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.

光大綠色環保
Everbright Greentech

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 2024

FINANCIAL HIGHLIGHTS

- Revenue decreased by 6% to HK$6,976,892,000 (2023: HK$7,416,973,000)
- EBITDA decreased by 32% to HK$994,147,000 (2023: HK$1,453,509,000)
- Loss attributable to equity shareholders of the Company increased by 38% to HK$415,382,000 (2023: Loss attributable to equity shareholders of the Company HK$301,711,000)
- No final dividend (2023: Nil). Total dividends for the year decreased by 44% to HK1.4 cents (2023: HK2.5 cents) per share

2024 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 2024 together with comparative figures for the year ended 31 December 2023. 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 2024

	Notes	**2024** **HK$'000**	2023 HK$'000
REVENUE	4	**6,976,892**	7,416,973
Direct costs and operating expenses		**(5,517,037)**	(5,821,730)
Gross profit		**1,459,855**	1,595,243
Other revenue	5	**352,589**	279,854
Other losses, net	5	**(60,610)**	(86,532)
Impairment of goodwill, intangible assets, property, plant and equipment and right-of-use assets		**(1,174,936)**	(655,653)
Administrative expenses		**(481,838)**	(649,039)
Finance costs	6	**(769,793)**	(824,825)
Share of (losses)/profits of associates		**(5,135)**	895
Share of profits of joint ventures		**689**	769
LOSS BEFORE TAX	7	**(679,179)**	(339,288)
Income tax credit	8	**173,691**	37,457
LOSS FOR THE YEAR		**(505,488)**	(301,831)
ATTRIBUTABLE TO:			
Equity shareholders of the Company		**(415,382)**	(301,711)
Holders of perpetual medium-term notes		**34,001**	36,285
Non-controlling interests		**(124,107)**	(36,405)
		(505,488)	(301,831)
LOSS PER SHARE ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY	10		
Basic and diluted *(HK cents)*		**(20.10)**	(14.60)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2024

	2024	2023
	HK$'000	*HK$'000*
LOSS FOR THE YEAR	**(505,488)**	(301,831)
OTHER COMPREHENSIVE INCOME		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Changes in fair value of debtors at fair value through other comprehensive income, net of tax	**(958,328)**	(290,412)
Exchange differences on translation of financial statements of entities outside Hong Kong, net of nil tax		
— Subsidiaries	**(256,927)**	(466,523)
— Associates	**(3,684)**	(6,370)
— Joint ventures	**(404)**	(2,287)
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	**(1,219,343)**	(765,592)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**(1,724,831)**	(1,067,423)
ATTRIBUTABLE TO:		
Equity shareholders of the Company	**(1,632,463)**	(1,058,943)
Holders of perpetual medium-term notes	**34,001**	36,285
Non-controlling interests	**(126,369)**	(44,765)
	(1,724,831)	(1,067,423)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2024

	Notes	2024 HK$'000	2023 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**4,113,959**	4,579,981
Right-of-use assets		**418,482**	529,606
Goodwill		**65,681**	130,651
Intangible assets		**11,636,066**	12,820,119
Interests in joint ventures		**32,191**	31,906
Interests in associates		**225,590**	234,408
Other receivables, deposits and prepayments	12	**348,537**	391,012
Contract assets	11	**6,114,112**	6,357,849
Deferred tax assets		**460,248**	198,495
Total non-current assets		**23,414,866**	25,274,027
CURRENT ASSETS			
Inventories		**377,812**	364,659
Debtors, other receivables, deposits and prepayments	12	**6,984,231**	8,464,079
Contract assets	11	**3,878,841**	3,270,503
Tax recoverable		**2,135**	5,373
Pledged bank deposits		**13,981**	47,361
Deposits with banks		**24,084**	22,844
Cash and cash equivalents		**1,635,651**	2,308,578
Total current assets		**12,916,735**	14,483,397
CURRENT LIABILITIES			
Creditors, other payables and accrued expenses	13	**2,497,415**	2,655,805
Interest-bearing bank and other borrowings		**7,718,360**	10,213,907
Lease liabilities		**2,890**	4,080
Tax payables		**79,363**	69,897
Total current liabilities		**10,298,028**	12,943,689
NET CURRENT ASSETS		**2,618,707**	1,539,708
TOTAL ASSETS LESS CURRENT LIABILITIES		**26,033,573**	26,813,735

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(Continued)*
At 31 December 2024

	Notes	**2024** **HK$'000**	2023 HK$'000
NON-CURRENT LIABILITIES			
Other payables	13	**218,893**	177,754
Interest-bearing bank and other borrowings		**13,281,792**	12,917,853
Lease liabilities		**18,894**	22,015
Deferred tax liabilities		**851,694**	1,339,774
Total non-current liabilities		**14,371,273**	14,457,396
NET ASSETS		**11,662,300**	12,356,339
EQUITY			
Share capital		**1,608,029**	1,608,029
Reserves		**8,001,810**	9,663,198
Total equity attributable to equity shareholders of the Company		**9,609,839**	11,271,227
Perpetual medium-term notes		**1,900,700**	806,982
Non-controlling interests		**151,761**	278,130
TOTAL EQUITY		**11,662,300**	12,356,339

NOTES

1. BASIS OF PREPARATION

The financial results set out in this announcement do not constitute the Group's consolidated financial statements for the year ended 31 December 2024 but are extracted from those consolidated financial statements.

These consolidated 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") and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for certain debtors which have been measured at fair value. These consolidated 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

The Group has applied the following amendments to HKFRSs issued by the HKICPA to these financial statements for the current accounting period:

- Amendments to HKAS 1, *Presentation of financial statements — Classification of liabilities as current or non-current* ("2020 amendments") and amendments to HKAS 1, *Presentation of financial statements — Non-current liabilities with covenants* ("2022 amendments")

- Amendments to HKFRS 16, *Leases — Lease liability in a sale and leaseback*

- Amendments to HKAS 7, *Statement of cash flows* and HKFRS 7, *Financial instruments: Disclosures — Supplier finance arrangements*

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period. Impacts of the adoption of the amended HKFRSs are discussed below:

Amendments to HKAS 1, Presentation of financial statements (the 2020 and 2022 amendments, collectively the "HKAS 1 amendments")

The HKAS 1 amendments impact the classification of a liability as current or non-current, and have been applied retrospectively as a package.

The 2020 amendments primarily clarify the classification of a liability that can be settled in its own equity instruments. If the terms of a liability could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instruments and that conversion option is accounted for as an equity instrument, these terms do not affect the classification of the liability as current or non-current. Otherwise, the transfer of equity instruments would constitute settlement of the liability and impact classification.

The 2022 amendments specify that conditions with which an entity must comply after the reporting date do not affect the classification of a liability as current or non-current. However, the entity is required to disclose information about non-current liabilities subject to such conditions.

The HKAS 1 amendments do not have a material impact on the Group's financial statements.

2. CHANGES IN ACCOUNTING POLICIES *(Continued)*

Amendments to HKFRS 16, Leases — Lease liability in a sale and leaseback

The amendments clarify how an entity accounts for a sale and leaseback after the date of the transaction. The amendments require the seller-lessee to apply the general requirements for subsequent accounting of the lease liability in such a way that it does not recognise any gain or loss relating to the right of use it retains. A seller-lessee is required to apply the amendments retrospectively to sale and leaseback transactions entered into after the date of initial application. The amendments do not have a material impact on these financial statements as the Group has not entered into any sale and leaseback transactions.

Amendments to HKAS 7, Statement of cash flows and HKFRS 7, Financial instruments: disclosures — Supplier finance arrangements

The amendments introduce new disclosure requirements to enhance transparency of supplier finance arrangements and their effects on an entity's liabilities, cash flows and exposure to liquidity risk. The amendments do not have a material impact on the Group's 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.

(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.

3. OPERATING SEGMENT INFORMATION *(Continued)*

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 which are managed on a group basis. 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 which are managed on a group basis.

