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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 2024**

##### **FINANCIAL HIGHLIGHTS**

- Revenue decreased by 8% to HK\$3,505,577,000 (2023: HK\$3,819,944,000)
- EBITDA decreased by 13% to HK\$1,100,415,000 (2023: HK\$1,263,506,000)
- Profit attributable to equity shareholders of the Company decreased by 45% to HK\$143,925,000 (2023: HK\$263,862,000)
- Interim dividend of HK1.4 cents per share (2023: HK2.5 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 2024. The interim financial results are unaudited, but have been reviewed by KPMG (“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 on review of interim financial information 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 Company’s Audit and Risk Management Committee.

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2024

|  |       | For the six months ended 30 June |                             |
|--|-------|----------------------------------|-----------------------------|
|  |       | 2024                             | 2023                        |
|  |       | (Unaudited)                      | (Unaudited)                 |
|  | Notes | HK\$'000                         | HK\$'000                    |
| <b>REVENUE</b>   | 4     | 3,505,577                        | 3,819,944                   |
| Direct costs and operating expenses  |       | <u>(2,824,475)</u>               | <u>(2,862,755)</u>          |
| <b>GROSS PROFIT</b>  |       | 681,102                          | 957,189                     |
| Other revenue  |       | 161,295                          | 130,205                     |
| Other gains/(losses), net  |       | 25                               | (6,723)                     |
| Administrative expenses  |       | (222,428)                        | (293,141)                   |
| Finance costs  | 5     | (410,491)                        | (398,256)                   |
| Share of losses of associates  |       | (2,769)                          | (7,211)                     |
| Share of profits of joint ventures   |       | 353                              | 338                         |
|  |       | <u>                    </u>      | <u>                    </u> |
| <b>PROFIT BEFORE TAX</b>   | 6     | 207,087                          | 382,401                     |
| Income tax   | 7     | <u>(70,369)</u>                  | <u>(111,228)</u>            |
|  |       | <u>                    </u>      | <u>                    </u> |
| <b>PROFIT FOR THE PERIOD</b>   |       | <u>136,718</u>                   | <u>271,173</u>              |
| <b>ATTRIBUTABLE TO:</b>  |       |                                  |                             |
| Equity shareholders of the Company   |       | 143,925                          | 263,862                     |
| Holder of perpetual medium-term notes  |       | 2,113                            | 12,943                      |
| Non-controlling interests  |       | <u>(9,320)</u>                   | <u>(5,632)</u>              |
|  |       | <u>                    </u>      | <u>                    </u> |
|  |       | <u>136,718</u>                   | <u>271,173</u>              |
| <b>EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY</b> |       |                                  |                             |
| Basic and diluted  | 9     | <u>HK6.97 cents</u>              | <u>HK12.77 cents</u>        |

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2024

|   | For the six months<br>ended 30 June |                  |
|---|-------------------------------------|------------------|
|   | 2024                                | 2023             |
|   | (Unaudited)                         | (Unaudited)      |
|   | HK\$'000                            | HK\$'000         |
| <b>PROFIT FOR THE PERIOD</b>  | <b>136,718</b>                      | <b>271,173</b>   |
| <b>OTHER COMPREHENSIVE INCOME</b>   |                                     |                  |
| 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 nil tax         | 160,775                             | (90,506)         |
| Exchange differences on translation of financial statements of entities outside Hong Kong, net of nil tax |                                     |                  |
| — Subsidiaries  | (156,704)                           | (288,738)        |
| — Associates  | (2,169)                             | (3,573)          |
| — Joint ventures  | (259)                               | (1,928)          |
| <b>OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX</b>  | <b>1,643</b>                        | <b>(384,745)</b> |
| <b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>  | <b>138,361</b>                      | <b>(113,572)</b> |
| <b>ATTRIBUTABLE TO:</b>   |                                     |                  |
| Equity shareholders of the Company  | 146,567                             | (117,051)        |
| Holder of perpetual medium-term notes   | 2,113                               | 12,943           |
| Non-controlling interests   | (10,319)                            | (9,464)          |
|   | <b>138,361</b>                      | <b>(113,572)</b> |

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2024

|  |              | 30 June<br>2024<br>(Unaudited)<br><i>HK\$'000</i> | 31 December<br>2023<br>(Audited)<br><i>HK\$'000</i> |
|--|--------------|---|---|
|  | <i>Notes</i> |   |   |
| <b>NON-CURRENT ASSETS</b>                            |              |   |   |
| Property, plant and equipment                        |              | 4,590,213   | 4,579,981   |
| Right-of-use assets                                  |              | 514,331   | 529,606   |
| Goodwill   |              | 129,438   | 130,651   |
| Intangible assets                                    |              | 12,542,005  | 12,820,119  |
| Interests in joint ventures                          |              | 32,000  | 31,906  |
| Interests in associates                              |              | 229,470   | 234,408   |
| Other receivables, deposits and prepayments          | <i>10</i>    | 406,396   | 391,012   |
| Contract assets                                      | <i>11</i>    | 6,231,088   | 6,357,849   |
| Deferred tax assets                                  |              | 202,108   | 198,495   |
| <b>Total non-current assets</b>                      |              | <b>24,877,049</b>                                 | <b>25,274,027</b>                                   |
| <b>CURRENT ASSETS</b>                                |              |   |   |
| Inventories  |              | 394,740   | 364,659   |
| Debtors, other receivables, deposits and prepayments | <i>10</i>    | 8,025,908   | 8,464,079   |
| Tax recoverable                                      |              | 383   | 5,373   |
| Contract assets                                      | <i>11</i>    | 3,552,316   | 3,270,503   |
| Pledged bank deposits                                |              | 32,102  | 47,361  |
| Deposits with banks                                  |              | 24,033  | 22,844  |
| Cash and cash equivalents                            |              | 1,984,880   | 2,308,578   |
| <b>Total current assets</b>                          |              | <b>14,014,362</b>                                 | <b>14,483,397</b>                                   |

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(continued)*

At 30 June 2024

|  |              | 30 June<br>2024<br>(Unaudited)<br><i>HK\$'000</i> | 31 December<br>2023<br>(Audited)<br><i>HK\$'000</i> |
|--|--------------|---|---|
|  | <i>Notes</i> |   |   |
| <b>CURRENT LIABILITIES</b>   |              |   |   |
| Creditors, other payables and accrued expenses                             | 12           | 2,312,750   | 2,655,805   |
| Interest-bearing bank and other borrowings                                 |              | 7,841,920   | 10,213,907  |
| Lease liabilities  |              | 3,881   | 4,080   |
| Tax payables   |              | 67,076  | 69,897  |
| <b>Total current liabilities</b>   |              | <u>10,225,627</u>                                 | <u>12,943,689</u>                                   |
| <b>NET CURRENT ASSETS</b>  |              | <u>3,788,735</u>                                  | <u>1,539,708</u>                                    |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>                               |              | <u>28,665,784</u>                                 | <u>26,813,735</u>                                   |
| <b>NON-CURRENT LIABILITIES</b>   |              |   |   |
| Other payables   | 12           | 210,998   | 177,754   |
| Interest-bearing bank and other borrowings                                 |              | 14,602,749  | 12,917,853  |
| Lease liabilities  |              | 20,047  | 22,015  |
| Deferred tax liabilities   |              | 1,337,290   | 1,339,774   |
| <b>Total non-current liabilities</b>                                       |              | <u>16,171,084</u>                                 | <u>14,457,396</u>                                   |
| <b>NET ASSETS</b>  |              | <u>12,494,700</u>                                 | <u>12,356,339</u>                                   |
| <b>EQUITY</b>  |              |   |   |
| Share capital  |              | 1,608,029   | 1,608,029   |
| Reserves   |              | 9,809,765   | 9,663,198   |
| <b>Total equity attributable to equity shareholders<br/>of the Company</b> |              | <u>11,417,794</u>                                 | <u>11,271,227</u>                                   |
| Perpetual medium-term notes  |              | 809,095   | 806,982   |
| Non-controlling interests  |              | 267,811   | 278,130   |
| <b>TOTAL EQUITY</b>  |              | <u>12,494,700</u>                                 | <u>12,356,339</u>                                   |

