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CHINA EVERBRIGHT GREENTECH LIMITED

中國光大綠色環保有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1257)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

FINANCIAL HIGHLIGHTS

- Revenue decreased by 3% to HK\$3,400,122,000 (2024: HK\$3,505,577,000)
- Earnings before interest, taxation, depreciation and amortisation (“EBITDA”) decreased by 11% to HK\$974,366,000 (2024: HK\$1,100,415,000)
- Profit attributable to equity shareholders of the Company increased by 33% to HK\$190,791,000 (2024: HK\$143,925,000)
- Interim dividend of HK2.8 cents per share (2024: HK1.4 cents per share)

INTERIM FINANCIAL RESULTS

The board (the “Board”) of directors (the “Directors”) of China Everbright Greentech Limited (the “Company”) announces the unaudited interim financial results of the Company and its subsidiaries (collectively the “Group”) for the six months ended 30 June 2025. The interim financial results are unaudited, but have been reviewed by KPMG, in accordance with Hong Kong Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”, issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), whose independent review report is included in the interim report to be sent to the shareholders of the Company (the “Shareholders”). The interim financial results have also been reviewed by the Audit and Risk Management Committee of the Company.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2025

		For the six months ended 30 June	
		2025	2024
		(Unaudited)	(Unaudited)
		HK\$'000	HK\$'000
Notes			
REVENUE	4	3,400,122	3,505,577
Direct costs and operating expenses		<u>(2,543,344)</u>	<u>(2,824,475)</u>
GROSS PROFIT		856,778	681,102
Other revenue		208,605	161,295
Other (losses)/gains, net		(25,490)	25
Impairment losses of goodwill and property, plant and equipment		(178,379)	–
Administrative expenses		(316,569)	(222,428)
Finance costs	5	(294,302)	(410,491)
Share of losses of associates		(6,223)	(2,769)
Share of profits of joint ventures		<u>9</u>	<u>353</u>
PROFIT BEFORE TAX	6	244,429	207,087
Income tax	7	<u>(80,570)</u>	<u>(70,369)</u>
PROFIT FOR THE PERIOD		<u>163,859</u>	<u>136,718</u>
ATTRIBUTABLE TO:			
Equity shareholders of the Company		190,791	143,925
Holders of perpetual medium-term notes		21,174	2,113
Non-controlling interests		<u>(48,106)</u>	<u>(9,320)</u>
		<u>163,859</u>	<u>136,718</u>
EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY	9		
Basic and diluted		<u>HK9.23 cents</u>	<u>HK6.97 cents</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2025

	For the six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
PROFIT FOR THE PERIOD	163,859	136,718
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	(48,046)	160,775
Exchange differences on translation of foreign operations, net of nil tax	336,716	(159,132)
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	288,670	1,643
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	452,529	138,361
ATTRIBUTABLE TO:		
Equity shareholders of the Company	468,284	146,567
Holders of perpetual medium-term notes	21,174	2,113
Non-controlling interests	(36,929)	(10,319)
	452,529	138,361

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2025

		30 June 2025 (Unaudited) <i>Notes</i> HK\$'000	31 December 2024 (Audited) <i>HK\$'000</i>
NON-CURRENT ASSETS			
Property, plant and equipment		4,013,228	4,113,959
Right-of-use assets		420,372	418,482
Goodwill		–	65,681
Intangible assets		11,645,842	11,636,066
Interests in joint ventures		32,407	32,191
Interests in associates		223,909	225,590
Other receivables, deposits and prepayments	<i>10</i>	319,587	348,537
Contract assets	<i>11</i>	6,135,361	6,114,112
Deferred tax assets		490,134	460,248
		<hr/>	<hr/>
Total non-current assets		23,280,840	23,414,866
CURRENT ASSETS			
Inventories		355,343	377,812
Debtors, other receivables, deposits and prepayments	<i>10</i>	7,145,987	6,984,231
Contract assets	<i>11</i>	4,346,731	3,878,841
Tax recoverable		576	2,135
Pledged bank deposits		28,717	13,981
Deposits with banks		24,811	24,084
Cash and cash equivalents		2,556,964	1,635,651
		<hr/>	<hr/>
Total current assets		14,459,129	12,916,735

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(continued)*

At 30 June 2025

		30 June 2025 (Unaudited) <i>HK\$'000</i>	31 December 2024 (Audited) <i>HK\$'000</i>
	<i>Notes</i>		
CURRENT LIABILITIES			
Creditors, other payables and accrued expenses	12	2,190,254	2,497,415
Interest-bearing bank and other borrowings		8,901,427	7,718,360
Lease liabilities		4,576	2,890
Tax payables		84,488	79,363
Total current liabilities		11,180,745	10,298,028
NET CURRENT ASSETS		3,278,384	2,618,707
TOTAL ASSETS LESS CURRENT LIABILITIES		26,559,224	26,033,573
NON-CURRENT LIABILITIES			
Other payables and accrued expenses	12	240,667	218,893
Interest-bearing bank and other borrowings		13,012,198	13,281,792
Lease liabilities		17,744	18,894
Deferred tax liabilities		851,170	851,694
Total non-current liabilities		14,121,779	14,371,273
NET ASSETS		12,437,445	11,662,300
EQUITY			
Share capital		1,608,029	1,608,029
Reserves		8,534,796	8,001,810
Total equity attributable to equity shareholders of the Company		10,142,825	9,609,839
Perpetual medium-term notes		2,179,788	1,900,700
Non-controlling interests		114,832	151,761
TOTAL EQUITY		12,437,445	11,662,300

NOTES

1. BASIS OF PREPARATION

The unaudited interim financial report of the Group for the six months ended 30 June 2025 has been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 *Interim Financial Reporting* issued by the HKICPA and the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

The accounting policies adopted in the preparation of the unaudited interim financial report are consistent with those adopted in the preparation of the Group’s annual financial statements for the year ended 31 December 2024, except for the accounting policy changes that are expected to be reflected in the annual financial statements for the year ending 31 December 2025, as further detailed in note 2 below.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the annual financial statements for the year ended 31 December 2024. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with HKFRS Accounting Standards (“HKFRSs”).

2. CHANGES IN ACCOUNTING POLICIES

The Group has applied the amendments to HKAS 21, *The effects of changes in foreign exchange rates – Lack of exchangeability* issued by the HKICPA to this interim financial report for the current accounting period. The amendments do not have a material impact on this interim report as the Group has not entered into any foreign currency transactions in which the foreign currency is not exchangeable into another currency.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3. OPERATING SEGMENT INFORMATION

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

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

3. OPERATING SEGMENT INFORMATION *(continued)*

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

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

Segment assets include all tangible assets, intangible assets, goodwill, interests in associates and joint ventures, deferred tax assets and current assets with the exception of intercompany receivables and other corporate assets 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 reporting segment result is "adjusted earnings before interest, taxes, depreciation and amortisation (non-GAAP measure)" (the "Adjusted EBITDA"). To arrive at the Adjusted EBITDA, the Group's earnings are further excluded for items not specifically attributed to individual segments, such as directors' and auditors' remuneration and other head office or corporate administration costs.