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

In addition to segment information concerning the Adjusted 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	
	2024	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023
	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	**5,482,377**	5,783,557	**1,140,224**	1,180,106	**151,109**	243,364	**203,182**	209,946	**6,976,892**	7,416,973
Segment results:										
Reportable segment profit/(loss) (Adjusted EBITDA/(LBITDA))	**1,917,577**	1,858,233	**(1,119,106)**	(428,162)	**25,030**	29,960	**178,811**	188,338	**1,002,312**	1,648,369
Finance costs									**(769,793)**	(824,825)
Depreciation and amortisation, including unallocated portion									**(903,533)**	(967,972)
Unallocated head office and corporate income									**17,943**	20,713
Unallocated head office and corporate expenses									**(26,108)**	(215,573)
Consolidated loss before tax									**(679,179)**	(339,288)
Other segment information:										
Finance costs	**247,254**	303,999	**95,769**	89,143	**4,526**	5,340	**9,199**	10,356	**356,748**	408,838
Unallocated finance costs									**413,045**	415,987
Depreciation and amortisation	**461,711**	462,057	**346,109**	415,200	**15,586**	15,077	**74,456**	70,577	**897,862**	962,911
Unallocated depreciation and amortisation									**5,671**	5,061
Impairment losses of intangible assets	**—**	—	**578,680**	210,144	**—**	—	**—**	—	**578,680**	210,144
Impairment losses of property, plant and equipment	**—**	—	**449,734**	380,086	**—**	—	**—**	—	**449,734**	380,086
Impairment losses of right-of-use assets	**—**	—	**82,825**	65,423	**—**	—	**—**	—	**82,825**	65,423
Impairment losses of goodwill	**—**	—	**63,697**	—	**—**	—	**—**	—	**63,697**	—
(Reversal)/recognition of credit losses of debtors and contract assets	**28,679**	69,136	**(14,540)**	15,740	**(6,335)**	67	**4,348**	1,626	**12,152**	86,569
Credit losses of amount due from a joint venture	**—**	—	**16,086**	—	**—**	—	**—**	—	**16,086**	—
Share of profits of joint ventures, net	**—**	—	**(478)**	(514)	**—**	—	**(211)**	(255)	**(689)**	(769)
Share of losses/(profits) of associates, net	**(5)**	(1,545)	**5,140**	650	**—**	—	**—**	—	**5,135**	(895)
Additions to property, plant and equipment, right-of-use assets, intangible assets, goodwill and non-current portion of prepayments	**249,471**	643,483	**239,138**	266,977	**8,505**	234	**124,662**	85,297	**621,776**	995,991
Additions to non-current portion of contract assets	**386,071**	392,837	**3,962**	4,917	**—**	—	**—**	—	**390,033**	397,754

3. OPERATING SEGMENT INFORMATION *(Continued)*

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

	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	
	2024	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Reportable segment assets	**26,491,004**	27,951,768	**6,548,363**	7,865,045	**627,175**	695,315	**1,310,221**	1,261,355	**34,976,763**	37,773,483
Unallocated head office and corporate assets									**1,354,838**	1,983,941
Consolidated total assets									**36,331,601**	39,757,424
Reportable segment liabilities	**9,642,235**	12,069,707	**4,514,491**	4,151,802	**385,679**	411,638	**346,879**	397,447	**14,889,284**	17,030,594
Unallocated head office and corporate liabilities									**9,780,017**	10,370,491
Consolidated total liabilities									**24,669,301**	27,401,085

(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	
	2024	2023	**2024**	2023	**2024**	2023
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Mainland China	**6,960,082**	7,402,205	**16,153,741**	17,857,730	**6,462,649**	6,748,861
Hong Kong	**11,139**	9,402	**9,401**	48,349	**—**	—
Germany	**5,671**	5,366	**5,365**	23,627	**—**	—
Total	**6,976,892**	7,416,973	**16,168,507**	17,929,706	**6,462,649**	6,748,861

3. OPERATING SEGMENT INFORMATION *(Continued)*

(iii) Information about a major customer

For the year ended 31 December 2024, the Group has transactions with one (2023: one) local government authority in the People's Republic of China ("PRC") from which the revenue individually exceeded 10% of the Group's total revenue. The aggregate revenue from this customer during the year ended 31 December 2024 amounted to HK$1,782,395,000 (2023: HK$1,951,259,000).

4. REVENUE

An analysis of revenue is as follows:

	2024	2023
	HK$'000	*HK$'000*
Revenue from integrated biomass utilisation project construction services	**230,749**	618,405
Revenue from hazardous and solid waste treatment project construction services	**—**	42,240
Revenue from integrated biomass utilisation project operation services	**4,926,861**	4,826,455
Revenue from hazardous and solid waste treatment project operation services	**1,136,263**	1,132,949
Revenue from environmental remediation project operation services	**151,109**	243,364
Revenue from solar energy and wind power project operation services	**203,182**	209,946
Revenue from contracts with customers within the scope of HKFRS 15	**6,648,164**	7,073,359
Finance income from service concession arrangements	**328,728**	343,614
Total revenue	**6,976,892**	7,416,973

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$5,025,347,000 (2023: HK$5,531,505,000) for the year ended 31 December 2024. The revenues are included in four segments as disclosed in note 3.

5. OTHER REVENUE AND OTHER LOSSES, NET

(a) An analysis of other revenue is as follows:

	2024	2023
	HK$'000	*HK$'000*
Other revenue		
Interest income	**21,758**	23,113
Government grants*	**25,388**	38,094
Value-added tax refunds**	**236,580**	174,666
Others	**68,863**	43,981
Total other revenue	**352,589**	279,854

* Government grants of HK$15,270,000 (2023: HK$23,156,000) were granted during the year ended 31 December 2024 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 financial position.

** The Group was entitled to PRC value-added tax refunds of HK$236,580,000 (2023: HK$174,666,000) during the year ended 31 December 2024. 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.

(b) An analysis of other losses, net is as follows:

	2024	2023
	HK$'000	*HK$'000*
Other losses, net		
Net losses/(gains) on disposal of items of property, plant and equipment	**55**	(37)
Credit losses of debtors and contract assets	**12,152**	86,569
Credit losses of amount due from a joint venture	**48,403**	—
Total other losses, net	**60,610**	86,532

6. FINANCE COSTS

An analysis of finance costs is as follows:

	2024	2023
	HK$'000	*HK$'000*
Interest on bank and other borrowings	**601,249**	709,041
Interest on medium-term notes	**172,064**	134,589
Interest on lease liabilities	**944**	1,067
Finance costs incurred	**774,257**	844,697
Less: interest capitalised*	**(4,464)**	(19,872)
Total	**769,793**	824,825

* The borrowing costs have been capitalised at a rate ranging from 2.20% to 3.35% (2023: 2.70% to 3.50%) per annum during the year ended 31 December 2024.

7. LOSS BEFORE TAX

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

	2024	2023
	HK$'000	*HK$'000*
Cost of inventories consumed[#]	**2,627,079**	2,701,343
Depreciation of property, plant and equipment*	**290,501**	316,612
Depreciation of right-of-use assets	**23,205**	22,939
Amortisation of intangible assets**	**589,827**	628,421
Lease payments not included in the measurement of lease liabilities	**6,771**	10,717
Auditor's remuneration		
— audit services	**2,372**	3,050
— other services	**1,336**	541
	3,708	3,591
Employee benefit expense (excluding directors' remuneration)		
Wages and salaries	**645,920**	606,011
Pension scheme contributions	**45,829**	58,763
	691,749	664,774
Impairment losses of intangible assets	**578,680**	210,144
Impairment losses of property, plant and equipment	**449,734**	380,086
Impairment losses of right-of-use assets	**82,825**	65,423
Impairment losses of goodwill	**63,697**	—
Credit losses of debtors and contract assets	**12,152**	86,569
Credit losses of amount due from a joint venture	**48,403**	—
Write-down of inventories to net realisable value[#]	**—**	35,405
Foreign exchange differences, net	**(55,753)**	28,069

* The depreciation of property, plant and equipment of HK$261,267,000 (2023: HK$284,540,000) was included in "Direct costs and operating expenses" on the face of the consolidated statement of profit or loss.

** The amortisation of intangible assets of HK$571,946,000 (2023: HK$611,084,000) was included in "Direct costs and operating expenses" on the face of the consolidated statement of profit or loss.

[#] These items were included in "direct costs and operating expenses" on the face of the consolidated statement of profit or loss.

8. INCOME TAX CREDIT

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 2024 (2023: 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.

	2024	2023
	HK$'000	*HK$'000*
Current tax — other than Hong Kong		
Charge for the year	**130,627**	142,854
Under/(over) — provision in respect of prior years	**3,470**	(1,259)
Deferred tax	**(307,788)**	(179,052)
Total tax credit for the year	**(173,691)**	(37,457)

9. DIVIDENDS

	2024	2023
	HK$'000	*HK$'000*
Dividends attributable to the year:		
Interim — HK1.4 cents (2023: HK2.5 cents) per ordinary share	**28,925**	51,652

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

The calculation of the basic loss per share amount is based on the loss of HK$415,382,000 (2023: HK$301,711,000) for the year attributable to equity shareholders of the Company, and the weighted average number of ordinary shares of 2,066,078,000 (2023: 2,066,078,000) in issue during the year.