## NOTES

### 1. BASIS OF PREPARATION

The unaudited interim financial report of the Group for the six months ended 30 June 2024 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 2023, except for accounting policy changes that are expected to be reflected in the annual financial statements for the year ending 31 December 2024, as further detailed in note 2 below.

The interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the annual financial statements for the year ended 31 December 2023. 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 Hong Kong Financial Reporting Standards (“HKFRSs”).

### 2. CHANGES IN ACCOUNTING POLICIES

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

|                        |  |
|------------------------|--|
| Amendments to HKAS 1   | <i>Presentation of financial statements: Classification of liabilities as current or non-current</i>           |
| Amendments to HKAS 1   | <i>Presentation of financial statements: Non-current liabilities with covenants</i>                            |
| Amendments to HKFRS 16 | <i>Leases: Lease liability in a sale and leaseback</i>   |
| Amendments to HKAS 7   | <i>Statement of cash flows and HKFRS 7, Financial instruments: Disclosures — Supplier finance arrangements</i> |

The Group has assessed that the amendments did not have material impact on the Group’s interim financial report.

### 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.

### 3. OPERATING SEGMENT INFORMATION *(continued)*

- (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.

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" (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 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        |                    | Hazardous and solid waste treatment project construction and operation        |                    | Environmental remediation project operation        |                    | Solar energy and wind power project operation        |                    | Total                            |                          |
|---|--|--------------------|---|--------------------|--|--------------------|--|--------------------|----------------------------------|--------------------------|
|   | For the six months ended 30 June   |                    | For the six months ended 30 June  |                    | For the six months ended 30 June                   |                    | For the six months ended 30 June                     |                    | For the six months ended 30 June |                          |
|   | 2024   | 2023               | 2024  | 2023               | 2024   | 2023               | 2024   | 2023               | 2024                             | 2023                     |
|   | (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                 |
| <b>Segment revenue (note 4):</b>  |  |                    |   |                    |  |                    |  |                    |                                  |                          |
| Revenue from external customers and reportable segment revenue  | 2,780,873  | 3,060,898          | 564,358   | 566,944            | 63,026   | 79,651             | 97,320   | 112,451            | 3,505,577                        | 3,819,944                |
| <b>Segment results:</b>   |  |                    |   |                    |  |                    |  |                    |                                  |                          |
| Reportable segment result (the adjusted EBITDA)   | 888,872  | 1,081,917          | 109,247   | 137,244            | 8,201  | 4,960              | 88,401   | 101,479            | 1,094,721                        | 1,325,600                |
| Finance costs   |  |                    |   |                    |  |                    |  |                    | (410,491)                        | (398,256)                |
| Depreciation and amortisation, including unallocated portion  |  |                    |   |                    |  |                    |  |                    | (482,837)                        | (482,849)                |
| Unallocated head office and corporate income  |  |                    |   |                    |  |                    |  |                    | 11,897                           | 12,317                   |
| Unallocated head office and corporate expenses  |  |                    |   |                    |  |                    |  |                    | (6,203)                          | (74,411)                 |
| Consolidated profit before tax  |  |                    |   |                    |  |                    |  |                    | <u>207,087</u>                   | <u>382,401</u>           |
| <b>Other segment information:</b>   |  |                    |   |                    |  |                    |  |                    |                                  |                          |
| Depreciation and amortisation   | 231,116  | 231,581            | 203,839   | 205,370            | 8,277  | 7,671              | 36,726   | 35,635             | 479,958                          | 480,257                  |
| Impairment losses of debtors and contract assets  | —  | 5,904              | —   | 53                 | —  | —                  | —  | 764                | —                                | 6,721                    |
| Additions to property, plant and equipment, right-of-use assets, intangible assets and non-current portion of prepayments | 179,489  | 460,908            | 137,939   | 196,302            | 4,703  | 164                | 44,778   | 3,803              | 366,909                          | 661,177                  |
| Additions to non-current portion of contract assets   | 193,672  | 177,294            | 1,981   | 2,516              | —  | —                  | —  | —                  | 195,653                          | 179,810                  |
|   | <b>Integrated biomass utilisation project construction and operation</b> |                    | <b>Hazardous and solid waste treatment project construction and operation</b> |                    | <b>Environmental remediation project operation</b> |                    | <b>Solar energy and wind power project operation</b> |                    | <b>Total</b>                     |                          |
|   | <b>30 June</b>   | <b>31 December</b> | <b>30 June</b>  | <b>31 December</b> | <b>30 June</b>                                     | <b>31 December</b> | <b>30 June</b>                                       | <b>31 December</b> | <b>30 June</b>                   | <b>31 December</b>       |
|   | <b>2024</b>  | <b>2023</b>        | <b>2024</b>   | <b>2023</b>        | <b>2024</b>  | <b>2023</b>        | <b>2024</b>  | <b>2023</b>        | <b>2024</b>                      | <b>2023</b>              |
|   | <b>(Unaudited)</b>   | <b>(Audited)</b>   | <b>(Unaudited)</b>  | <b>(Audited)</b>   | <b>(Unaudited)</b>                                 | <b>(Audited)</b>   | <b>(Unaudited)</b>                                   | <b>(Audited)</b>   | <b>(Unaudited)</b>               | <b>(Audited)</b>         |
|   | <b>HK\$'000</b>  | <b>HK\$'000</b>    | <b>HK\$'000</b>   | <b>HK\$'000</b>    | <b>HK\$'000</b>                                    | <b>HK\$'000</b>    | <b>HK\$'000</b>                                      | <b>HK\$'000</b>    | <b>HK\$'000</b>                  | <b>HK\$'000</b>          |
| <b>Reportable segment assets</b>  | <b>27,311,849</b>  | <b>27,951,768</b>  | <b>7,875,335</b>  | <b>7,865,045</b>   | <b>639,891</b>                                     | <b>695,315</b>     | <b>1,292,026</b>                                     | <b>1,261,355</b>   | <b>37,119,101</b>                | <b>37,773,483</b>        |
| Unallocated head office and corporate assets  |  |                    |   |                    |  |                    |  |                    | <u>1,772,310</u>                 | <u>1,983,941</u>         |
| Consolidated total assets   |  |                    |   |                    |  |                    |  |                    | <u><b>38,891,411</b></u>         | <u><b>39,757,424</b></u> |
| <b>Reportable segment liabilities</b>   | <b>10,262,966</b>  | <b>12,069,707</b>  | <b>4,757,912</b>  | <b>4,151,802</b>   | <b>413,144</b>                                     | <b>411,638</b>     | <b>361,603</b>                                       | <b>397,447</b>     | <b>15,795,625</b>                | <b>17,030,594</b>        |
| Unallocated head office and corporate liabilities   |  |                    |   |                    |  |                    |  |                    | <u>10,601,086</u>                | <u>10,370,491</u>        |
| Consolidated total liabilities  |  |                    |   |                    |  |                    |  |                    | <u><b>26,396,711</b></u>         | <u><b>27,401,085</b></u> |