In addition to 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, (reversal)/recognition of credit losses of debtors and contact assets, impairment losses of goodwill and property, plant and equipment 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 period is set out below:

	Integrated biomass utilisation project construction and operation For the six months ended 30 June		Hazardous and solid waste treatment project construction and operation For the six months ended 30 June		Environmental remediation project operation For the six months ended 30 June		Solar energy and wind power project operation For the six months ended 30 June		Total For the six months ended 30 June	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	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	2,711,473	2,780,873	515,235	564,358	72,680	63,026	100,734	97,320	3,400,122	3,505,577
Segment results:										
Reportable segment result (the Adjusted EBITDA/ (Loss before interest, taxation, depreciation and amortisation ("LBITDA")))	1,021,719	888,872	26,738	109,247	(59,052)	8,201	86,761	88,401	1,076,166	1,094,721
Finance costs									(294,302)	(410,491)
Depreciation and amortisation, including unallocated portion									(435,635)	(482,837)
Unallocated head office and corporate income									24,353	11,897
Unallocated head office and corporate expenses									(126,153)	(6,203)
Consolidated profit before tax									244,429	207,087
Other segment information:										
Depreciation and amortisation (Reversal)/recognition of credit losses of debtors and contract assets	227,073	231,116	157,477	203,839	8,157	8,277	39,467	36,726	432,174	479,958
Impairment losses of goodwill and property, plant and equipment	46,063	–	(35,141)	–	36	–	2,042	–	13,000	–
Additions to property, plant and equipment, right-of-use assets, intangible assets and non-current portion of prepayments	–	–	112,563	–	65,816	–	–	–	178,379	–
Additions to non-current portion of contract assets	79,318	179,489	54,252	137,939	7	4,703	110,231	44,778	243,808	366,909
	162,063	193,672	1,960	1,981	–	–	–	–	164,023	195,653
	Integrated biomass utilisation project construction and operation 30 June 31 December		Hazardous and solid waste treatment project construction and operation 30 June 31 December		Environmental remediation project operation 30 June 31 December		Solar energy and wind power project operation 30 June 31 December		Total 30 June 31 December	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Reportable segment assets	27,146,714	26,491,004	6,447,862	6,548,363	624,314	627,175	1,408,163	1,310,221	35,627,053	34,976,763
Unallocated head office and corporate assets									2,112,916	1,354,838
Consolidated total assets									37,739,969	36,331,601
Reportable segment liabilities	9,424,211	9,642,235	4,355,901	4,514,491	424,400	385,679	403,175	346,879	14,607,687	14,889,284
Unallocated head office and corporate liabilities									10,694,837	9,780,017
Consolidated total liabilities									25,302,524	24,669,301

3. OPERATING SEGMENT INFORMATION *(continued)*

(ii) Information about major customers

For the six months ended 30 June 2025, the Group has transactions with two (six months ended 30 June 2024: one) local government authorities in the People's Republic of China ("PRC" or "China") which individually exceeded 10% of the Group's revenue. The revenue from the PRC local government authorities during the six months ended 30 June 2025 amounted to HK\$1,261,485,000 (six months ended 30 June 2024: HK\$892,286,000).

4. REVENUE

An analysis of revenue is as follows:

	For the six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Revenue from integrated biomass utilisation project construction services	46,488	178,507
Revenue from integrated biomass utilisation project operation services	2,502,922	2,436,265
Revenue from hazardous and solid waste treatment project operation services	513,275	562,378
Revenue from environmental remediation project operation services	72,680	63,026
Revenue from solar energy and wind power project operation services	100,734	97,320
Revenue from contracts with customers	3,236,099	3,337,496
Finance income from service concession arrangements	164,023	168,081
Total revenue	3,400,122	3,505,577

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\$2,489,873,000 (six months ended 30 June 2024: HK\$2,419,064,000) for the six months ended 30 June 2025. The revenues are included in four segments as disclosed in note 3.

5. FINANCE COSTS

An analysis of finance costs is as follows:

	For the six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Interest on bank and other borrowings	186,021	334,442
Interest on lease liabilities	282	473
Interest on medium-term notes	88,954	78,172
Asset-backed securities arrangement fee	19,307	–
	<hr/>	<hr/>
Finance costs incurred	294,564	413,087
Less: Interest capitalised*	(262)	(2,596)
	<hr/>	<hr/>
Total	294,302	410,491
	<hr/>	<hr/>

* The borrowing costs have been capitalised at a rate ranging from 2.13% to 3.50% (six months ended 30 June 2024: 2.65% to 4.48%) per annum during the six months ended 30 June 2025.

6. PROFIT BEFORE TAX

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

	For the six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Amortisation of intangible assets	291,759	317,678
Depreciation of property, plant and equipment	131,558	153,787
Depreciation of right-of-use assets	12,318	11,372
Interest income	(5,087)	(13,813)
Government grants*	(9,140)	(8,904)
Value-added tax refunds**	(150,010)	(106,251)
Lease payments not included in the measurement of lease liabilities	3,865	4,168
Cost of inventories consumed	1,186,532	1,336,409
Credit losses of debtors and contract assets	13,000	–
Impairment losses of goodwill and property, plant and equipment***	178,379	–
Foreign exchange differences, net	80,129	(4,338)
Employee benefit expense		
Wages and salaries	255,251	330,993
Pension scheme contributions	38,992	20,897
	294,243	351,890

* Government grants of HK\$4,131,000 (six months ended 30 June 2024: HK\$4,826,000) were granted during the six months ended 30 June 2025 to subsidise certain projects of the Group in the PRC. There were no unfulfilled conditions and other contingencies attached to those grants. There is no assurance that the Group will continue to receive such grants in the future. The remaining amounts represent amortisation of deferred income.

** The Group was entitled to PRC value-added tax refunds of HK\$150,010,000 (six months ended 30 June 2024: HK\$106,251,000) during the six months ended 30 June 2025. There were no unfulfilled conditions and other contingencies attached to such tax refunds. There is no assurance that the Group will continue to receive such tax refunds in the future.

*** During the six months ended 30 June 2025, a full impairment loss of HK\$65,816,000 in respect of the goodwill of Everbright Ecological Remediation (Jiangsu) Limited was recognised in the Group's profit or loss as a result of the poor operating performance and challenging market conditions. In addition, certain hazardous and solid waste treatment projects ceased operations, impairment loss on property, plant and equipment of HK\$112,563,000 was recognised in the Group's profit or loss.