No adjustment has been made to the basic loss per share amounts presented for the years ended 31 December 2024 and 2023 in the calculation of diluted loss per share as there were no potential dilutive ordinary shares during the years ended 31 December 2024 and 2023.

11. CONTRACT ASSETS

	Notes	2024 HK$'000	2023 HK$'000
Service concession assets	(a)	**6,494,201**	6,744,070
Unbilled renewable energy tariff subsidy	(b)	**3,106,104**	2,495,034
Environmental remediation contract assets	(c)	**402,969**	416,237
		10,003,274	9,655,341
Loss allowance		**(10,321)**	(26,989)
		9,992,953	9,628,352
Less: Non-current portion			
— Service concession assets		**(5,961,984)**	(6,203,248)
— Environmental remediation contract assets		**(152,128)**	(154,601)
		(6,114,112)	(6,357,849)
Current portion		**3,878,841**	3,270,503
Contract assets arising from performance under construction contracts in connection with service concession arrangements, which are included in "Intangible assets"		**98,888**	204,401

The movements in the loss allowance for contract assets are as follows:

	2024 HK$'000	2023 HK$'000
At beginning of year	**26,989**	7,869
(Reversal)/recognition of credit losses, net	**(16,447)**	19,660
Exchange realignment	**(221)**	(540)
At end of year	**10,321**	26,989

Notes:

(a) Service concession assets arose from the Group's revenue from construction services under certain Build-Operate-Transfer ("BOT") and Build-Own-Operate ("BOO") arrangements and bear interest at rates ranging from 4.65% to 6.60% (2023: 4.65% to 6.60%) per annum as at 31 December 2024.

As at 31 December 2024, HK$6,391,974,000 (2023: HK$6,692,920,000) relates to certain BOT and BOO arrangements with operations commenced.

11. CONTRACT ASSETS *(Continued)*

Notes: (Continued)

(a) *(Continued)*

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 renewable energy tariff subsidy receivables for certain integrated biomass utilisation projects which 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 notices jointly issued by the Ministry of Finance, the National Development and Reform Commission and the National Energy Administration 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.

12. DEBTORS, OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2024	2023
	HK$'000	*HK$'000*
Debtors, net of loss allowances	**6,458,757**	7,854,321
Other receivables, deposits and prepayments	**852,386**	947,416
Amounts due from fellow subsidiaries	**3,838**	3,053
Amounts due from joint ventures	**17,787**	50,301
	7,332,768	8,855,091
Less: Non-current portion		
— Other receivables, deposits and prepayments	**(348,537)**	(391,012)
Current portion	**6,984,231**	8,464,079

12. 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:

	2024	2023
	HK$'000	*HK$'000*
Within 1 month	**569,029**	565,980
More than 1 month but within 2 months	**175,773**	201,362
More than 2 months but within 4 months	**338,905**	356,538
More than 4 months but within 7 months	**371,544**	465,813
More than 7 months but within 13 months	**681,164**	850,494
More than 13 months	**4,322,342**	5,414,134
	6,458,757	7,854,321

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

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

As at 31 December 2023, included in the amounts due from joint ventures are loans to joint ventures of RMB23,500,000 (equivalent to HK$25,563,000), which are unsecured, interest-bearing at 125% of the Loan Prime Rate ("LPR") in the PRC and recoverable in 2024. Management assessed that there was significant doubt on collection on cash balance and accordingly, credit loss of the loans was fully recognised during the year ended 31 December 2024.

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

	2024	2023
	HK$'000	*HK$'000*
At beginning of year	**171,616**	108,711
Recognition of credit losses, net	**28,599**	66,909
Exchange realignment	**(3,439)**	(4,004)
At end of year	**196,776**	171,616

13. CREDITORS, OTHER PAYABLES AND ACCRUED EXPENSES

	Notes	2024 HK$'000	2023 HK$'000
Creditors			
— third parties	(i)	**1,310,870**	1,458,132
— fellow subsidiaries	(i)	**21,841**	20,730
Other payables and accrued expenses		**1,187,301**	1,140,731
Amounts due to fellow subsidiaries	(ii)	**15,646**	29,094
Amounts due to joint ventures	(iii)	**47**	—
Amount due to an associate	(iv)	**3,369**	—
Amount due to a non-controlling interest	(v)	**3,136**	—
Loans from non-controlling interests	(vi)	**6,150**	8,150
Deferred income — government grants	(vii)	**167,948**	176,722
		2,716,308	2,833,559
Less: Non-current portion			
— Deferred income — government grants		**(102,076)**	(73,856)
— Other payables and accrued expenses		**(116,817)**	(103,898)
		(218,893)	(177,754)
Current portion		**2,497,415**	2,655,805

Notes:

(i) 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:

	2024 HK$'000	2023 HK$'000
Within 6 months	**929,998**	1,000,527
More than 6 months	**402,713**	478,335
	1,332,711	1,478,862

Creditors totalling HK$454,189,000 (2023: HK$592,683,000) as at 31 December 2024 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.

13. CREDITORS, OTHER PAYABLES AND ACCRUED EXPENSES *(Continued)*

Notes: (Continued)

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

(iii) The amounts due to joint ventures are unsecured, interest-free and repayable on demand.

(iv) The amount due to an associate is unsecured, interest-free and repayable on demand.

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

(vi) Loans from non-controlling interests are unsecured, interest-free and repayable on demand.

(vii) Deferred income represents government grants received to subsidise the construction of property, plant and equipment of the Group during the year ended 31 December 2024, of which an amount of HK$10,118,000 (2023: HK$14,938,000) was credited to the consolidated statement of profit or loss. There were no unfulfilled conditions and other contingencies attached to the receipts of those grants.

SCOPE OF WORK OF KPMG 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 2024 as set out in the preliminary results announcement have been compared by the Group's auditor, KPMG, 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 KPMG 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

Year 2024 marked a year of critical battling in the implementation of China's "14th Five-Year Plan ("FYP")". "Winning critical battles and overcoming hurdles" represented a key catchphrase in China's economic development, as the nation addressed various challenges, such as insufficient domestic demand coupled with production and operational difficulties for certain enterprises, against the deepened adverse impact of lacklustre global economic growth and changes in the external environment. Nevertheless, the fundamental conditions and trends underpinning the long-term positive outlook of the Chinese economy remain unchanged, given its solid foundation, multi-faceted advantages, strong resilience and formidable potential. The hard-earned overall stability and steady advancement for the Chinese economy has been achieved against adverse and volatile conditions.

In 2024, the Group addressed changes with active efforts against extremely testing conditions for the traditional environmental protection business amidst the lingering impact of market corrections and policy adjustments. Given the overwhelming impact of policy adjustment, the Group resorted to a prudent approach poised for potential market opportunities and focused on the central mission of "reinforcing principal businesses and driving transformation", ensuring stability for the Company's existing businesses in integrated biomass utilisation, hazardous and solid waste treatment and environmental remediation. The Group also actively establishing presence in clean energy as a core principal operation to address the requirements of developments in the new stage in active adherence to national development strategies, to break the constraints of traditional business models and introduce innovative technologies and commercial models to drive qualitative development of the Company on the back of new-quality productivity.

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 2024, the Group had 144 environmental protection projects with a total investment of approximately RMB31.014 billion and had undertaken 67 environmental remediation projects in aggregate with a total contract amount of approximately RMB1.727 billion.

In terms of market development, the Group secured 14 new projects and entered into 1 county-wide solar power supplemental agreement during the year under review, involving an additional total investment of approximately RMB300 million and environmental remediation projects with a total contract amount of approximately RMB134 million. Such new projects included 1 integrated biomass utilisation project, 4 zero-carbon industrial park projects and 9 environmental remediation projects. In terms of project scale, the installed capacity for solar power generation was increased by 56.46 MW coupled with an additional 12.2MW/24.4MWh storage capacity, while the designed capacity for steam supply was increased by approximately 450,000 tonnes per annum.