### 3. OPERATING SEGMENT INFORMATION *(continued)*

#### (ii) Information about a major customer

For the six months ended 30 June 2024, the Group has transactions with one (six months ended 30 June 2023: one) local government authority in the People's Republic of China (the "PRC") which individually exceeded 10% of the Group's revenue. The revenue from the PRC local government authority during the six months ended 30 June 2024 amounted to HK\$892,286,000 (six months ended 30 June 2023: HK\$899,548,000).

### 4. REVENUE

An analysis of revenue is as follows:

|  | For the six months ended |                  |
|--|--------------------------|------------------|
|  | 30 June                  |                  |
|  | 2024                     | 2023             |
|  | (Unaudited)              | (Unaudited)      |
|  | HK\$'000                 | HK\$'000         |
| Revenue from integrated biomass utilisation project construction services      | 178,507                  | 419,923          |
| Revenue from hazardous and solid waste treatment project construction services | —                        | 43,225           |
| Revenue from integrated biomass utilisation project operation services         | 2,436,265                | 2,463,681        |
| Revenue from hazardous and solid waste treatment project operation services    | 562,378                  | 521,203          |
| Revenue from environmental remediation project operation services              | 63,026                   | 79,651           |
| Revenue from solar energy and wind power project operation services            | 97,320                   | 112,451          |
|  | <u>3,337,496</u>         | <u>3,640,134</u> |
| Revenue from contracts with customers  | 3,337,496                | 3,640,134        |
| Finance income from service concession arrangements                            | 168,081                  | 179,810          |
|  | <u>3,505,577</u>         | <u>3,819,944</u> |

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\$2,419,064,000 (six months ended 30 June 2023: HK\$2,909,564,000) for the six months ended 30 June 2024. 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                  |                       |
|                                       | 2024                     | 2023                  |
|                                       | (Unaudited)              | (Unaudited)           |
|                                       | HK\$'000                 | HK\$'000              |
| Interest on bank and other borrowings | 334,442                  | 343,929               |
| Interest on lease liabilities         | 473                      | 398                   |
| Interest on medium-term notes         | <u>78,172</u>            | <u>65,931</u>         |
| Finance costs incurred                | 413,087                  | 410,258               |
| Less: Interest capitalised*           | <u>(2,596)</u>           | <u>(12,002)</u>       |
| Total                                 | <u><u>410,491</u></u>    | <u><u>398,256</u></u> |

\* The borrowing costs have been capitalised at a rate ranging from 2.65% to 4.48% (six months ended 30 June 2023: 3.30% to 3.50%) per annum during the six months ended 30 June 2024.

## 6. PROFIT BEFORE TAX

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

|   | For the six months ended |                 |
|---|--------------------------|-----------------|
|   | 30 June                  |                 |
|   | 2024                     | 2023            |
|   | (Unaudited)              | (Unaudited)     |
|   | <i>HK\$'000</i>          | <i>HK\$'000</i> |
| Amortisation of intangible assets   | 317,678                  | 309,751         |
| Depreciation of property, plant and equipment                                 | 153,787                  | 161,635         |
| Depreciation of right-of-use assets   | 11,372                   | 11,463          |
| Interest income   | (13,813)                 | (13,920)        |
| Government grants*  | (8,904)                  | (16,936)        |
| Value-added tax refunds**   | (106,251)                | (78,400)        |
| Lease payments not included in the measurement of lease liabilities           | 4,168                    | 6,646           |
| Carrying amount of inventories consumed                                       | 1,336,409                | 1,378,135       |
| Impairment losses of debtors at amortised cost                                | —                        | 59              |
| Impairment losses of debtors at fair value through other comprehensive income | —                        | 6,224           |
| Impairment losses of contract assets  | —                        | 438             |
| Employee benefit expense  |                          |                 |
| Wages and salaries  | 330,993                  | 317,536         |
| Pension scheme contributions  | 20,897                   | 24,944          |
|   | <u>351,890</u>           | <u>342,480</u>  |

\* Government grants of HK\$4,826,000 (six months ended 30 June 2023: HK\$11,383,000) were granted during the six months ended 30 June 2024 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\$106,251,000 (six months ended 30 June 2023: HK\$78,400,000) during the six months ended 30 June 2024. 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.

## 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 2024 and 2023.

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                  |                |
|   | 2024                     | 2023           |
|   | (Unaudited)              | (Unaudited)    |
|   | HK\$'000                 | HK\$'000       |
| Current — Elsewhere:                    |                          |                |
| Charge for the period                   | 66,004                   | 72,270         |
| (Over)/under-provision in prior periods | (442)                    | 310            |
| Deferred                                | 4,807                    | 38,648         |
|   | <u>70,369</u>            | <u>111,228</u> |
| Total tax expense for the period        | <u>70,369</u>            | <u>111,228</u> |

## 8. DIVIDENDS

On 16 August 2024, the board of directors declared an interim dividend of HK1.4 cents (six months ended 30 June 2023: HK2.5 cents) per ordinary share, amounting to a total of approximately HK\$28,925,000 (six months ended 30 June 2023: HK\$51,652,000).

## 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\$143,925,000 (six months ended 30 June 2023: HK\$263,862,000), and the weighted average number of ordinary shares of 2,066,078,000 (six months ended 30 June 2023: 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 2024 and 2023 in the calculation of diluted earnings per share as there were no potential dilutive ordinary shares during the six months ended 30 June 2024 and 2023.