During the six months ended 30 June 2025, a 51% non-wholly owned subsidiary of the Group ceased operations. As a result, an impairment loss of HK\$85,326,000 on property, plant and equipment was recognised (which amount is also included in the impairment loss disclosed in the above paragraph). Following the cessation, the Group is in the process of obtaining the necessary approvals to initiate formal liquidation procedures. Upon completion of these procedures, the subsidiary's remaining assets and liabilities, including the bank borrowings, will be dealt with and realised in accordance with applicable laws and regulations.

7. INCOME TAX

No provision for Hong Kong Profits Tax has been made as the Group did not generate any assessable profits arising in Hong Kong for the six months ended 30 June 2025 and 2024.

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 period, certain PRC subsidiaries are subject to tax concessions under the relevant tax rules and regulations.

	For the six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Current – Elsewhere:		
Charge for the period	100,758	66,004
Under/(over)-provision in prior periods	2,675	(442)
Deferred	(22,863)	4,807
Total tax expense for the period	80,570	70,369

In 2021, the Organisation for Economic Co-operation and Development published the Global Anti-Base Erosion Model Rules for a new global minimum tax reform applicable to large multinational enterprises. In 2024 the Hong Kong SAR Government amended the Inland Revenue Ordinance to introduce a domestic minimum top-up tax which are take effect from the year ended 31 December 2025. Certain other jurisdictions in which the Group operates are already implemented or will implementing their Pillar Two income tax legislation. Based on the management assessment, there is no material current tax exposure to the Group.

8. DIVIDENDS

On 15 August 2025 the board of directors declared an interim dividend of HK2.8 cents (six months ended 30 June 2024: HK1.4 cents) per ordinary share, amounting to a total of approximately HK\$57,850,000 (six months ended 30 June 2024: HK\$28,925,000).

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

The calculation of basic earnings per share amount is based on the profit for the period attributable to equity shareholders of the Company of HK\$190,791,000 (six months ended 30 June 2024: HK\$143,925,000), and the weighted average number of ordinary shares of 2,066,078,000 (six months ended 30 June 2024: 2,066,078,000) shares during the period.

No adjustment has been made to the basic earnings per share amounts presented for the six months ended 30 June 2025 and 2024 in the calculation of diluted earnings per share as there were no potential dilutive ordinary shares during the six months ended 30 June 2025 and 2024.

10. DEBTORS, OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

		30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
	Notes		
Debtors, net of loss allowances	(i)	6,663,649	6,458,757
Other receivables, deposits and prepayments		781,229	852,386
Amounts due from fellow subsidiaries		3,357	3,838
Amounts due from joint ventures		17,339	17,787
		<u>7,465,574</u>	<u>7,332,768</u>
Less: Non-current portion		(319,587)	(348,537)
– Other receivables, deposits and prepayments		<u>(319,587)</u>	<u>(348,537)</u>
Current portion		<u>7,145,987</u>	<u>6,984,231</u>

Notes:

- (i) 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:

	30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
Within 1 month	548,607	569,029
More than 1 month but within 2 months	191,632	175,773
More than 2 months but within 4 months	353,859	338,905
More than 4 months but within 7 months	393,670	371,544
More than 7 months but within 13 months	667,099	681,164
More than 13 months	4,508,782	4,322,342
	<u>6,663,649</u>	<u>6,458,757</u>

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

As at 30 June 2025, the carrying amounts (net of loss allowance) of debtors at amortised cost and at fair value through other comprehensive income of HK\$1,556,420,000 (31 December 2024: HK\$1,725,677,000) and HK\$5,107,229,000 (31 December 2024: HK\$4,733,080,000), respectively.

10. DEBTORS, OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (continued)

Notes: (continued)

(i) (continued)

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

	30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
At the beginning of the year	196,776	171,616
Recognition of credit losses, net	6,721	28,599
Exchange realignment	4,187	(3,439)
	<u>207,684</u>	<u>196,776</u>
At end of period/year	<u>207,684</u>	<u>196,776</u>

11. CONTRACT ASSETS

	Notes	30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
Service concession assets	(a)	6,525,979	6,494,201
Unbilled renewable energy tariff subsidy	(b)	3,530,348	3,106,104
Environmental remediation contract assets	(c)	442,695	402,969
		<u>10,499,022</u>	<u>10,003,274</u>
Impairment		(16,930)	(10,321)
		<u>10,482,092</u>	<u>9,992,953</u>
Less: Non-current portion			
– Service concession assets		(5,980,092)	(5,961,984)
– Environmental remediation contract assets		(155,269)	(152,128)
		<u>(6,135,361)</u>	<u>(6,114,112)</u>
Current portion		<u>4,346,731</u>	<u>3,878,841</u>
Contract assets arising from performance under construction contracts in connection with service concession arrangements, which are included in “Intangible assets”		<u>69,084</u>	<u>98,888</u>

11. CONTRACT ASSETS *(continued)*

Notes:

(a) Service concession assets

Service concession assets arose from the Group's revenue from construction services under certain Build-Operate-Transfer ("BOT") and Build-Operate-Own ("BOO") arrangements and bear interest at rates ranging from 4.65% to 6.60% (31 December 2024: 4.65% to 6.60%) per annum as at 30 June 2025.

As at 30 June 2025, HK\$6,517,740,000 (31 December 2024: HK\$6,391,974,000) relates to certain BOT and BOO arrangements with operations commenced.

Pursuant to the BOT and BOO arrangements, the Group receives no payment from the local government 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 are expected to be recovered within one year.

(b) Unbilled renewable energy tariff subsidy

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 People's Republic of China.

(c) Environmental remediation contract assets

The balance arose from performance under environmental remediation contracts. Such contracts include payment schedules which require stage payments over the service periods once milestones are reached.

12. CREDITORS, OTHER PAYABLES AND ACCRUED EXPENSES

		30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
	Notes		
Creditors			
– third parties	(i)	1,112,755	1,310,870
– fellow subsidiaries	(i)	40,840	21,841
Other payables and accrued expenses		1,060,140	1,187,301
Amounts due to fellow subsidiaries	(ii)	15,962	15,646
Amounts due to joint ventures		–	47
Amounts due to associates	(iii)	2,134	3,369
Amount due to a non-controlling interest	(iv)	5,181	3,136
Loans from non-controlling interests	(v)	6,150	6,150
Deferred income – government grants		187,759	167,948
		<u>2,430,921</u>	<u>2,716,308</u>
Less: Non-current portion			
– Deferred income			
– government grants		(123,142)	(102,076)
– Other payables and accrued expenses		<u>(117,525)</u>	<u>(116,817)</u>
		<u>(240,667)</u>	<u>(218,893)</u>
Current portion		<u><u>2,190,254</u></u>	<u><u>2,497,415</u></u>

12. CREDITORS, OTHER PAYABLES AND ACCRUED EXPENSES *(continued)*

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:

	30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
Within 6 months	796,595	929,998
More than 6 months	357,000	402,713
	<u>1,153,595</u>	<u>1,332,711</u>

Creditors totalling HK\$377,817,000 (31 December 2024: HK\$454,189,000) as at 30 June 2025 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.