During the year under review, the Group operated in close tandem with the national strategic objective of "Dual Carbon" and strategy of energy security against the backdrop of macro-economic pressure and tightening policy directions, showcasing robust resilience for development as it stepped with efforts in innovation-driven business transformation. With strong focus on the three core segments of smart energy, environmental remediation and extended business, the Group completed zero-carbon industrial park projects with an aggregate capacity of 68.66MW involving total investment of approximately RMB216 million and has successfully built Changzhou Zhonglou Zero-carbon Industrial Park as the first PAS2060-compliant project in Changzhou to become an optimised and upgraded version 2.0 of "Zero-carbon Industrial Park". The Group sought to promote the construction of zero-carbon industrial parks on the back of zero-carbon industrial park accreditation, as zero-carbon industrial park showcase projects were implemented in Jiangsu and Guangdong. In response to the Climate Action Plan 2050 announced in Hong Kong, the Group was also engaged in active project development in Hong Kong. During the year under review, the rooftop solar power project of South Seas Centre, Tsimshatsui, Kowloon commenced grid-connected power generation upon completion. Meanwhile, breakthrough was reported in new direction power trading business of the Group as contracts involving power generation of approximately 700 million kWh were signed, signifying the Group's growing presence in the energy sector. The Group signed 9 new projects in the environmental remediation sector while establishing the Group's presence along the eco-agricultural industry chain, such as in the business of biomass ash-based organic fertilisers. In connection with extended traditional business, the heat supply capacity of the biomass projects was increased by 450,000 tonnes/year through trial operation of the gasified boiler and pipeline network expansion, contributing to significant improvements in cash flow generated by biomass projects. Moreover, the Group will continue to focus on "clean energy" and "zero-carbon industrial park" and plan for its business deployment on the back of sophisticated analysis and research with the benefit of a broadened mindset as guided by government policies.

In terms of project construction, the Group was steadily enhancing its competence in engineering construction as it forged intensive engineering teams during the year under review by adjusting work allocation to ensure close association of engineering construction with the requirements of project operations. During the year under review, the Group had 17 projects completed construction and commenced operation. As of 31 December 2024, the Group had 23 projects under construction or implementation, including 1 integrated biomass utilisation project, 3 hazardous and solid waste treatment projects, 17 environmental remediation projects and 2 solar energy projects. With a strong emphasis on construction safety, construction quality and work scheduling for projects under construction, the Group has enhanced the management standard at project sites through ongoing optimisation of its construction management system and attained the annual targets in production safety for projects under construction.

In terms of technology research and development ("R&D"), the Group persisted in innovation-driven high-quality development, as it empowered the quality and efficiency enhancement of project operations and the Company's transformation through technological innovation. During the year under review, the Group commenced research in ultra-low fume emission technology for biomass boiler, biomass boiler combustion optimisation technology, integrated biomass ash utilisation technology and end-of-life tyre recycling technology, among others, in connection with its traditional business, among which its "Integrated High-temperature SCR Denitration Technology for Biomass Boiler" was given an "internationally advanced" rating following assessment and put to application in a number of biomass boilers operated by the Group with notable results. Moreover, the Group also commenced research on the "Zero-carbon Industrial Park + Virtual Power Plant" model, biomass-based natural gas technology, biomass glycation technology, bundled straw gasified coupling combustion boiler heat supply technology, and carbon capture, utilisation and storage (CCUS) technology to stock up new power for the transformation and development of the Group. Meanwhile, the Group participated in government research projects such as Technology and Equipment for Low-energy consumption and High-efficiency Coordinated Treatment of Industrial Boiler Fume and Multiple Pollutants, as well as Research and Development of Key Technologies for Equipment for Synthesis and Application of High-stability Solid Amine CO_2 Capture Materials. In connection with commercialisation, the Group completed the preparation and publication of 2 group standards, while garnering 2 provincial ministerial grade awards and 4 social technology awards for its technological achievements. As of 31 December 2024, the Group held 118 authorised patents, including 48 invention patents, 65 utility model patents and 5 software copyrights.

In terms of operational management, the Group implemented a range of measures during the year focused energy conservation and consumption reduction, quality and efficiency enhancement as well as green resource exploration whilst engaged in the "One Enterprise, One Policy" initiative in localised assistance to provide pinpoint assistance to 8 projects that operated at underwhelming efficiency, resulting in improvements for all such projects and invaluable experiences to be shared with other operations. The Group further explored local fuel resources, optimised fuel procurement and transportation schemes, shortened transit distance and significantly reduced unit fuel costs. The Group also continued to pursue quality and efficiency enhancement while increasing effort in customer development for heat consumption to unlock potential demand for heat supply, as heat supply for the year grew by 30%, year-on-year, in volume. In the meantime, in active response to national policies, the Group actively participated in green power certificate trading and completed the transaction of approximately 30,000 green certificates (each representing 1,000 kWh of green electricity) during the year in further enhancement of the Group's image as a green enterprise and its competitiveness in the market. Through a range of technology upgrade and management enhancement measures, the Group was consistently optimising the operating power consumption levels of hazardous waste incineration projects as well as the costs for fuel replenishment and disposal of secondary hazardous wastes, as in achieving effective reduction in the unit cost of operating hazardous waste projects. Furthermore, the Group launched optimisation and innovation reforms and carried out through market mechanism reform, explorations in integrated landfill operation and adjustments to operating strategies have together contributed to a 39% year-on-year increase in the volume of hazardous waste acquisition for the year.

In connection with safety and environmental ("S&E") management, the Group continued to introduce improvements to its S&E management regime to drive ongoing enhancements in the internal and external management of environmental, safety and occupational health matters through systematic, standardised and precise management, with a view to maximum control over relevant risks and elimination of management deficiencies. The Group achieved the "double zero" (zero safety incidents and zero environmental incidents) target for the year under review, providing solid safety assurance for corporate development. During the year under review, the Group continued to fulfill its responsibility to open its environmental protection facilities to the public with more intensive actions, as flue emission and sewage discharge data of all projects in operation, among others, were synchronised with and instantly uploaded to government regulatory platforms, while environmental impact assessment reports and environmental surveillance data of projects were also made available to the public via various media for governmental and public supervision. As of 31 December 2024, a total of 35 projects of the Company were officially opened to the public and 157 offline open-to-the-public activities were held, receiving a total of 3,748 visitors.

In 2024, the Group continued to advance practices of sustainability with the incorporation of environmental, social and governance ("ESG") principles into its strategic planning and business operation. Profoundly aware of the risks and opportunities for its business associated with climate change, the Group was driving low-carbon transformation of its business on an ongoing basis to seize opportunities for development and further enhance its climate resilience and competence in sustainable development. In recognition of its outstanding ESG performance, the Group received 5 honours during the year under review, including the third "Global Excellence ESG Award (2022–2023)" from Yazhou Zhoukan, "EcoChallenger" Certificate in the BOCHK Corporate Low-Carbon Environmental Leadership Awards 2023 jointly organised by the Federation of Hong Kong Industries and Bank of China (Hong Kong), and 3 awards under the Outstanding ESG Enterprises Recognition Scheme 2024 jointly presented by Sing Tao News Corporation and Hong Kong Polytechnic University, namely, the "Outstanding ESG Environmental Performance Award", "Outstanding ESG Corporate Governance Performance Award" and "ESG Commendation Certificate". For a detailed description of the ESG governance, strategies and risks, please refer to the 2024 sustainability report of the Company.

For the year ended 31 December 2024, the revenue of the Group decreased by 6% to approximately HK$6,976,892,000 from HK$7,416,973,000 for 2023. Earnings before interest, taxes, depreciation and amortisation ("EBITDA") decreased by 32% to approximately HK$994,147,000 compared to HK$1,453,509,000 for 2023. Loss attributable to equity shareholders of the Company for the year increased by 38% to approximately HK$415,382,000 from loss attributable to equity shareholders of the Company of approximately HK$301,711,000 for 2023. Basic loss per share for 2024 was HK20.10 cents, HK5.50 cents more compared to basic loss per share of HK14.60 cents for 2023. The Group was backed by ready access to various financing options and ample cash flow with sound financial indicators. As at the end of the year, cash and bank balances amounted to approximately HK$1,673,716,000 and total bank loan facilities amounted to HK$20,951,591,000, including unutilised bank loan facilities of HK$6,831,718,000. The aggregate amount of available cash and unutilised bank loan facilities was approximately HK$8,505,434,000.

During the year under review, the weaker-than-expected recovery of the domestic hazardous and solid waste treatment market, the keen competition in the industry, the continuous decline in unit treatment fee and certain projects continued to operate at a loss, causing impairment losses on intangible assets, property, plant and equipment, goodwill and right-of-use assets, resulting in an increase in loss attributable to equity shareholders of the Company.

The Group recorded impairment losses on intangible assets, property, plant and equipment, goodwill and right-of-use assets with the aggregate amount of HK$1.175 billion for the year ended 31 December 2024, as compared to impairment losses on intangible assets, property, plant and equipment and right-of-use assets with the aggregate amount of HK$656 million for the year ended 31 December 2023.

