

** *Non-Executive Director*

*** *Independent Non-Executive Director*