- (ii) The amounts due to fellow subsidiaries are unsecured, interest-free and repayable on demand.
- (iii) The amounts due to associates are unsecured, interest-free and repayable on demand.
- (iv) The amount due to a non-controlling interest is unsecured, interest-free and repayable within one year.
- (v) Loans from non-controlling interests are unsecured, interest-free and repayable on demand.

MANAGEMENT DISCUSSION AND ANALYSIS

OPERATING RESULTS

In the first half of 2025, the international economic and trade order was dealt a heavy blow with increased instability and uncertainty. Amidst such a complex environment, China persisted in the overall working principle of seeking progress in stability, as the nation made coordinated efforts to tackle domestic economic work and international economic and trade rivalry. Macroeconomic policies were implemented in a concerted manner as the economy showed signs of positive development, continuously boosting public confidence. New drivers of growth are strengthening, and new progress in qualitative development was achieved. In the presence of opportunities as well as challenges, the Group resolutely implemented the national policy and planning of deepening the “Dual Carbon” strategy and the decision-making and deployment in promoting the construction of ecological civilisation. The right solutions were identified and operational coordination was enhanced as the Group integrated the good experiences, good practices and innovative approaches of its “First-stage Entrepreneurship” to overcome critical problems against various risks. Deeply engaged in the new pattern of green and low-carbon development, the Company was advancing in full gear in its transformation towards a technology-driven environmental protection enterprise to open a new chapter in its development.

At present, the national direction for development underpinned by “new-quality productivity” is posing a more stringent requirement for the environmental protection industry: innovation-driven renovation and upgrade of traditional businesses and technology-empowered high-value resource recycling. As such, the environmental protection industry is welcoming historical opportunities for development. On the back of its principal business in environmental protection, the Group firmly seized the new opportunities presented by the industrial upgrade by internally optimising the operating efficiency of its existing projects and exploring the integrated model of “environmental protection + clean energy” on the external front, as a range of cost control and efficiency enhancement measures were effectively implemented, whilst novel business demonstration projects were also carried out at an accelerated pace in proactive response to the new trend of green industry development. For the first half of the year, the Group reported stable growth in its operating results in a position of consistent positive development underpinned by outstanding quality and efficiency.

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 30 June 2025, the Group had 142 environmental protection projects with a total investment of approximately RMB30.650 billion and had undertaken 70 asset-light projects such as environmental remediation in aggregate with a total contract amount of approximately RMB1.855 billion.

In terms of market development, the Group was advancing with full force in its new journey of “Second-stage Entrepreneurship” in line with its core development strategy focused on “Technologisation, Internationalisation, and Ecological Model”. On the basis of its principal business in “clean energy”, the Group sought to enhance the coordinated development of its traditional advantage business and the novel business demonstration, with a consistent focus on clean energy projects targeted at “zero-carbon industrial park”, such as biomass-based heat supply, distributed solar energy, user-end energy storage and virtual power plant, as well as asset-light projects primarily represented by “ecological restoration of waste landfills”. Meanwhile, the Group was also making vigorous efforts to drive the implementation of demonstration projects for high-value biomass recycling. During the period under review, the volume of the Group’s heat supply increased by 520,000 tonnes per annum, whilst its first bio-natural gas project provided a new bio-natural gas production capacity of 10 million tonnes per annum. The environmental remediation contracts amount increased by approximately RMB128 million, while the electricity sales business signed up contracts for the supply of approximately 750 million kWh for the year. As at 30 June 2025, the Group’s solar energy projects, located primarily in Jiangsu Province, Hong Kong and Germany, had a total installed capacity of 176.12 MW. There were a total of 13 solar energy projects in Hong Kong with an aggregate power generation designed installed capacity of 3.60 MW. The Group’s wind power projects, located primarily in Shanxi Province, offered a total installed capacity of 96 MW.

In firm adherence to technological innovation as the core engine for development with a special focus on the research and development of frontier technologies, the Group was driving qualitative development of the industry in close tandem with the national “Dual Carbon” strategy and high-value biomass recycling policy. The Group’s business deployment was focused on key areas such as bio-natural gas, biomass-based gasified heat supply, biomass-based green methanol production, biomass-based sugar production, efficient and clean combustion for biomass boiler, and “virtual power plant + zero-carbon industrial park”, as the Group continued to build core technological barriers and an industry ecosystem. With a strong emphasis on cooperation among the industry, academia and research institutions, the Group was engaged in active collaboration with universities and research institutes such as Chinese Academy of Sciences, through which a natural gas technology based on efficient biomass anaerobic fermentation was developed and the first bio-natural gas project was implemented, featuring a pioneering commercial model of point-to-point bio-natural gas supply. In the meantime, the Group’s bundled straw gasification technology was successfully put to commercial application in Xuyi, Jiangsu Province, whereby a persistent problem in the industry was solved with the enhancement of heat supply efficiency drawing on core advantages such as the non-requirement of raw material pre-processing, strong moisture adaptability and ample gasified combustion. The application of the key technology of ultra-low fume emission of water-cooled vibrating grate biomass boiler was promoted within the Group after sound results had been obtained from test runs. Meanwhile, the building of the “virtual power plant and power trade auxiliary decision-making platform” based on AI computing techniques was carried out in association with Alibaba Cloud, and 136 electricity users were signed up. As at 30 June 2025, the Group held 128 authorised patents, including 58 invention patents and 70 utility model patents, and 5 software copyrights.

During the period under review, the Group continued to reinforce its ability to implement refined operational management capabilities, as it consistently sought to increase revenue and reduce expenses in an intensive effort to identify potential from within. In connection with integrated biomass utilisation, the Group actively explored the heat supply market and continued to expand channels for green certificate trading. Moreover, the Group further explored local resources for biomass fuel and enhanced control over fuel quality to achieve optimisation in both fuel quality and procurement cost. In connection with hazardous and solid waste treatment, the Group adopted an operation management strategy with dual emphasis on quality and efficiency enhancement as well as asset optimisation to counter austere market conditions. Through implementation of measures such as organisational optimisation and empowering, the “One Enterprise, One Policy” initiative, maximum production cost reduction and dedicated team operation on the disposal of inefficient and ineffective assets, the risk management capability of operating projects has been strengthened, thereby driving more efficient allocation resources and improvements in overall operational quality. The Group was also actively driving centralised digital maintenance and control over zero-carbon solar energy projects. As at 30 June 2025, centralised maintenance and management was implemented at 7 centralised solar energy stations and 72 distributed solar energy stations in ongoing enhancement of efficiency in solar energy maintenance. During the period under review, the Group was focused on the dual prevention mechanism comprising tiered safety risk control and hazard inspection and treatment, as it strengthened supervision and inspection with enhanced third-party control, emphasising preemptive prevention in its model for production safety governance to ensure safe production and compliance in emission standards.