In May 2024, the Company completed the issuance of the 2024 first tranche of green medium-term note in the PRC, namely the "China Everbright Greentech Limited 2024 First Tranche Green Medium-term Note" (the "2024 First Tranche Green Medium-term Note") for a principal amount of RMB1 billion with a maturity period of 3+2 years at a coupon rate of 2.34% per annum for the initial three interest-bearing years. The proceeds from issuance of the 2024 First Tranche Green Medium-term Note will be used for the repayment of the Group's interest-bearing debts, replenishment of the Group's working capital and/or investment in and construction of the Group's environmental protection projects and for other business development purposes.

In July 2024, the Company completed the issuance of the 2024 second tranche of medium-term note in the PRC, namely the "China Everbright Greentech Limited 2024 Second Tranche Medium-term Note" (the "2024 Second Tranche Medium-term Note") for a principal amount of RMB1 billion with a maturity period of 5 years at a coupon rate of 2.24% per annum. The proceeds from issuance of the 2024 Second Tranche Medium-term Note will be used for the repayment of the Group's interest-bearing debts, replenishment of the Group's working capital and/or investment in and construction of the Group's environmental protection projects and for other business development purposes.

In September 2024, the Company completed the issuance of the 2024 third tranche of medium-term note in the PRC, namely the "China Everbright Greentech Limited 2024 Third Tranche Medium-term Note" (the "2024 Third Tranche Medium-term Note) for an issuance amount of RMB1 billion. The issuance term was 3+N years, which shall remain valid indefinitely until being redeemed by the Company pursuant to the issuance terms, and shall mature upon redemption by the Company in accordance with the issuance terms. The fixed coupon rate for the initial three interest-bearing years was 2.43% per annum. The coupon rate shall be reset on the date of expiry of the initial three interest-bearing years, and then on the date falling every three years after such date (each a "Coupon Rate Reset Date"). The Company has the right to redeem the 2024 Third Tranche Medium-term Note at face value (including all deferred coupons and the yield thereof (if any)) on the first Coupon Rate Reset Date or on relevant interest payment date thereafter. The proceeds from issuance of the 2024 Third Tranche Medium-term Note will be used for the repayment of the Group's interest-bearing debts, replenishment of the Group's working capital and/or investment in and construction of the Group's environmental protection projects and for other business development purposes. Upon completion of the issuance of the 2024 Third Tranche Medium-term Note, the Company's application for registration to the National Association of Financial Market Institutional Investors ("NAFMII") in April 2023 for the registration of the multiple types of debt financing instruments ("DFI") with a registered principal amount of not more than RMB5 billion has been fully utilised.

In December 2024, the Company received the notice of registration acceptance issued by the NAFMII in respect of the Company's application for registration and proposed issuance of multiple types of DFI with a registered principal amount of not more than RMB8 billion in the national inter-bank bond market in the PRC, and such registered principal amount shall be valid for 2 years from the date of the notice of registration acceptance, being 19 December 2024. The targeted subscribers for the DFI are institutional investors in the national inter-bank bond market. The DFI are traded in the national inter-bank bond market.

SUBSEQUENT EVENTS

In January 2025, Everbright Greentech Management (Shenzhen) Company Limited*, a wholly-owned subsidiary of the Group, as the vendor and original interest owner, entered into an underlying asset sale and purchase agreement with Shanghai AXA SPDB Assets Management Co., Ltd., as the purchaser and the manager of the asset-backed securities program, and transferred the underlying assets to the asset-backed securities program managed by Shanghai AXA SPDB Assets Management Co., Ltd. in exchange for the related consideration of such transfer. The first tranche of asset-backed securities program, i.e. the first tranche of carbon neutral green asset-backed securities program of subsidy funds for tariff premium of renewable energy of Everbright Greentech (the "First Tranche of ABS Program"), was established on 24 January 2025, and issued the first tranche of the asset-backed securities, i.e. the asset-backed securities of the first tranche of carbon neutral green asset-backed securities program of subsidy funds for tariff premium of renewable energy of Everbright Greentech (the "First Tranche of ABS"), to qualified institutional investors in the PRC. The First Tranche of ABS are classified into priority and subordinated tranches, with the issue size of the priority asset-backed securities amounting to RMB630 million at a coupon rate of 1.79% and the issue size of the subordinated asset-backed securities amounting to RMB23 million. The proceeds received from the issuance of the First Tranche of ABS will be used for, including but not limited to, replenishing the Group's working capital, repayment of interest-bearing loans, provision of loans to members of the Group, acquisition of fixed assets, investment in the Group's projects and/or other purposes as permitted under the applicable laws and regulations, provided that the final particulars and adjustments of the use of the proceeds (if any) shall be determined by the Company depending on the actual funding needs of the Group. Further details are set out in the announcement of the Company dated 22 November 2024 and the circular of the Company dated 24 December 2024, respectively.

* *For identification purpose only*

In February 2025, the Company completed the issuance of the 2025 first tranche of green medium-term notes in the PRC, namely the "China Everbright Greentech Limited 2025 First Tranche Green Medium-term Notes" (the "2025 First Tranche Green Medium-term Notes") for an issuance amount of RMB1 billion. The issuance term was 3+N years, which shall remain valid indefinitely until being redeemed by the Company pursuant to the issuance terms, and shall mature upon redemption by the Company in accordance with the issuance terms. The fixed coupon rate for the initial three interest-bearing years was 2.39% per annum. The coupon rate shall be reset on the date of expiry of the initial three interest-bearing years, and then on the date falling every three years after such date. The Company has the right to redeem the 2025 First Tranche Green Medium-term Notes at face value (including all deferred coupons and the yield thereof (if any)) on the first Coupon Rate Reset Date or on relevant interest payment date thereafter. The proceeds from issuance of the 2025 First Tranche Green Medium-term Notes will be used for the repayment of the Group's interest-bearing debts, replenishment of the Group's working capital and/or investment in and construction of the Group's environmental protection projects and for other business development purposes. Upon completion of the issuance of the 2025 First Tranche Green Medium-term Notes, the registered principal amount of the remaining unissued DFI of the Company is RMB7 billion.

BUSINESS REVIEW AND PROSPECT

Business Review

During the year under review, revenue generated from integrated biomass utilisation, hazardous and solid waste treatment, environmental remediation and solar energy and wind power segments amounted to approximately HK$6,976,892,000 in aggregate, comprising approximately HK$230,749,000 from construction services, representing a 65% decrease compared to HK$660,645,000 for 2023, and approximately HK$6,417,415,000 from operation services, which was broadly unchanged compared to HK$6,412,714,000 for 2023. Analysed by nature of revenue, construction services, operation services and finance income accounted for 3%, 92% and 5%, 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 2024 are summarised as follows:

	2024					2023				
	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	**230,749**	**—**	**—**	**—**	**230,749**	618,405	42,240	—	—	660,645
— operation services	**4,926,861**	**1,136,263**	**151,109**	**203,182**	**6,417,415**	4,826,455	1,132,949	243,364	209,946	6,412,714
— finance income	**324,767**	**3,961**	**—**	**—**	**328,728**	338,697	4,917	—	—	343,614
	5,482,377	**1,140,224**	**151,109**	**203,182**	**6,976,892**	5,783,557	1,180,106	243,364	209,946	7,416,973
EBITDA/(LBITDA)	**1,917,577**	**(1,119,106)**	**25,030**	**178,811**	**1,002,312**	1,858,233	(428,162)	29,960	188,338	1,648,369

To reserve more capital to capture opportunities and meet the challenges ahead, the Board does not recommend a final dividend for the year ended 31 December 2024 (2023: Nil) to the shareholders of the Company (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 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 unique advantage of the Group's urban-rural integration model enables it to significantly lower the operating costs of projects and enhance the Group's competitiveness in the industry.

The comprehensive biomass raw material supply regime has safeguarded sufficient fuel supply for and stable operation of the integrated biomass utilisation projects, while the Group has also effectively curbed fuel cost by adhering to the strategy of integrating localisation of fuel supply with regional deployment. Through the combined effect of technological optimisation and delicacy management, the Group's integrated biomass utilisation projects sustained long cycles of stable operation, resulting in substantial enhancement in operational standards and economic efficiency of the projects.

As of 31 December 2024, the Group had a total of 56 integrated biomass utilisation projects, distributed variously in 10 provinces in China, which were mainly located in Anhui Province, Jiangsu Province, Shandong Province, Hubei Province and Henan Province, etc. Such projects commanded a total investment of approximately RMB17.29 billion and provided an aggregate power generation designed capacity of 1,069 MW, an aggregate annual biomass processing designed capacity of approximately 8,209,800 tonnes, and a daily aggregate household waste processing designed capacity of approximately 11,610 tonnes.