## 10. DEBTORS, OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

|   |              | <b>30 June<br/>2024<br/>(Unaudited)<br/>HK\$'000</b> | 31 December<br>2023<br>(Audited)<br>HK\$'000 |
|---|--------------|--|--|
|   | <i>Notes</i> |  |  |
| Debtors                                       | <i>(i)</i>   | <b>7,489,439</b>                                     | 7,893,254                                    |
| Other receivables, deposits and prepayments   |              | <b>923,845</b>                                       | 947,416                                      |
| Amounts due from fellow subsidiaries          | <i>(ii)</i>  | <b>1,275</b>   | 3,053  |
| Amounts due from joint ventures               | <i>(iii)</i> | <b>56,316</b>  | 50,301                                       |
|   |              | <u>8,470,875</u>                                     | <u>8,894,024</u>                             |
| Impairment                                    | <i>(i)</i>   | <b>(38,571)</b>                                      | (38,933)                                     |
|   |              | <b>8,432,304</b>                                     | 8,855,091                                    |
| Less: Non-current portion                     |              |  |  |
| — Other receivables, deposits and prepayments |              | <u>(406,396)</u>                                     | <u>(391,012)</u>                             |
| Current portion                               |              | <u><b>8,025,908</b></u>                              | <u>8,464,079</u>                             |

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

*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:

|   | <b>30 June<br/>2024<br/>(Unaudited)<br/>HK\$'000</b> | 31 December<br>2023<br>(Audited)<br>HK\$'000 |
|---|--|--|
| Within 1 month                          | <b>551,081</b>                                       | 565,980                                      |
| More than 1 month but within 2 months   | <b>210,820</b>                                       | 201,362                                      |
| More than 2 months but within 4 months  | <b>380,513</b>                                       | 356,538                                      |
| More than 4 months but within 7 months  | <b>607,453</b>                                       | 465,813                                      |
| More than 7 months but within 13 months | <b>832,218</b>                                       | 850,494                                      |
| More than 13 months                     | <b>4,868,783</b>                                     | 5,414,134                                    |
|   | <b><u>7,450,868</u></b>                              | <b><u>7,854,321</u></b>                      |

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

As at 30 June 2024, the carrying amounts (net of loss allowance) of debtors at amortised cost and at fair value through other comprehensive income of HK\$1,835,729,000 (31 December 2023: HK\$2,181,288,000) and HK\$5,615,139,000 (31 December 2023: HK\$5,673,033,000), respectively.

Included in the debtors, there is a loss allowance for impairment of debtors measured at fair value through other comprehensive income of HK\$131,451,000 (31 December 2023: HK\$132,683,000).

- (ii) The amounts due from fellow subsidiaries are unsecured, interest-free and the prepayments are expected to be recognised as expenses within one year.
- (iii) Included in the amounts due from joint ventures are loans to a joint venture of RMB23,500,000 (equivalent to HK\$25,326,000) (31 December 2023: RMB23,500,000 (equivalent to HK\$25,563,000)), which are unsecured, interest-bearing at 125% of Loan Prime Rate (“LPR”) in the PRC (31 December 2023: 125% of the LPR in the PRC) and recoverable by 2024 (31 December 2023: 2024). The remaining balance is unsecured, interest-free and recoverable within one year.

## 11. CONTRACT ASSETS

|   |              | <b>30 June<br/>2024<br/>(Unaudited)<br/>HK\$'000</b> | 31 December<br>2023<br>(Audited)<br>HK\$'000 |
|---|--------------|--|--|
|   | <i>Notes</i> |  |  |
| Service concession assets   | <i>(a)</i>   | <b>6,610,626</b>                                     | 6,744,070                                    |
| Unbilled renewable energy tariff subsidy  | <i>(b)</i>   | <b>2,808,471</b>                                     | 2,495,034                                    |
| Environmental remediation contract assets   | <i>(c)</i>   | <b>391,046</b>                                       | 416,237                                      |
|   |              | <b>9,810,143</b>                                     | 9,655,341                                    |
| Impairment  |              | <b>(26,739)</b>                                      | (26,989)                                     |
|   |              | <b>9,783,404</b>                                     | 9,628,352                                    |
| Less: Non-current portion   |              |  |  |
| — Service concession assets   |              | <b>(6,077,922)</b>                                   | (6,203,248)                                  |
| — Environmental remediation contract assets   |              | <b>(153,166)</b>                                     | (154,601)                                    |
|   |              | <b>(6,231,088)</b>                                   | (6,357,849)                                  |
| Current portion   |              | <b>3,552,316</b>                                     | 3,270,503                                    |
| Contract assets arising from performance under construction contracts in connection with service concession arrangements, which are included in “Intangible assets” |              | <b>108,498</b>                                       | 204,401                                      |

*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 2023: 4.65% to 6.60%) per annum as at 30 June 2024.

As at 30 June 2024, HK\$6,536,904,000 (31 December 2023: HK\$6,692,920,000) 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.

## 11. CONTRACT ASSETS (continued)

Notes: (continued)

### (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<br>2024<br>(Unaudited)<br><i>HK\$'000</i> | 31 December<br>2023<br>(Audited)<br><i>HK\$'000</i> |
|--|--------------|---|---|
|  | <i>Notes</i> |   |   |
| Creditors                                |              |   |   |
| — third parties                          | <i>(i)</i>   | 1,316,770   | 1,458,132   |
| — fellow subsidiaries                    | <i>(i)</i>   | 22,047  | 20,730  |
| Other payables and accrued expenses      |              | 983,278   | 1,140,731   |
| Amounts due to fellow subsidiaries       | <i>(ii)</i>  | 15,498  | 29,094  |
| Amounts due to associates                | <i>(iii)</i> | 5,021   | —   |
| Amount due to a non-controlling interest | <i>(iv)</i>  | 1,942   | —   |
| Loans from non-controlling interests     | <i>(v)</i>   | 8,150   | 8,150   |
| Deferred income — government grants      |              | <u>171,042</u>                                    | <u>176,722</u>                                      |
|  |              | <b>2,523,748</b>                                  | <b>2,833,559</b>                                    |
| Less: Non-current portion                |              |   |   |
| — Deferred income                        |              |   |   |
| — government grants                      |              | (103,052)   | (73,856)  |
| — Other payables and accrued expenses    |              | <u>(107,946)</u>                                  | <u>(103,898)</u>                                    |
|  |              | <b>(210,998)</b>                                  | <b>(177,754)</b>                                    |
| Current portion                          |              | <u><b>2,312,750</b></u>                           | <u><b>2,655,805</b></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:

|                    | <b>30 June<br/>2024<br/>(Unaudited)<br/>HK\$'000</b> | 31 December<br>2023<br>(Audited)<br>HK\$'000 |
|--------------------|--|--|
| Within 6 months    | <b>913,701</b>                                       | 1,000,527                                    |
| More than 6 months | <b>425,116</b>                                       | 478,335                                      |
|                    | <b><u>1,338,817</u></b>                              | <u>1,478,862</u>                             |

Creditors totalling HK\$521,706,000 (31 December 2023: HK\$592,683,000) as at 30 June 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.

- (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 2024, the Chinese economy maintained the keynote of stable recovery in general in spite of an austere and complicated external environment. Amidst an environment for development in which opportunities as well as challenges prevailed, the Group implemented the decisions and planning the Central Committee of the Party and the State Council on procuring stable economic development in a resolute manner, strengthening its fundamental strengths while making in-depth effort in its principal duties and businesses and pursuing innovative development with finesse in persistent adherence to the operating strategy of seeking progress in stability, as it vigorously served and positioned itself in the forging of a new pattern for development in a full drive towards the Company's qualitative development.

The economic and social development of China has presently entered the new stage of qualitative development characterised by expedited implementation of green and low-carbon features. The Group made emphatic efforts to seize new opportunities in the development of the industry by leveraging its inherent business characteristics, as it sought to identify further potential in its existing projects on the internal front, while developing new commercial models on the external front. Management measures adopted with the aim of facilitating stable growth and resurgence continued to yield positive effects, while the deployment of new businesses was advanced in a systematic manner in tandem with the prevailing trend of green development, as the Group reported steady resurgence in operating results for the first half of the year in a development trend underpinned by progress and quality enhancement amidst stability.