Amidst the complex and volatile external environment, the Group has incorporated comprehensive risk management into the Company’s development strategy, with a view to addressing challenges presented by political and economic changes in the international scene as well as domestic transformation in a systematic manner with enhanced strategic resilience. The Group lowered various uncertainties and the adverse impact on its own strategic planning and operational goals to the maximum extent by constructing an efficient risk management regime. During the period under review, the Group amended its Risk Factors Checklist on the basis of risk assessment results and determined the scope of “key management and control risks” as the core basis on which risk management tasks were performed in further enhancement of the effectiveness of its risk management. Consolidated analyses of risk events were conducted on an ongoing basis to ensure legal compliance of the operations of the subsidiaries and effectively prevent the occurrence of systematic risks. During the period under review, the Group optimized its connected transaction management system by improving the mechanism for monitoring the caps of continuing connected transactions and establishing a monthly board of directors’ reporting mechanism. At the same time, the Group strengthened its corporate governance, and comprehensively enhanced the management and finance team’s understanding of listing regulatory rules and compliance awareness through systematic compliance training on connected transactions.

In the meantime, environmental, social and governance (“ESG”) related risks remained a matter of high priority for the Group, which was incorporated into its comprehensive risk management regime as a key subject for management and control, with a view to enhancing the Company’s sustainability. During the period under review, the Group continued to deepen the management of climate-related risks, and enhance corporate sustainability. The work of the Task Force on Climate-related Financial Disclosures (“TCFD”) was further advanced, as the impact of climate-related risks and opportunities on the Group’s business operations were specified through scenario analysis and the identification, evaluation and prioritisation of climate-related risks was completed, the impact of the evaluation on business operations was identified, providing a basis for future distribution of risk management resources. A TCFD work group comprising officers from the headquarters, business management centres and project companies was also formed. Specialised training was provided by external experts and a sound control mechanism and indicator regime was established to assess the financial impact of climate-related physical risks on a quantitative basis and provide instructions for improving operational efficiency, in a genuine effort to enhance control over climate risks at all levels.

During the period under review, in recognition of its outstanding performance in ESG matters, the Group has won a number of accolades, including: the “2025 ESG Model Enterprise Award” in the 4th International Green Zero-Carbon Festival, the “Annual Partner” award presented by Plan International for the fourth time, and elevations in the latest ESG ratings provided respectively by Wind and Sino-Securities Index, two leading authoritative agencies.

In connection with social responsibility, the Group continued to fulfill its responsibility to open its environmental protection facilities to the public, as 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 in an ongoing effort towards professional, systematic and comprehensive disclosure in the opening of environmental protection facilities to the public. During the period under review, the Group’s Rugao Biomass Power Generation Project was included by the Ministry of Ecology and Environment in the fifth batch of environmental protection facilities and municipal sewage and waste treatment facilities nationwide to be open to the public, making it the only agricultural and forestry biomass power generation project in Jiangsu Province to be included in such list. As at 30 June 2025, a total of 47 projects of the Company were officially opened to the public and 79 offline open-to-the-public activities were held, receiving a total of 1,635 visitors.

During the period under review, the Group's revenue was approximately HK\$3,400,122,000, decreasing by 3% as compared to HK\$3,505,577,000 for the same period last year. EBITDA was approximately HK\$974,366,000, decreasing by 11% as compared to HK\$1,100,415,000 for the same period last year. Profit attributable to equity shareholders of the Company was approximately HK\$190,791,000, increasing by 33% as compared to HK\$143,925,000 for the same period last year. Basic earnings per share for the first half of 2025 was HK9.23 cents, HK2.26 cents more than HK6.97 cents for the same period last year. The Group was backed by readily access to various financing options and ample cash flow and reported sound financial indicators across the board. Cash and bank balances as at 30 June 2025 amounted to approximately HK\$2,610,492,000. The total amount of bank loan facilities was HK\$21,086,353,000, of which HK\$7,081,449,000 was unutilised. Available cash and unutilised bank loan facilities amounted to approximately HK\$9,691,941,000 in aggregate.

During the period under review, the decrease in revenue was mainly attributable to the decrease in revenue from construction services. In connection with the operation service, 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 price and certain projects continued to operate at a loss, causing disposal and retirement of assets for some of the projects which continued to be loss-making during the period. The increase in profit attributable to equity shareholders of the Company benefited from intensive cost-reduction initiatives during the period, which achieved a reduction in operating costs.

In January 2025, Everbright Greentech Management (Shenzhen) Company Limited*, a wholly-owned subsidiary of the Company, 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 (the "ABS") program (the "ABS Program"), and transferred the underlying assets to the ABS Program managed by Shanghai AXA SPDB Assets Management Co., Ltd. in exchange for the related consideration of such transfer. The first tranche of ABS Program, i.e. the first tranche of carbon neutral green ABS Program of subsidy funds for tariff premium of renewable energy of Everbright Greentech (the "First Tranche of ABS"), was established on 24 January 2025, and issued 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 ABS amounting to RMB630 million at a coupon rate of 1.79% and the issue size of the subordinated ABS 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. 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.

In February 2025, the Company completed the issuance of the 2025 first tranche of green medium-term notes in the PRC (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 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 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.

In May 2025, the Company completed the issuance of the 2025 second tranche of green medium-term notes in the PRC (the “2025 Second Tranche Green Medium-term Notes”), with a principal amount of RMB1 billion for a term of 3+2 years at a coupon rate of 1.98% per annum. The proceeds from the issuance of the 2025 First Tranche Green Medium-term Notes and the 2025 Second Tranche Green Medium-term Notes will be used for 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 Second Tranche Green Medium-term Notes, the remaining unissued registered principal amount of the Company’s debt financing instruments was RMB6 billion.