During the year under review, the Group operated and completed 54 integrated biomass utilisation projects, generating approximately 6,350,623 MWh of on-grid electricity, representing an increase of 3% over 2023; the volume of steam supplied was approximately 3,180,613 tonnes, representing an increase of 32% compared to 2023; and processed approximately 7,686,013 tonnes of biomass raw materials and approximately 4,155,530 tonnes of household waste, representing decrease of 2% and increase of 8% over 2023 respectively. As of 31 December 2024, the Group had 1 integrated biomass utilisation project under construction, with an annual biomass processing designed capacity of approximately 50,000 tonnes and an estimated annum steam production capacity of 657,000 tonnes.

During the year under review, the Group's integrated biomass utilisation projects contributed EBITDA of approximately HK$1,917,577,000, representing an increase of 3% compared to 2023. The integrated biomass utilisation projects contributed net profit of approximately HK$1,139,583,000, representing an increase of 14% compared to 2023. The increase in profit despite a decrease in profits from projects under construction as a result of the decrease in projects under construction during the year compared to 2023 was mainly attributable to a series of measures taken by the Group to optimise the fuel procurement and transportation solutions to reduce costs, as well as to vigorously develop heat-users to contribute profit to the operation services.

Major operating and financial data of the integrated biomass utilisation segment for 2024 are summarised as follows:

	2024	2023
Integrated biomass utilisation projects		
On-grid electricity *(MWh)*	**6,350,623**	6,155,349
Biomass raw materials processing volume *(tonnes)*	**7,686,013**	7,845,389
Household waste processing volume *(tonnes)*	**4,155,530**	3,836,284
Volume of steam supplied *(tonnes)*	**3,180,613**	2,406,237
EBITDA *(HK$'000)*	**1,917,577**	1,858,233
Segment net profit *(HK$'000)*	**1,139,583**	997,636

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 44 out of 46 categories of hazardous wastes listed in the National Catalog of Hazardous Wastes. During the year under review, the Group 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 2024, the Group had a total of 51 hazardous and solid waste treatment projects, distributed variously in 8 provinces and autonomous regions in China, which were mainly located in Jiangsu Province, Shandong Province, Anhui Province, Hubei Province, Zhejiang Province, etc. Such projects commanded a total investment of approximately RMB11.658 billion and an aggregate annual processing designed capacity of approximately 2,466,000 tonnes.

During the year under review, the Group had 43 hazardous and solid waste treatment projects that were in operation or completed construction. For detoxification treatment, approximately 453,748 tonnes of hazardous and solid waste were treated in total, representing an increase of 26% compared to 2023. For integrated resource utilisation, 45,234 tonnes of hazardous and solid waste were treated, representing a decrease of 49% compared to 2023, and approximately 11,670 tonnes of recycled products were sold, representing a decrease of 46% compared to 2023. There were 3 hazardous and solid waste treatment projects under construction with an aggregate annual hazardous waste processing designed capacity of approximately 226,500 tonnes.

During the year under review, the Group's hazardous and solid waste treatment projects recorded loss before interest, taxes, depreciation and amortisation ("LBITDA") of approximately HK$1,119,106,000, representing an increase of 161% compared to 2023. Hazardous and solid waste treatment projects recorded net loss of approximately HK$1,281,556,000, representing a 70% increase in loss compared to 2023. The increase in loss was mainly due to the weaker-than-expected recovery of the domestic hazardous and solid waste treatment market, the keen competition in the industry, the continuous decline in unit treatment fee and certain projects continued to operate at a loss, resulting in impairment losses on intangible assets, property, plant and equipment, goodwill, and right-of-use assets. In the face of the severe market environment, the Group increased the volume of waste processed during the year through technological reforms and management enhancement, resulting in a significant reduction in unit cost, however, the cost reduction is insufficient to offset the impact of the continuous decline in unit prices. In addition, there was no profit contribution from construction projects during the year under review.

Major operating and financial data of the hazardous and solid waste treatment segment for 2024 are summarised as follows:

	2024	2023
Hazardous and solid waste treatment projects		
Hazardous and solid waste processing volume *(tonnes)*		
— Detoxification treatment	**453,748**	360,922
— Integrated resource utilisation	**45,234**	87,890
Sales volume of recycled products *(tonnes)*	**11,670**	21,436
On-grid electricity *(MWh)*	**30,618**	22,069
Volume of steam supplied *(tonnes)*	**828,107**	677,272
LBITDA *(HK$'000)*	**(1,119,106)**	(428,162)
Segment net loss *(HK$'000)*	**(1,281,556)**	(752,752)

Environmental remediation

The Group's environmental remediation business covers mainly the restoration of industrial contaminated sites, restoration of contaminated farmland, ecological restoration 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 2024, the Group held the following accreditations: First-grade Professional Contracting Qualification for Environmental Protection Projects, Second-Grade General Contractor for Municipal Public Works, Second-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, Qualification for Installation (Repair and Testing) of Power Facilities (Fourth Class), Environmental Pollution Control License (Class B) (contaminated water body remediation) in Jiangsu Province, General Contractor for Environmental Pollution Control License (First Class) (remediation of contaminated sites) in Jiangsu Province and General Contractor for Environmental Pollution Control License (Second Class) (contaminated water body remediation) in Jiangsu Province. It had also obtained an "AAA" corporate credit rating given by a credit rating agency, as well as ISO9001, OHSAS45001 and ISO14001 management system accreditations.

As of 31 December 2024, the Group had 17 environmental remediation projects under implementation, which were mainly located in Jiangsu Province, Anhui Province, Zhejiang Province, Guangdong Province and Yunnan Province respectively, with a total contract amount of approximately RMB689 million.

During the year under review, the Group's environmental remediation projects contributed EBITDA of approximately HK$25,030,000, representing a decrease of 16% compared to 2023. Environmental remediation projects contributed net profit of approximately HK$6,922,000, representing a decrease of 27% compared to 2023. The decrease in profit was mainly attributable to the slowdown in investment in the ecological and environmental governance industry and intensified market competition as a result of multiple factors such as the macro-economic environment, industrial policies and local fiscal revenues and expenditures. The Company strengthened the comprehensive screening of traditional business projects by considering factors such as project funding sources, payment progress, project profitability, bidder credibility and business environment. As a result, the undertakings and execution of traditional business declined as compared to 2023. However, through cost-reduction and efficiency-improvement measures such as intensifying efforts to collect accounts receivable, the net operating cash flow has been significantly improved.

Major financial data of the environmental remediation segment for 2024 are summarised as follows:

	2024	2023
Environmental remediation projects		
EBITDA *(HK$'000)*	**25,030**	29,960
Segment net profit *(HK$'000)*	**6,922**	9,473

Solar energy and wind power

Apart from the County-wide Advancement Solar Project in Feng County, as of 31 December 2024, the Group has 30 operating and completed solar energy projects, 1 distributed energy storage project and 2 wind power projects in operation distributed in Jiangsu Province, Anhui Province, Guangdong Province, Shanxi Province, Hong Kong and Germany, respectively, involving a total investment of approximately RMB1.757 billion and providing an aggregate power generation designed capacity of 214.66 MW. In addition, there are 3 zero-carbon industrial park projects currently under preparation, mainly distributed in Jiangsu Province with a total investment of approximately RMB147 million and an aggregate power generation designed capacity of 37.46 MW. The Group is responsible for building, managing and operating these projects.

As at 31 December 2024, the Group's County-wide Solar Energy Advancement Project in Feng County included 18 subsidiary projects with a total investment of approximately RMB191 million and an aggregate power generation designed capacity of 48.61 MW, of which 9 projects with an aggregate power generation designed capacity of 27.88 MW were in operation and 9 projects with an aggregate power generation designed capacity of 20.73 MW were under preparation.

During the year under review, the Group's solar energy and wind power projects sold approximately 294,590 MWh of electricity, representing a decrease of 1% compared to 2023. The projects contributed EBITDA of approximately HK$178,811,000, representing a decrease of 5% compared to 2023. Solar energy and wind power projects contributed net profit of approximately HK$73,266,000, representing a decrease of 9% compared to 2023. This was mainly attributable to the decrease in power generation as compared to last year as a result of ice-covered and low-temperature shutdowns of fans and decrease in wind resources for wind power projects as compared to the same period last year during the year under review, while solar energy projects experienced an increase in power generation compared to the previous year due to the operation of new projects within the year.