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 2024, the Group had 144 environmental protection investment projects with a total investment of approximately RMB30.954 billion and had undertaken 60 asset-light projects in environmental remediation and other areas with a total contract amount of approximately RMB1.696 billion.

In terms of market development, the Group focused on clean energy projects aimed at achieving the "Zero-carbon Industry Park", such as distributed solar energy, user energy storage, virtual power plant and heat supply, as well as asset-light projects represented mainly by "Waste Landfill Restoration" in line with the development principle of "strengthening principal businesses, innovative development and dual emphasis on asset-light and asset-intensive operations". During the period under review, the Group secured 7 new projects (including 3 Zero-carbon Industry Park projects), increased the installed capacity of its distributed solar energy projects by 37.46 MW, installed capacity of user energy storage by 12.2 MW/24.47 MWh, and heat supply capacity of 260,000 tonnes/year. As at 30 June 2024, the total installed capacity of the Group's solar energy projects reached 177.85 MW, distributed mainly in Jiangsu Province. The Group also

attached great importance to the development of distributed solar energy projects in Hong Kong, as the rooftop solar energy project of South Seas Centre, Tsimshatsui, Kowloon commenced grid-connected power generation during the period under review, bringing the total number of solar energy projects in Hong Kong to 13 with an aggregate power generation designed capacity of 3.60 MW. The Group's wind power projects, with a total installed capacity of 96 MW, were mainly located in Shanxi Province.

In terms of project construction, the Group continued to advance its project work construction in a steady manner. During the period under review, 6 projects commenced implementation or construction and 7 projects completed construction and commenced operation (including 3 environmental remediation projects). As of 30 June 2024, the Group had 28 projects under construction or implementation, including 1 integrated biomass utilisation project, 3 hazardous and solid waste treatment projects, 8 solar energy projects and 16 environmental remediation 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.

In terms of technology research and development ("R&D"), the Group persisted in the implementation of the innovative development strategy through technological innovation as it commenced research in numerous areas including ultra-purification fume treatment for biomass boiler, biomass boiler combustion optimisation, restoration of sites with heavy-metal pollution, integrated waste landfill treatment, biomass gasified heat supply, biomass preparation of green methanol, integrated utilisation of ash and waste salt, end-of-life tyre recycling, "Biomass Power Plant + Zero-carbon Industry Park", virtual power plant and spot power trading, among others. The Group has completed the building of a "virtual power plant and power trading platform" based on AI computing technology in active cooperation with Alibaba Cloud to lay a technical foundation for the Group's deployment in the green power trading market. At the same time, the Group has also further enhanced research on policies regarding carbon asset development, carbon trading and green power trading. The Group led in the national key research programmes and special projects for international cooperation in technological innovation with applications in project practices under the titles of Development and Application of Safe, Clean and Efficient Incineration Technology for General Combustible Industrial Solid Waste as well as Demonstration of Pollution Control Technology for Synergistic Solid Waste Disposal and Industry Park-based Systems Integration. Meanwhile, we also participated in government research projects such as Research and Development of Key Technologies for Equipment for Synthesis and Application of High-stability Solid Amine CO<sub>2</sub> Capture Materials as well as Technology and Equipment for Low-energy consumption and High-efficiency Coordinated Treatment of Industrial Boiler Fume and Multiple Pollutants. As of 30 June 2024, the Group held 131 authorised patents, including 43 invention patents, 88 utility model patents, and also held 5 software copyrights.

In terms of operational management, the Group sought to tap new resources and reduce consumption whilst further identifying its intrinsic potential during the period under review. On one hand, benchmarking analysis and exchange was enhanced and regulation were introduced to technical upgrade and overhaul management in an ongoing effort to improve awareness for standardisation and delicacy in project management, as the Group made a full effort to develop the heat supply market. In connection with hazardous and solid waste treatment, the Group fully focused on market coordination and joint regional operation, as well as the adoption of a customer service coordination and management model with a view to broadening the Group's market. On the other hand, the Group's integrated biomass utilisation business enhanced management and appraisal of secondary fuel cost and achieved optimisation in fuel quality and price by further identifying local resources for biomass fuel. In view of the challenge of the current austere operating conditions, the Group's hazardous and solid waste treatment business exercised control over service cost in percentage terms by adopting practicable measures such as organisational optimisation and "One Enterprise, One Policy", whilst enhancing delicacy management in areas such as pre-processing and process technique control to lower the unit disposal cost of the incineration business and enhance resilience against the impact brought by market changes. Thanks to the aforesaid efforts, substantial period-on-period improvement was recorded in the operating results for the second quarter. During the period under review, the Group advanced the standardised system for safe production and environmental management on all fronts with the implementation of a dual prevention mechanism comprising tiered risk management and hazard inspection and rectification. Improvements were introduced to the training regime while supervision and inspection was strengthened to procure accountability and prevention of key risks, in a shift of the model for regulating safe production towards a preventive approach to ensure safe production and compliance in emission at the projects.

In terms of risk management, the Group has always attached great importance to risk management work. The Group addressed volatilities in international political and economic situations and changes in the domestic economic structure and environment through a systematic and effective risk management regime to mitigate the adverse impact of uncertainties on the strategic and business objectives of the Company. 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. During the period 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 a stronger emphasis on the effectiveness of risk management. Environmental, social and governance ("ESG") related risks have always represented a high priority for the Group, who has incorporated such risks into the comprehensive risk management regime of the Group to facilitate key control, in order to enhance its competence in sustainable development. Consolidated analyses of risk events were conducted on an ongoing basis to ensure legal compliance of the operations of the

subsidiaries of the Group and prevent the occurrence of systematic risks. During the period under review, the Group was deeply engaged in work relating to the Task Force on Climate-related Financial Disclosures (TCFD), under which scenario analyses were conducted to determine the impact of climate-related risks and opportunities on the Group's business operations and further advanced the identification and assessment of climate-related risks and opportunities, with a view to guiding the future allocation of risk management resources. The Group has also optimised its risk rating and criteria for assessing audit results and exercised proper control over material risks in effective overall risk management.

During the period under review, the Group continued to enhance governance of its sustainability initiatives. On one hand, climate-related risks and opportunities were identified and assessed in an in-depth manner through scenario analysis to ensure that the Group's staff at all levels were made aware of the issue of climate change. On the other hand, ongoing improvements to rules and regulations were introduced in close tandem with the regulatory development trend and actual business conditions to ensure effective fulfilment of sustainability-related duties by all levels within the governance structure. To further drive the implementation of sustainability, the Group has participated in the Green Pledge hosted by the Green Council to help in the promotion of green life and advancement of sustainability in Hong Kong. The Group has also been awarded the "Caring Company" logo by The Hong Kong Council of Social Service for 2023–2024, the fifth consecutive year for which it has received this honour, in addition to the Bauhinia Contribution (Team) Award presented by China Everbright Holdings Company Limited in recognition of the Group's active involvement in and commitment to the environment, community and staff care.

During the period 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. The environmental protection facilities of the Company were opened to the public on a normalised basis. As of 30 June 2024, a total of 51 projects of the Company were officially opened to the public and 76 offline open-to-the-public activities were held, receiving a total of 1,364 visitors.