BUSINESS REVIEW

During the period 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\$3,400,122,000 in aggregate, comprising approximately HK\$46,488,000 from construction services, representing a 74% decrease compared to HK\$178,507,000 for the same period last year, and approximately HK\$3,189,611,000 from operation services, representing a 1% increase compared to HK\$3,158,989,000 for the same period last year. Analysed by nature of revenue, construction services, operation services and finance income accounted for 1%, 94% 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 the first half of 2025 are summarised as follows:

	For the six months ended 30 June 2025					For the six months ended 30 June 2024				
	Integrated biomass utilisation projects HK\$'000	Hazardous and solid waste treatment projects HK\$'000	Environmental remediation projects HK\$'000	Solar energy and wind power projects HK\$'000	Total HK\$'000	Integrated biomass utilisation projects HK\$'000	Hazardous and solid waste treatment projects HK\$'000	Environmental remediation projects HK\$'000	Solar energy and wind power projects HK\$'000	Total HK\$'000
Revenue										
– construction services	46,488	–	–	–	46,488	178,507	–	–	–	178,507
– operation services	2,502,922	513,275	72,680	100,734	3,189,611	2,436,265	562,378	63,026	97,320	3,158,989
– finance income	162,063	1,960	–	–	164,023	166,101	1,980	–	–	168,081
	<u>2,711,473</u>	<u>515,235</u>	<u>72,680</u>	<u>100,734</u>	<u>3,400,122</u>	<u>2,780,873</u>	<u>564,358</u>	<u>63,026</u>	<u>97,320</u>	<u>3,505,577</u>
EBITDA/(LBITDA)	<u>1,021,719</u>	<u>26,738</u>	<u>(59,052)</u>	<u>86,761</u>	<u>1,076,166</u>	<u>888,872</u>	<u>109,247</u>	<u>8,201</u>	<u>88,401</u>	<u>1,094,721</u>

The Group remains dedicated to enhancing value for the Shareholders. To reward the Shareholders for their support while taking into account the Group's long-term sustainable development, the Board has declared an interim dividend of HK2.8 cents per share for the six months ended 30 June 2025 (2024: HK1.4 cents per share) to the Shareholders.

Integrated biomass utilisation

The Group mainly utilises biomass raw materials to generate both electricity and heat. Biomass raw materials are categorised into yellow culms and grey culms. Yellow culms consist 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 its 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 curbed fuel cost by acquiring biomass raw materials in nearby regions through regional coordination initiatives. Through the combined effect of technological optimisation and refined management capabilities, the Group's integrated biomass utilisation projects sustained long cycles of stable operation, resulting in significant enhancement in operational standards and economic efficiency of the projects.

As of 30 June 2025, the Group had a total of 57 integrated biomass utilisation projects, distributed variously in 10 provinces in China, which were mainly located in Anhui Province, Jiangsu Province, Sichuan Province, Hubei Province and Henan Province, etc. Such projects commanded a total investment of approximately RMB17.354 billion and provided an aggregate power generation designed capacity of 1,069 MW, an aggregate annual biomass processing designed capacity of approximately 8,259,800 tonnes, and a daily aggregate household waste processing designed capacity of approximately 11,610 tonnes.

During the period under review, the Group operated and completed 54 integrated biomass utilisation projects. There were a total of 2 integrated biomass utilisation projects under construction, with an annual biomass processing designed capacity of approximately 120,000 tonnes and an estimated annum steam production capacity of 917,000 tonnes. The Group's integrated biomass utilisation projects contributed EBITDA of approximately HK\$1,021,719,000, representing an increase of 15% compared to the same period last year. The integrated biomass utilisation projects contributed net profit of approximately HK\$625,587,000, representing an increase of 31% compared to the same period last year. The increase in profit was mainly attributable to the Group's continued focus on its core biomass business, with emphasis on the development of its heat supply business. Revenue from operation services increased year-on-year, while improved fuel quality coupled with reduced operating costs during the period led to remarkable results in the cost reduction and efficiency enhancement measures, ultimately achieving substantial increase in operating gross profit.

Major operating data of the integrated biomass utilisation segment for the first half of 2025 are summarised as follows:

	For the six months ended 30 June 2025	For the six months ended 30 June 2024	Percentage Change
Integrated biomass utilisation projects			
On-grid electricity (MWh)	3,265,205	3,176,136	3%
Biomass raw materials processing volume (tonnes)	3,742,000	3,883,000	-4%
Household waste processing volume (tonnes)	2,074,000	2,057,000	1%
Volume of steam supplied (tonnes)	1,773,000	1,328,000	34%

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 period 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 30 June 2025, the Group had a total of 48 hazardous and solid waste treatment projects, distributed variously in 6 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 RMB11.257 billion and an aggregate annual processing designed capacity of approximately 2,334,876 tonnes.

During the period under review, the Group operated and completed 43 hazardous and solid waste treatment projects. There were 2 hazardous and solid waste treatment projects under construction, with an aggregate annual hazardous waste processing designed capacity of 136,500 tonnes. The Group's hazardous and solid waste treatment projects contributed EBITDA of approximately HK\$26,738,000, representing a decrease of 76% compared to the same period last year. Hazardous and solid waste treatment projects recorded net loss of approximately HK\$175,082,000, representing a 28% increase in loss compared to the same period last year. The increase in loss was mainly attributable to the sluggish recovery of the domestic hazardous and solid waste treatment market, intensified competition in the industry, continued pressure on unit treatment price and certain projects continued to operate at a loss. The Group disposed inefficient and ineffective assets during the period under review, incurring impairment losses from the disposal and retirement of certain assets. Facing challenges from escalating industry competition and accelerating generational replacement of technologies, the Group explored the potential for cost reduction and efficiency enhancement, resulting in a significant year-on-year decrease in unit costs during the period under review. In addition, there was no profit from projects under construction during the period under review.

Major operating data of the hazardous and solid waste treatment segment for the first half of 2025 are summarised as follows:

	For the six months ended 30 June 2025	For the six months ended 30 June 2024	Percentage Change
Hazardous and solid waste treatment projects			
Hazardous and solid waste processing volume (tonnes)			
– Detoxification treatment	212,000	217,000	-2%
– Integrated resource utilisation	27,300	30,200	-10%
Sales volume of recycled products (tonnes)	7,300	6,500	12%
On-grid electricity (MWh)	13,039	14,023	-7%
Volume of steam supplied (tonnes)	403,000	379,000	6%

Environmental remediation

The Group's environmental remediation business covers mainly the ecological restoration of landfills, restoration of industrial contaminated sites, restoration of contaminated farmland, treatment of river and lake sediments, anti-seepage at landfill sites and new materials for eco-agricultural restoration.

In connection with qualifications, as of 30 June 2025, 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, 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 30 June 2025, the Group had 19 environmental remediation projects under implementation, which were mainly located in Jiangsu Province, Guangdong Province, Zhejiang Province, Anhui Province and Yunan Province, with a total contract amount of approximately RMB814 million.