Major operating and financial data of the solar energy and wind power segment for 2024 are summarised as follows:

	2024	2023
Solar energy and wind power projects		
On-grid electricity *(MWh)*	**294,590**	296,845
EBITDA *(HK$'000)*	**178,811**	188,338
Segment net profit *(HK$'000)*	**73,266**	80,315

Business prospects

In 2025, whilst challenges for the global economy will remain with conflicting interests coming to the fore, the Chinese government will persist in the overall working principle of seeking progress in stability, implementing more proactive macro-economic policies and driving integration of technological innovation and industrial innovation to stabilise expectations and facilitate ongoing resurgence of the economy, with a view to completing goals and missions under the "14th FYP" with high quality and laying a solid foundation for the commencement of the "15th FYP".

In retrospect of 2024, social and economic order was returning to normal in a steady manner, whilst low-carbon green transformation was noticeably gaining pace. Guided by the principle of green development, China was steadily advancing in the development of its economy and ecological civilisation with remarkable results. The promulgation of the Opinion on Generally Advancing the Building of the Beautiful China, a policy for the guidance of developments in the ecological sector, by the State Council marked a significant step in the expedited formation of a new setup for the Beautiful China where qualitative development would be achieved in the context of a superior ecological environment, as it called for coordinated efforts in industry mix adjustments, pollution treatment, ecological protection, response to climate change, and procuring synergistic growth in carbon reduction, pollution reduction and green development. The Opinion on Expediting General Green Transformation in Economic and Social Development issued in August 2024 called for incorporation of the requirement for green transformation into all economic and social development plans, which is set to give rise to new opportunities for development and bring about new demands and niches in the market. Green productivity driven by innovations in low-carbon green technologies is poised for robust growth. The Guiding Opinion for Robust Implementation of Renewable Energy Substitution issued in October 2024 suggested that all industries should comprehensively upgrade their capabilities in renewable energy supply. As such, there will be new opportunities for development for the biomass and new energy sectors.

Industrial upgrade and innovative development represent important measures in the Group's effort to achieve sustainability. In particular, they have become ever more pressing tasks given the combined effect of multiple difficulties such as the withdrawal of national tariff subsidies, volatilities in the macro-economic environment and various sources of capital flocking into the environmental sector etc. The Group will establish itself in the integrated biomass utilisation business with precision. While coordinating delicacy operation of the biomass and waste-to-energy projects within its business system, it will develop with meticulous effort a comprehensive technology R&D regime for business transformation with two principal directions in the core technology R&D: first of all, to focus on the high-value recycling of biomass wastes, covering the 5 major segments of sugar, gas, fertiliser, heat and carbon; secondly, to also focus on the "clean energy" sector with a special emphasis on the R&D of "Zero-carbon Industrial Park + Virtual Power Plant" and "Power Trade" platform that match with market needs. The confirmation of these two principal directions will further cement the solid technological foundation of the Group's business transformation and is also expected to further optimise asset allocation, accelerating the layout of asset-light businesses. The Company will actively seize opportunities for development in the industry, with the implementation of new market development plans and expansion of new markets, in order to facilitate ongoing improvements in the Company's operating results.

In relation to hazardous and solid waste business, the Group will prudently assess the market to make dynamic adjustments to its operational strategies in a timely manner according to changes in market conditions, advancing "maximum cost reduction" with intensive effort while further optimising project management to capitalise on existing resources to the greatest extent. In the meantime, the Group will further enhance the market synergies among its existing hazardous and solid waste projects and identify potential customer resources in the hazardous and solid waste market to the fullest extent. The Group will actively investigate recycling projects with low market risks as part of its business transformation, coordinating ash recycling within its business system to drive large-scale expansion of the ash recycling business, whilst enhancing the ability of the hazardous and solid waste business to withstand market changes in an effort to stem business decline and regain stability.

As the flagship for "clean energy" business under China Everbright Environment Group Limited (the controlling shareholder of the Company, "CEEGL"), the Group actively fulfills its social responsibility in vigorous response to the national strategic objective of "Dual Carbon", driving low-carbon green development to contribute to the nation's sustainability. On top of fortifying the strengths of its existing integrated biomass utilisation business, the Group will step up with efforts to drive asset-light businesses, such as green power trade, environmental remediation engineering and ecological green products, through technological innovation to achieve a development pattern in its green environmental business underpinned by asset-light as well as asset-intensive operations. Year 2025 will be a time of planning for the "15th FYP", while it also marks the beginning of the Group's Second-Stage Entrepreneurship. The Group will resolutely fulfill CEEGL's development strategy of attaining dominance and excellence in "clean energy" as its principal business in ongoing adherence to the corporate vision of "Create Better Investment Value and Undertake More Social Responsibility" to foster core competitive strengths with focused efforts. Given the nation's emphasis on and increasing support for the "Dual Carbon", it is believed that the Group will be embracing broader prospects for development and well-positioned to make more contributions towards the building of the Beautiful China with the Everbright power.

FINANCIAL REVIEW

Financial position

As at 31 December 2024, the Group's total assets amounted to approximately HK$36,331,601,000 (31 December 2023: HK$39,757,424,000) with net assets amounting to approximately HK$11,662,300,000 (31 December 2023: HK$12,356,339,000). Net asset value per share attributable to equity shareholders of the Company was HK$4.65, a decrease of 15% as compared to HK$5.46 per share as at the end of 2023. As at 31 December 2024, the gearing ratio (total liabilities over total assets) of the Group was 67.90%, a decrease of 1.02 percentage points as compared to that of 68.92% as at the end of 2023. The current ratio of the Group was 125.40%, an increase of 13.50 percentage points as compared to that of 111.90% as at the end of 2023.

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 issuance of medium-term notes and bank loans. As at 31 December 2024, the Group had cash and bank balances of approximately HK$1,673,716,000, a decrease of approximately HK$705,067,000 as compared to HK$2,378,783,000 at the end of 2023. 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 2024, the Group had outstanding borrowings of approximately HK$21,000,152,000, a decrease of approximately HK$2,131,608,000 as compared to HK$23,131,760,000 as at the end of 2023. The borrowings included secured interest-bearing borrowings of approximately HK$8,234,803,000 (31 December 2023: HK$9,119,715,000) and unsecured interest-bearing borrowings of approximately HK$12,765,349,000 (31 December 2023: HK$14,012,045,000). The borrowings of the Group were denominated in Renminbi and Hong Kong dollars, representing 93% and 7% of the total respectively. The majority of the Group's borrowings were subject to floating rates. As at 31 December 2024, the Group had banking facilities of approximately HK$20,951,591,000 (31 December 2023: HK$24,910,746,000), of which approximately HK$6,831,718,000 (31 December 2023: HK$6,884,254,000) was unutilised. The tenor of banking facilities ranged from 1 year to 18 years.

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, intangible assets and receivables in connection with the Group's service concession arrangements, bank deposits, property, plant and equipment, right-of-use assets and equity interest of a subsidiary. As at 31 December 2024, the aggregate net book value of assets pledged amounted to approximately HK$17,920,001,000 (31 December 2023: HK$17,239,332,000).

Commitments

As at 31 December 2024, the Group had purchase commitments of approximately HK$50,834,000 (31 December 2023: HK$108,723,000) under the construction contracts and capital commitments relating to capital injection in a joint venture of approximately HK$26,760,000 (31 December 2023: HK$27,195,000).

Contingent liabilities

As at 31 December 2024, the Group did not have any contingent liabilities (31 December 2023: 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

The Group deeply understands that talent is the core driving force behind enterprise development. Therefore, the Group implements its talent strategy through two channels, namely "external recruitment" and "internal cultivation", constantly strengthening the construction of its talent team. By disseminating corporate culture, the Group embeds core business philosophies into the hearts of its employees, ensuring that they share the same mindset and goals as the Group. This approach has enabled the Group to build a talent team that "Embracing Rules, Taking Bold Responsibility, and Pursuing Dreams", achieving the dual enhancement of personal and corporate value.

As of 31 December 2024, the Group had an aggregate of approximately 3,400 employees in Hong Kong and Mainland China. Total staff cost for the year ended 31 December 2024 was HK$691,749,000 (31 December 2023: HK$664,774,000). 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 staff with other benefits such as medical insurance and mandatory provident fund.