During the period under review, the Group's revenue was approximately HK\$3,505,577,000, decreasing by 8% as compared to HK\$3,819,944,000 for the same period last year. EBITDA was approximately HK\$1,100,415,000, decreasing by 13% as compared to HK\$1,263,506,000 for the same period last year. Profit attributable to equity shareholders of the Company was approximately HK\$143,925,000, decreasing by 45% as compared to HK\$263,862,000 for the same period last year. Basic earnings per share for the first half of 2024 was HK6.97 cents, HK5.8 cents less compared to HK12.77 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 2024 amounted to approximately HK\$2,041,015,000. The total amount of bank loan facilities was HK\$23,567,189,000, of which HK\$7,229,659,000 was unutilised. Available cash and unutilised bank loans amounted to approximately HK\$9,270,674,000 in aggregate.

During the period under review, the decrease in revenue and profit attributable to equity shareholders of the Company was mainly attributable to the decrease in revenue and profit for construction services following the Group's proactive adjustment of the Company's development strategy given changes in national policies and market developments. In connection with the operation service, the unit treatment fee for the hazardous and solid waste segment continued to drop against the backdrop of escalating competition resulting from demand and supply imbalances and unyielding cost, as waste production was limited to low levels. Nevertheless, the Group's integrated biomass utilisation project achieved long cycles of stable operation through the combined effect of technological optimisation and delicacy management, and simultaneously strengthened the economic benefits and social contributions in the field of heat.

In May 2024, the Company completed the issuance of the 2024 first tranche of the 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"), with a principal amount of RMB1 billion for a term of 3+2 years at a coupon rate of 2.34% per annum during the first three interest-bearing years. The proceeds from the issuance of the 2024 First Tranche Green Medium-term Note 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. As at 30 June 2024, the unissued registered principal amount of the Company's multiple types of debt financing instruments ("DFI") was RMB2 billion.

## **SUBSEQUENT EVENTS**

In July 2024, the Company completed the issuance of the 2024 second tranche of the 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"), with a principal amount of RMB1 billion for a term of five years at a coupon rate of 2.24% per annum. The proceeds from the issuance of the 2024 Second Tranche Medium-term Note 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 2024 Second Tranche Medium-term Note, the remaining unissued registered principal amount of the Company's DFI was RMB1 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\$3,505,577,000 in aggregate, comprising approximately HK\$178,507,000 from construction services, representing a 61% decrease compared to HK\$463,148,000 for the same period last year, and approximately HK\$3,158,989,000 from operation services, representing a 1% decrease compared to HK\$3,176,986,000 for the same period last year. Analysed by nature of revenue, construction services, operation services and finance income accounted for 5%, 90% 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 2024 are summarised as follows:

|                         | For the six months ended 30 June 2024   |  |                                    |                                      | Total            | For the six months ended 30 June 2023   |  |                                    |                                      | Total            |
|-------------------------|---|--|------------------------------------|--------------------------------------|------------------|---|--|------------------------------------|--------------------------------------|------------------|
|                         | Integrated biomass utilisation projects | Hazardous and solid waste treatment projects | Environmental remediation projects | Solar energy and wind power projects |                  | Integrated biomass utilisation projects | Hazardous and solid waste treatment projects | Environmental remediation projects | Solar energy and wind power projects |                  |
|                         | HK\$'000                                | HK\$'000                                     | HK\$'000                           | HK\$'000                             | HK\$'000         | HK\$'000                                | HK\$'000                                     | HK\$'000                           | HK\$'000                             | HK\$'000         |
| Revenue                 |   |  |                                    |                                      |                  |   |  |                                    |                                      |                  |
| — construction services | 178,507                                 | —  | —                                  | —                                    | 178,507          | 419,923                                 | 43,225                                       | —                                  | —                                    | 463,148          |
| — operation services    | 2,436,265                               | 562,378                                      | 63,026                             | 97,320                               | 3,158,989        | 2,463,681                               | 521,203                                      | 79,651                             | 112,451                              | 3,176,986        |
| — finance income        | 166,101                                 | 1,980  | —                                  | —                                    | 168,081          | 177,294                                 | 2,516  | —                                  | —                                    | 179,810          |
|                         | <u>2,780,873</u>                        | <u>564,358</u>                               | <u>63,026</u>                      | <u>97,320</u>                        | <u>3,505,577</u> | <u>3,060,898</u>                        | <u>566,944</u>                               | <u>79,651</u>                      | <u>112,451</u>                       | <u>3,819,944</u> |
| EBITDA                  | <u>888,872</u>                          | <u>109,247</u>                               | <u>8,201</u>                       | <u>88,401</u>                        | <u>1,094,721</u> | <u>1,081,917</u>                        | <u>137,244</u>                               | <u>4,960</u>                       | <u>101,479</u>                       | <u>1,325,600</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 HK1.4 cents per share for the six months ended 30 June 2024 (2023: HK2.5 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 our 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 delicacy management, 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 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, Sichuan Province, Hubei Province and Henan Province, etc. Such projects commanded a total investment of approximately RMB17.294 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 period under review, the Group operated and completed a total of 53 integrated biomass utilisation projects, generating approximately 3,176,136 MWh of on-grid electricity which represented a 4% increase compared to the same period last year; approximately 3,883,000 tonnes of biomass raw materials and approximately 2,057,000 tonnes of household waste were processed, representing an increase of 4% and increase of 16%, respectively, compared to the same period last year. During the period under review, the volume of steam supplied was approximately 1,328,000 tonnes, representing an increase of 18% compared to the same period last year. As of 30 June 2024, the Group had 1 integrated biomass utilisation project under construction, with power generation designed capacity of 10 MW and daily household waste processing designed capacity of approximately 300 tonnes and an estimated annual on-grid power generation of approximately 61,972 MWh.



During the period under review, the Group's integrated biomass utilisation projects contributed EBITDA of approximately HK\$888,872,000, representing a decrease of 18% compared to the same period last year. The integrated biomass utilisation projects contributed net profit of approximately HK\$476,060,000, representing a decrease of 23% compared to the same period last year. The decrease in profit was mainly due to decrease in profit under construction as a result of decrease in projects under construction. In terms of operation, the Group insisted on taking multiple measures to maximize "management produces benefits". The Group continued to improve and innovate the biomass fuel collection, transportation and storage system, avoid operating cost growth higher than profit growth, and contribute to greater profits by increasing the use of yellow culms and the proportion of non-electricity business.

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

|   | <b>For the<br/>six months<br/>ended<br/>30 June<br/>2024</b> | For the<br>six months<br>ended<br>30 June<br>2023 |
|---|--|---|
| <b>Integrated biomass utilisation projects</b>            |  |   |
| On-grid electricity ( <i>MWh</i> )                        | <b>3,176,136</b>   | 3,059,809   |
| Biomass raw materials processing volume ( <i>tonnes</i> ) | <b>3,883,000</b>   | 3,750,000   |
| Household waste processing volume ( <i>tonnes</i> )       | <b>2,057,000</b>   | 1,769,000   |
| Volume of steam supplied ( <i>tonnes</i> )                | <b>1,328,000</b>   | 1,126,000   |
| EBITDA ( <i>HK\$'000</i> )                                | <b>888,872</b>   | 1,081,917   |
| Segment net profit ( <i>HK\$'000</i> )                    | <b>476,060</b>   | 615,711   |

#### **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 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 2,466,400 tonnes.