During the period under review, the Group’s environmental remediation projects recorded LBITDA of approximately HK\$59,052,000, representing an increase in loss of 820% compared to the same period last year. Environmental remediation projects recorded net loss of approximately HK\$68,064,000, representing a 2,732% increase in loss compared to the same period last year. The increase in loss was mainly attributable to the weaker-than-expected recovery of the environmental remediation market, causing projects continued to operate at a loss and resulting in impairment losses of goodwill. However, during the period under review, the Group grasped policy opportunities by strengthening market layout and technological innovation, while actively expanding high-quality projects, achieving year-on-year growth in environmental remediation contract value.

Solar energy and wind power

As of 30 June 2025, the Group has 33 operating and completed solar energy projects and 2 wind power projects in operation distributed in Jiangsu Province, Anhui Province, Shanxi Province, Hong Kong and Germany, respectively, involving a total investment of approximately RMB1.896 billion and providing an aggregate power generation designed capacity of 246.66 MW. Among these, the County-wide Solar Energy Advancement Project in Feng County, Jiangsu Province included 9 subsidiary projects with a total investment of approximately RMB124 million and an aggregate power generation designed capacity of 27.88 MW, all of which have now been put into operation. The Group is responsible for building, managing and operating these projects and selling electricity generated to local power grid companies.

During the period under review, the Group's solar energy and wind power projects contributed EBITDA of approximately HK\$86,761,000, representing a decrease of 2% compared to the same period last year. Solar energy and wind power projects contributed net profit of approximately HK\$34,208,000, representing a decrease of 2% compared to the same period last year. This was mainly due to the decrease in on-grid electricity generation from wind power projects as a result of power curtailment issues in Shanxi Province and increased maintenance costs during the period under review.

Major operating data of the solar energy and wind power segment for the first half of 2025 are summarised as follows:

	For the six months ended 30 June 2025	For the six months ended 30 June 2024	Percentage Change
Solar energy and wind power projects			
On-grid electricity (MWh)	145,970	144,832	1%

BUSINESS PROSPECTS

At the start of 2025, the global economy was showing a trend of divided recovery amidst green transformation and the reshaping of the geopolitical landscape. The balance between energy security and low-carbon development has become a strategic focus for all countries given escalating external impact, while domestic economy was undergoing a critical period of structural adjustment, as the combined effect gave rise to a complicated backdrop for the full year. Given such conditions, the Group will continue to uphold its business principle of “seeking progress in stability and ensuring stability with pragmatism” and stay focused on its principal business, solidifying and deepening the effective successes the Group accomplished during the first half of the year which bolstered its corporate strengths and benefitted its long-term development to provide a solid foundation for the fulfillment of its tasks and goals in development for the full year.

Year 2025 marks the conclusion of the “14th Five Year Plan (“FYP”)”, as well as a critical year for achieving the deep integration of new-quality productivity and green development. The business of the treatment of the ecological environment has entered a new stage underpinned by “precision, intelligentisation and systematisation”, as stronger policy indications will emerge in the interim assessment and adjustment of the national “Dual Carbon” objective. The “Notice concerning Deeper Market-based Reform of On-grid Tariff for New Energy for the Promotion of Qualitative Development of New Energy” and “Notice on Matters pertaining to the Orderly Advancement of Direct Green Power Connection” jointly published by the National Development and Reform Commission (“NDRC”) and the National Energy Administration have proposed the comprehensive introduction of on-grid new energy electricity to the market by improving the spot market trade and price mechanism and perfecting the medium- to long-term market trade and price mechanism, as well as establishing a sustainable price settlement mechanism for new energy. However, the documents have also posed more rigorous requirements and challenges for the local consumption of new energy electricity and relevant business extension, as well as providing a unified institutional framework for direct green power connection at the national level, indicating that the breakthrough in government policy will present new opportunities for development to the biomass power generation business. The confirmation of “carbon emission per unit of energy consumption” as a core indicator in the “Notice concerning the Construction of Zero-carbon Industrial Parks” jointly published by 3 departments including the NDRC will further drive the shift in the energy mix for industrial parks and the green upgrade of industries, which suggests that zero-carbon industrial park could become an important economic growth pole in the strategic new industry. Doubly driven by government policies and the market mechanism, the emphasis of the environmental protection industry is shifting from “scale expansion” to “quality and efficiency”, as technical barriers and integrated servicing capabilities have become core competitive elements.

To address the change in the national policy for renewable energy tariff subsidy, the Group will be focused on building a dual-driven model underpinned by “strong foundation for the traditional business + breakthroughs in emerging fields” and facilitate deep integration of the innovation chain and the industry chain focused on the core direction of “heat and power cogeneration + green empowering”, in an effort to develop new-quality productivity in the green and low-carbon sector. The Group will actively step up with customer development in heat supply, expanding the regional coverage of its heat supply in a bid to increase heat supply revenue that would bolster cashflow and enhance its projects’ resilience against policy and market risks. In the meantime, the Group will drive the extension of its industry chain to value added segments, with a special emphasis on driving the implementation of biomass-based sugar production, biomass-based carbon production, biomass natural gas and other high-value recycling projects, with a view to breaking the monotonous profit model for a transformed and upgraded profit mix and enhancing its ability in delivering value and countering risks.

To address the challenge of escalating competition and accelerated generational replacement of technologies in the market for hazardous and solid waste treatment, the Group will deepen regional synergy and make intensive efforts in cost reduction and efficiency enhancement on the back of the scale advantage of its operating projects, whilst stepping up with the disposal of inefficient and ineffective assets. Meanwhile, the Group will seek to establish an integrated mechanism underpinned by “coordination at provincial level + business penetration at local level”, seeking to accurately identify premium customers and enhance marketing efficiency through the dual empowering effect of resource consolidation and regional penetration.

During the “15th FYP”, the Group will stay focused on its “clean energy” strategy, as it seeks to develop itself into a leading enterprise in the biomass energy sector of China to guide the sound and orderly development of the high-value biomass recycling industry. On the back of its existing biomass projects, the Group will continue to enhance its principal biomass business primarily supported by heat supply operations, as it endeavours to build an energy service network jointly driven by biomass conversion and heat supply and form a new business pattern of “green electricity + green gas + green hydrogen + green methanol” featuring diverse, complementary energy forms. In the future, the Group will anchor on the energy business and the dual carbon goal as it expedites the construction of key projects and increase value conversion with asset-light projects, whilst enhancing synergistic development of traditional advantage businesses and novel business segments. Through the innovation-driven approach and structural realignment, the Company’s qualitative development will be positively boosted in terms of resilience and vigour to provide solid support for business expansion.