PRINCIPAL RISKS AND UNCERTAINTIES

Under the macro environment of the global economic downturn, the business market environment becomes more and more complicated and volatile. Robust and effective risk management is increasingly important for the Company to achieve its strategic objectives, performance growth and sustainable development. On the back of the Company's risk management regime comprising the risk management organisation, risk management systems and risk management processes, the Group has set out clearly its mission and objectives in risk management and a reasonable risk appetite subject to ongoing review and optimisation. Based on the above, the Group has adopted a comprehensive and systematic risk management methodology of "top-down coordination and vertical-horizontal linkage", not only integrated risk management into the Company's existing business operation and management procedures but also focused on safeguarding the realisation of the Company's strategic and operational objectives. During the year under review, the Group revised the Risk Factors Checklist on the basis of assessment results and determined the "key management and control risks" to perform risk management with key control risks as the core focus in line with its consistent emphasis on the effectiveness of risk management. On the back of a comprehensive internal control and risk management regime, the Group highlighted the forward-looking qualities and effectiveness of risk control with more attention on details. Consolidated analyses of risk events were conducted on an ongoing basis to ensure legal compliance of the operations of the Group's subsidiaries and prevent the occurrence of systematic risks. In the course of risk identification and assessment, the Company based on the sections and areas in which uncertainties could have an adverse impact on the accomplishment of its goals, the relevant risks were categorised according to the classification of the Company's internal functions. Feasible and effective risk mitigation measures were implemented by improving the internal environment, enhancing the dissemination of information and conducting specific inspections, among others, to address material risks which had been identified and evaluated. Meanwhile, the effectiveness of risk control was assessed on a regular basis and deficiencies were rectified in a timely manner. Key risks associated with the development of the Group's environmental protection business during the year under review included trade receivables, strategic transformation and market competition, policy changes, environmental compliance and safety management, human resources, cost control and production capacity management, meanwhile, special attention was also paid to the risks associated with climate change, corruption and fraud, cybersecurity and AI. The Group has incorporated ESG risks into the Company's risk management regime, and relevant details were allocated to major risk categories to facilitate risk control based on the sections and areas in which the accomplishment of corporate goals could be affected. The Company places ongoing focus on global climate change, in particular contingency plans and reasonable response measures to address risks which might result from extreme weather, actively participates in the national policies and implementation measures for "carbon reduction" and "carbon peak", and making advanced arrangements and response measures catering to higher mandatory emission standards for enterprises that might be announced by the nation. Staff development was facilitated by creating job opportunities and incorporating the concepts of inclusivity and equality in the Staff Handbook and human resources management policy. In conjunction with the Company's business, it was sought to increase the income of local farmers through the purchase and secondary processing of straws, thereby facilitating rural revitalisation in genuine fulfilment of the Company's social responsibility. For details of the impact of climate change on the Company, please refer to the section headed "Addressing Climate Change" in the 2024 sustainability report of the Company, which will be uploaded to the respective websites of Hong Kong Exchanges and Clearing Limited ("HKEx") and the Company by the end of April. During the year under review, the Group optimised its risk rating and criteria for assessing audit results and exercised effective control over material risks. Details of the Group's key risks will be discussed in the 2024 annual report of the Company.

ENVIRONMENTAL AND SOCIAL MANAGEMENT

The Group has continued to make improvements to its environment, safety, occupational health and social responsibility (ESHS) management system, driving ongoing upgrades externally as well as internal management of environment, safety and occupational health, among others, and improving systematic, regulated and delicacy management to maximise control over relevant risks and eliminate management deficiencies.

In 2024, the Group focused on the objective of "safe production and compliant emission" as it persisted in the principles of "control at source, preemptive prevention and systematic treatment". In connection with safety management, the work was focused on risk management and implemented on the basis of leadership abilities in safety matters and safety culture through initiatives for improving competence as well as supervision and inspection work. The standard of inherent safety has been improved with the benefit of protective measures facilitated by new technologies and augmented "digital-intelligent" engineering technology. Regarding environmental management, national and local directives, policies, laws, regulations and standards pertinent to environmental protection have been acquired and implemented in a timely manner, while ongoing efforts have been made to enhance process supervision and preemptive warning and procure rigorous implementation of responsibilities and measures.

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 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, Sewage Discharge Permit Management Regulations, the Standard for Pollution Control on the Municipal Solid Waste Incineration (GB18485–2014), Directive 2010/75/EU and its relevant Annexes/Amendments, the Standard for Pollution Control on Hazardous Waste Landfills (GB18598–2019), the Standard for Pollution Control on Hazardous Waste Storage (GB18597–2023) and the Standard for Pollution Control on Hazardous Waste Incineration (GB18484–2020), among others. No breach of the said laws and regulations and environmental protection standards resulting in significant loss for and impact to the Group was recorded in 2024.

FINAL DIVIDEND

The Board does not propose the payment of a final dividend for the year ended 31 December 2024 (2023: Nil). Together with the interim dividend of HK1.4 cents (2023: HK2.5 cents) per ordinary share paid in October 2024, the total distribution of dividend by the Company for the year of 2024 will be HK1.4 cents (2023: HK2.5 cents) per ordinary share.

ANNUAL GENERAL MEETING

The annual general meeting of the Company (the "AGM") is expected to be held at Drawing Room, Mezzanine Floor, Grand Hyatt Hong Kong, 1 Harbour Road, Wan Chai, Hong Kong on Thursday, 8 May 2025 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 "Listing Rules").

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the Shareholders who are entitled to attend and vote at the AGM expected to be held on Thursday, 8 May 2025, the register of members of the Company will be closed on Wednesday, 30 April 2025 to Thursday, 8 May 2025, 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 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong expected not later than 4:30 p.m. on Tuesday, 29 April 2025.

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 C3 to the Listing Rules as its code of conduct for securities transactions of the Company 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 creating long term value for all relevant stakeholders by enhancing the corporate value, accountability and transparency of the Group.

The Group has constantly reinforced its internal control, risk prevention and management, corporate governance through a set of rules and regulations. The Group strives to inculcate the corporate governance, risk management and sustainable development concept into the Company's operation and business for cultivating the strong backup to the breakthrough development of the Company's business.

The Group understands that corporate governance and ESG performance is a good reflection of the management capability of a company, including its performance in dealing with environmental and social risks or impacts. Good corporate governance is not only a prerequisite for the effective management of ESG issues, but also provides the cornerstone needed to manage environmental and social risks, so as to ensure that accountability is undertaken and fulfilled seriously by the senior management of a company. The Board will pragmatically promote the business strategy and objectives to achieve business transformation, thereby driving improvements in operational standards and development quality, and is committed to creating long-term sustainable growth for Shareholders and delivering long-term value to all stakeholders.

The Corporate Governance Code (the "CG Code") set out in Appendix C1 to the Listing Rules has been adopted by the Board as the guidelines of corporate governance practices of the Company. The Company has complied with all the applicable code provisions set out in Part 2 of the CG Code during the year of 2024, except for the following deviation with the reason explained below:

Code Provision F.2.2 of Part 2 of the CG Code stipulates that the chairman of the board should attend the annual general meeting. Mr. HUANG Haiqing, the then Chairman of the Board, was unable to attend the annual general meeting held on 14 May 2024 (the "2024 AGM") due to his other business engagement. Mr. ZHU Fugang, the Executive Director and Chief Executive Officer, was appointed to chair the 2024 AGM.

BOARD COMMITTEES

The Board holds meetings on a regular basis. The Board has established 3 Board committees, namely Audit and Risk Management Committee, Nomination Committee and Remuneration Committee.

The Audit and Risk Management Committee has reviewed the annual results and annual report of the Group for the year ended 31 December 2024 and reports issued by internal audit department and risk management and legal compliance department of the Company.

The Company also established the Sustainability Committee with specific written terms of reference. There are 3 working groups under the Sustainability Committee: operation management group, employment and investment group, and compliance and risk group. The 3 working groups comprise of different departments, are responsible for the development and implementation of the Company's ESG related work respectively. The departments and their respective responsibilities included in each working group have been set out in written form.

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 2024 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
ZHU Fugang
Chief Executive Officer

Hong Kong, 18 March 2025

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

Mr. WANG Silian *(Chairman, Non-executive Director)*
Mr. ZHU Fugang *(Chief Executive Officer, Executive Director)*
Mr. WANG Dianer *(Vice President, Executive Director)*
Mr. HUANG Chaoxiong *(Executive Director)*
Mr. SONG Jian *(Non-executive Director)*
Ms. MAO Jing *(Non-executive Director)*
Mr. CHOW Siu Lui *(Independent Non-executive Director)*
Prof. YAN Houmin *(Independent Non-executive Director)*
Mr. LI Huaqiang *(Independent Non-executive Director)*