During the period under review, the Group had 43 hazardous and solid waste treatment projects that were in operation or completed construction. For detoxification treatment, approximately 217,000 tonnes of hazardous and solid waste were treated in total, representing an increase of 25% compared to the same period last year. For integrated resource utilisation, 30,200 tonnes of hazardous and solid waste were treated, representing an increase of 146% compared to the same period last year, and approximately 6,500 tonnes of recycled products were sold, representing an increase of 10% compared to the same period last year. There were 3 hazardous and solid waste treatment projects under construction with an aggregate annual hazardous waste processing designed capacity of 226,500 tonnes.

During the period under review, the Group's hazardous and solid waste treatment projects contributed EBITDA of approximately HK\$109,247,000, representing a decrease of 20% compared to the same period last year. Hazardous and solid waste treatment projects recorded net loss of approximately HK\$137,156,000, representing a 17% increase in loss compared to the same period last year. The increase in loss was mainly attributable to the continuous decline in unit treatment fee amidst escalated peer competition owing to demand and supply imbalances and unyielding cost, as upstream recovery as a whole fell short of expectations and waste production was limited to low levels. Despite various unfavourable factors faced by the hazardous and solid waste industry, the Group nevertheless sought to leverage the advantages of scale and delicacy management, continued to consolidate the effectiveness of the large market and large customer mechanism, and implemented cost-cutting measures to proactively cope with the challenges of the continuing downward market. In addition, there was no profit from projects under construction during the period under review.

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

|   | <b>For the<br/>six months<br/>ended<br/>30 June<br/>2024</b> | For the<br>six months<br>ended<br>30 June<br>2023 |
|---|--|---|
| <b>Hazardous and solid waste treatment projects</b>           |  |   |
| Hazardous and solid waste processing volume ( <i>tonnes</i> ) |  |   |
| — Detoxification treatment                                    | <b>217,000</b>   | 173,000   |
| — Integrated resource utilisation                             | <b>30,200</b>  | 12,300  |
| Sales volume of recycled products ( <i>tonnes</i> )           | <b>6,500</b>   | 5,900   |
| On-grid electricity ( <i>MWh</i> )                            | <b>14,023</b>  | 11,804  |
| Volume of steam supplied ( <i>tonnes</i> )                    | <b>379,000</b>   | 274,000   |
| EBITDA ( <i>HK\$'000</i> )                                    | <b>109,247</b>   | 137,244   |
| Segment net loss ( <i>HK\$'000</i> )                          | <b>137,156</b>   | 116,824   |

### **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 and industrial sludge, construction and operation of wetland parks, environmental stewardship services and anti-seepage at landfill sites.

In connection with qualifications, as of 30 June 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, 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 2024, the Group had 16 environmental remediation projects under implementation, which were mainly located in Guangdong Province, Tianjin, Jiangsu Province, Zhejiang Province and Anhui Province, with a total contract amount of approximately RMB693 million. There was also 1 project in the preparatory stage, with a total contract amount of approximately RMB78 million.

During the period under review, the Group's environmental remediation projects contributed EBITDA of approximately HK\$8,201,000, representing an increase of 65% compared to the same period last year. Environmental remediation projects recorded net loss of approximately HK\$2,403,000, representing a 47% decrease in loss compared to the same period last year. The decrease in loss was mainly due to decrease in raw material prices and comprehensive restoration costs as a result of fluctuations in the upstream market for environmental remediation, which in turn led to a recovery in gross profit.

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

|   | <b>For the<br/>six months<br/>ended<br/>30 June<br/>2024</b> | For the<br>six months<br>ended<br>30 June<br>2023 |
|---|--|---|
| <b>Environmental remediation projects</b> |  |   |
| EBITDA (HK\$'000)                         | <b>8,201</b>   | 4,960   |
| Segment net loss (HK\$'000)               | <b><u>2,403</u></b>  | <u>4,550</u>                                      |

#### **Solar energy and wind power**

Apart from the County-wide Solar Energy Advancement Project in Feng County, Jiangsu Province, as of 30 June 2024, the Group has 24 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 RMB1.488 billion and providing an aggregate power generation designed capacity of 142.41 MW. The Group is responsible for building, managing and operating these projects and selling electricity generated to local power grid companies.

As at 30 June 2024, the Group's County-wide Solar Energy Advancement Project in Feng County, Jiangsu Province included 17 subsidiary projects with a total investment of approximately RMB132 million and an aggregate power generation designed capacity of 29.61 MW, of which 9 projects with an aggregate power generation designed capacity of 27.89 MW were in operation, 1 project with an aggregate power generation designed capacity of 100 KW was under construction and 7 projects with an aggregate power generation designed capacity of 1.63 MW were under preparation.

During the period under review, the Group’s solar energy and wind power projects sold approximately 144,832 MWh of electricity, representing a decrease of 12% compared to the same period last year. The projects contributed EBITDA of approximately HK\$88,401,000, representing a decrease of 13% compared to the same period last year. Solar energy and wind power projects contributed net profit of approximately HK\$34,879,000, representing a decrease of 22% compared to the same period last year. This was mainly attributable to the decrease in power generation as compared to last year as a result of decrease in wind resources for wind power projects as compared to the same period last year, as well as the significant increase in ice-covered and low-temperature shutdowns of fans compared to the same period last year during the period under review.

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

|   | <b>For the<br/>six months<br/>ended<br/>30 June<br/>2024</b> | For the<br>six months<br>ended<br>30 June<br>2023 |
|---|--|---|
| <b>Solar energy and wind power projects</b> |  |   |
| On-grid electricity ( <i>MWh</i> )          | <b>144,832</b>   | 165,330   |
| EBITDA ( <i>HK\$’000</i> )                  | <b>88,401</b>  | 101,479   |
| Segment net profit ( <i>HK\$’000</i> )      | <b>34,879</b>  | 44,710  |

## **BUSINESS PROSPECTS**

Entering 2024, global economic development continued to be subject to the intertwined impact of a range of complicated factors. Geopolitical tensions and deep corrections in the supply chain coupled with the pressing demand for green transformation have combined to form a complex backdrop for economic development in the first half of the year. Amidst such challenging economic landscape in China, the Group showcased extraordinary resilience and energy, as it focused on implementing the management keynote of “empowering through reform and making solid efforts for solid results”, leveraging strengths and rectifying deficiencies to lay the bedrock for an overall development trend of progress in stability in the first half of the year.