In the future, with the solid backing of China Everbright Group Limited and strong support of the controlling shareholder of the Company, China Everbright Environment Group Limited, and leveraging on its experience in project operation and market development in the “clean energy” sector, the Group will enhance joint and synergistic operation with genuine efforts in close tandem with the nation’s green development strategy, maintaining its strategic focus as it accelerates industrial upgrade with consistent innovation and deepens implementation of the principle of “Technologisation, Internationalisation, and Ecological Model” in a strong endeavour to increase revenue and enhance efficiency whilst overcoming critical difficulties with intensive effort. Focused in its business pursuits and exuberant in its venture forward, the Group will embark on the new journey of “Second-stage Entrepreneurship” in full gear to fortify its strengths and foundation for a positive start to the “15th FYP”.

FINANCIAL REVIEW

Financial position

As at 30 June 2025, the Group's total assets amounted to approximately HK\$37,739,969,000 (31 December 2024: HK\$36,331,601,000) with net assets amounting to approximately HK\$12,437,445,000 (31 December 2024: HK\$11,662,300,000). Net asset value per share attributable to equity shareholders of the Company was HK\$4.91, representing an increase of 6% as compared to HK\$4.65 per share as at the end of 2024. As at 30 June 2025, the gearing ratio (total liabilities over total assets) of the Group was 67.04%, representing a decrease of 0.86 percentage point as compared to that of 67.90% as at the end of 2024. The stability in gearing ratio reflected mainly the benefit of the Company's adoption of a prudent investment strategy in view of economic uncertainties. The current ratio of the Group was 129.32%, representing an increase of 3.92 percentage points as compared to that of 125.40% as at the end of 2024.

Financial resources

The Group adopts a prudent approach to cash and financial management to ensure proper risk control and lower the costs of funds. It finances its operations primarily with proceeds from the issuance of medium-term notes, internally generated cash flow and bank loans. As at 30 June 2025, the Group had cash and bank balances of approximately HK\$2,610,492,000, representing an increase of approximately HK\$936,776,000 as compared to HK\$1,673,716,000 at the end of 2024. Most of the Group's cash and bank balances were denominated in Hong Kong dollars and Renminbi.

Indebtedness

The Group endeavours to develop a diverse range of financing options and increasing banking facilities to reserve funds for the development of its environmental protection business. As at 30 June 2025, the Group had outstanding borrowings of approximately HK\$21,913,625,000, representing an increase of approximately HK\$913,473,000 as compared to HK\$21,000,152,000 as at the end of 2024. The borrowings included secured interest-bearing borrowings of approximately HK\$8,100,365,000 (31 December 2024: HK\$8,234,803,000) and unsecured interest-bearing borrowings of approximately HK\$13,813,260,000 (31 December 2024: HK\$12,765,349,000). The borrowings of the Group were denominated in Renminbi and Hong Kong dollars, representing 98% and 2% of the total respectively. The proportions of fixed-rate loans and floating-rate loans of the Group are 52% and 48%, respectively. As at 30 June 2025, the Group had banking facilities of approximately HK\$21,086,353,000 (31 December 2024: HK\$20,951,591,000), of which approximately HK\$7,081,449,000 (31 December 2024: HK\$6,831,718,000) was unutilised. The tenor of banking facilities ranged from 1 year to 18 years.

At 30 June 2025 and 31 December 2024, the maturities of interest-bearing bank and other borrowings were as follows:

	At 30 June 2025 <i>HK\$ Million</i>	At 31 December 2024 <i>HK\$ Million</i>
Within one year	8,901	7,718
In the second year	4,702	4,787
In the third to fifth year	5,782	5,571
After the fifth year	2,529	2,924
	<u>21,914</u>	<u>21,000</u>

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 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 and other loans of the Group are 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 and right-of-use assets of the Group. As at 30 June 2025, the aggregate net book value of assets pledged amounted to approximately HK\$17,888,150,000 (31 December 2024: HK\$17,920,001,000).

Commitments

As at 30 June 2025, the Group had purchase commitments of approximately HK\$36,885,000 (31 December 2024: HK\$50,834,000) under the construction contracts and capital commitments relating to capital injection in joint ventures, associates and financial asset enterprises of HK\$45,558,000 (31 December 2024: HK\$26,760,000).

Contingent liabilities

As at 30 June 2025, the Group did not have any contingent liabilities (31 December 2024: 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

As at 30 June 2025, the Group had a total of more than 3,200 employees in Hong Kong and Mainland China. For the six months ended 30 June 2025, the total staff cost was approximately HK\$294,243,000 (30 June 2024: HK\$351,890,000). Employees are remunerated according to their qualifications, experiences, job nature and performance with reference to market conditions. In addition to discretionary performance bonuses, the Group also provides staff with continuous training and other benefits, such as medical insurance and the mandatory provident fund.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Group believes that maintaining sound and high standards of corporate governance is not only a key element in safeguarding the 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 control, and corporate governance through a set of rules and regulations.

The Board has adopted the Corporate Governance Code (the "CG Code") as set out in Appendix C1 of the Listing Rules as the code for corporate governance practices of the Company. The Company had complied with all the applicable code provisions set out in Part 2 of the CG Code during the six months ended 30 June 2025.

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 regarding Directors’ securities transactions. Having made specific enquiries with all Directors, the Company confirmed that all Directors have complied with the required standard set out in the Model Code during the period under review.

INTERIM DIVIDEND

To share the fruit of success with Shareholders, the Board has declared an interim dividend of HK2.8 cents per share for the six months ended 30 June 2025 (2024: HK1.4 cents per share) to Shareholders whose names appear on the Register of Members of the Company on Tuesday, 23 September 2025. The interim dividend payout ratio is 30.32% (2024: 20.1%) for the six months ended 30 June 2025. The interim dividend will be payable in cash on or around Tuesday, 14 October 2025.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from Friday, 19 September 2025 to Tuesday, 23 September 2025 (both days inclusive), during which no transfer of shares of the Company will be registered. In order to qualify for the interim dividend, all transfer documents and the relevant share certificates must be lodged with the Hong Kong Branch Share Registrar and Transfer Office of the Company, Tricor Investor Services Limited, at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong, not later than 4:30 p.m. on Thursday, 18 September 2025.

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

During the six months ended 30 June 2025, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

The interim results announcement of the Company for the six months ended 30 June 2025 is published on the websites of Hong Kong Exchanges and Clearing Limited (“HKEx”) (www.hkex.com.hk) and the Company (<http://www.ebgreentech.com/en/ir/announcements.php>). The 2025 interim report of the Company will be published on the websites of HKEx and the Company and despatched to the Shareholders who have elected to receive printed copies in due course.

By order of the Board
China Everbright Greentech Limited
ZHU Fugang
Executive Director and Chairman of the Board

Hong Kong, 15 August 2025

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

Mr. ZHU Fugang (*Chairman, Executive Director*)
Mr. LIANG Haidong (*Chief Executive Officer, Executive Director*)
Mr. HUANG Chaoxiong (*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*)

** For identification purpose only*