Year 2024 is a crucial year for the implementation of the strategic plans set out at the 20th National Congress of the Communist Party of China and of the “14th Five-Year Plan”, as well as a foundation year for focusing our strengths to support qualitative development by building a qualitative ecological environment. New trends in environmental governance have been emerging, with a stronger public awareness for the idea of sustainability of the environment and resources. Meanwhile, the development of environmental technologies will also drive innovation and new breakthroughs in

environmental governance. During the period under review, the national ecological and environmental protection working conference was convened by the Ministry of Ecology and Environment of the PRC in Beijing, at which eight key missions for 2024 were arranged and planned. These included missions to advance the construction of Beautiful China Pioneer Districts, to win the critical battle against pollution and to drive green and low-carbon qualitative development, among others. The promulgation of the Plan for Expediting the Formulation and Revision of Emission Standards (2024–2027) by the Ministry of Ecology and Environment of the PRC has indicated the nation’s intention to drive ongoing improvements in the quality of the ecological environment by further improving its regime of environmental standards. The Opinion on Expediting the Construction of a Waste Recycling Regime promulgated by the State Council of the PRC is also expected to drive further work relating to protection of the ecological environment and resource recycling. The future of the environmental protection industry will certainly embrace broader prospects for development, but there will also be more serious challenges. Enterprises will be required to enhance their capability in technological R&D and innovation and improve their product quality and service standard in an active move to accommodate market changes and seize new opportunities for development.

In accordance with its stated annual operational targets and for the purpose of strengthening its principal businesses, the Group will continue to closely monitor and actively address policy and market developments, persistently raising the standard of its delicacy operation and management and seeking improvements in quality and efficiency while nurturing strengths and rectifying deficiencies in ongoing enhancement of its general competitiveness. For integrated biomass utilisation projects, the Group will strive for long cycles of safe and stable operation and enhance the economic benefits and social contributions of its heat supply operations. In connection with the hazardous and solid waste disposal business, the Group will play to its advantages in scale and delicacy management to apply strategies with precision, while continuously consolidating the effectiveness of its mechanism of “Major Market, Major Customer Service” and implementing maximum cost reduction measures in proactive response to the challenge of continuous market decline. Moreover, the Group will drive construction of its subsidiary projects and operation and management of asset-light projects in a systematic manner. The Group will continue to seek reductions in finance cost and enhance empowering through innovation in a consistent effort to fortify the foundation for growth in operating results, so as to generally improve its ability to deliver value.

In view of the challenges posed by the withdrawal of national tariff subsidies and lacklustre economic recovery, the Group will explore ways to foster capabilities in asset management and operation for the full business cycle from carbon emission to carbon demand with an innovation-driven approach to serve the national energy security strategy and the goal of “Dual Carbon”, as it strives to develop into a clean energy operator claiming new-quality productivity and core competitiveness. On the back of the Group’s existing integrated biomass utilisation projects, the Group will develop a model of “Zero-carbon Industry Park + Virtual Power Plant” featuring primarily “solar energy storage

and charging, cooling, heating and power cogeneration, hydrogen cloud carbon”, which will generate new driving force for innovative development through large-scale development. In the meantime, major efforts will be devoted to the implementation of asset-light projects such as ecological restoration, solar energy operation and green power trading, so as to provide effective assurance for enhancing the Group’s profitability and sustainability.

Looking to the future, with the strong support of China Everbright Group as a solid bulwark and of China Everbright Environment Group Limited, the Company’s controlling shareholder, and on the back of its extensive experience in the development and operation of diversified project portfolio as well as its unparalleled market expansion capability, the Group will continue to uphold its corporate vision of “Create Better Investment Value and Undertake More Social Responsibility” and work incessantly to make more contributions towards China’s ecological civilisation with the Everbright power in close tandem with national policies and the latest trends in industry development with an unwavering strategic focus.

## **FINANCIAL REVIEW**

### **Financial position**

As at 30 June 2024, the Group’s total assets amounted to approximately HK\$38,891,411,000 (31 December 2023: HK\$39,757,424,000) with net assets amounting to approximately HK\$12,494,700,000 (31 December 2023: HK\$12,356,339,000). Net asset value per share attributable to equity shareholders of the Company was HK\$5.53, representing an increase of 1% as compared to HK\$5.46 per share as at the end of 2023. As at 30 June 2024, the gearing ratio (total liabilities over total assets) of the Group was 67.87%, representing a decrease of 1.05 percentage point as compared to that of 68.92% as at the end of 2023. 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 137.05%, representing an increase of 25.15 percentage points as compared to that of 111.90% as at the end of 2023.

### **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 2024, the Group had cash and bank balances of approximately HK\$2,041,015,000, representing a decrease of approximately HK\$337,768,000 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 30 June 2024, the Group had outstanding borrowings of approximately HK\$22,444,669,000, representing a decrease of approximately HK\$687,091,000 as compared to HK\$23,131,760,000 as at the end of 2023. The borrowings included secured interest-bearing borrowings of approximately HK\$8,548,219,000 (31 December 2023: HK\$9,119,715,000) and unsecured interest-bearing borrowings of approximately HK\$13,896,450,000 (31 December 2023: HK\$14,012,045,000). The borrowings of the Group were denominated in Renminbi and Hong Kong dollars, representing 79% and 21% of the total respectively. The majority of the Group's borrowings were subject to floating rates. As at 30 June 2024, the Group had banking facilities of approximately HK\$23,567,189,000 (31 December 2023: HK\$24,910,746,000), of which approximately HK\$7,229,659,000 (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 and receivables in connection with the Group's service concession arrangements, bank deposits, mortgages on property, plant and equipment, right-of-use assets and equity interest of a subsidiary of the Group. As at 30 June 2024, the aggregate net book value of assets pledged amounted to approximately HK\$17,373,310,000 (31 December 2023: HK\$17,239,332,000).

## **Commitments**

As at 30 June 2024, the Group had purchase commitments of approximately HK\$42,498,000 (31 December 2023: HK\$108,723,000) under the construction contracts and capital commitments relating to capital injection in a joint venture of HK\$26,943,000 (31 December 2023: HK\$27,195,000).



## **Contingent liabilities**

As at 30 June 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**

As at 30 June 2024, the Group had a total of more than 3,300 employees in Hong Kong and Mainland China. For the six months ended 30 June 2024, the total staff cost was approximately HK\$351,890,000 (30 June 2023: HK\$342,480,000). 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 to 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 2024, except for the following deviation with the reason explained below:

### **Code Provision F.2.2 of Part 2 of the CG Code**

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 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.

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 unaudited interim results and interim report of the Group for the six months ended 30 June 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 environment, social and governance related work respectively. The departments and their respective responsibilities included in each working group have been set out in written form. The members of the 3 working groups will report to the committee members at the Sustainability Committee meeting on the implementation of strategies and target practices in different areas.

### **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 HK1.4 cents per share for the six months ended 30 June 2024 (2023: HK2.5 cents per share) to Shareholders whose names appear on the Register of Members of the Company on Tuesday, 24 September 2024. The interim dividend payout ratio is 20.1% (2023: 19.6%) for the six months ended 30 June 2024. The interim dividend will be payable in cash on or around Tuesday, 15 October 2024.

### **CLOSURE OF REGISTER OF MEMBERS**

The Register of Members of the Company will be closed from Friday, 20 September 2024 to Tuesday, 24 September 2024 (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, 19 September 2024.

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

During the six months ended 30 June 2024, 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 2024 is published on the websites of Hong Kong Exchanges and Clearing Limited (“HKEx”) ([www.hkex.com.hk](http://www.hkex.com.hk)) and the Company (<http://www.ebgreentech.com/en/ir/announcements.php>). The 2024 interim report 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 Chief Executive Officer*

Hong Kong, 16 August 2024

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

Mr. HUANG Haiqing (*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*)