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CHINA EVERBRIGHT ENVIRONMENT GROUP LIMITED

中國光大環境(集團)有限公司

(Incorporated in Hong Kong with limited liability)

(Stock code: 257)

ANNOUNCEMENT

ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2023

FINANCIAL HIGHLIGHTS

- Revenue decreased by 14% to HK\$32,090,207,000 (2022: HK\$37,321,229,000)
- EBITDA remained stable at HK\$12,827,961,000 (2022: HK\$12,841,787,000)
- Profit attributable to equity holders decreased by 4% to HK\$4,429,160,000 (2022: HK\$4,601,939,000)
- Final dividend of HK8.0 cents per share (2022: HK9.0 cents per share). Total dividends for the year of HK22.0 cents per share (2022: HK24.0 cents per share)

2023 ANNUAL RESULTS

The board (the “Board”) of directors (the “Directors”) of China Everbright Environment Group Limited (the “Company” or “Everbright Environment”) announces the consolidated results of the Company and its subsidiaries (collectively the “Group”) for the year ended 31 December 2023 together with comparative figures for the year ended 31 December 2022. The annual results have been reviewed by the Audit Committee of the Company (the “Audit Committee”).

CONSOLIDATED INCOME STATEMENT

Year ended 31 December 2023

		2023	2022
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
REVENUE	4	32,090,207	37,321,229
Direct costs and operating expenses		<u>(18,278,916)</u>	<u>(22,956,630)</u>
Gross profit		13,811,291	14,364,599
Other revenue	5	1,064,351	1,170,414
Other income and gains/(losses), net	5	(1,209,978)	(1,292,897)
Administrative expenses		<u>(3,149,349)</u>	<u>(3,642,177)</u>
PROFIT FROM OPERATING ACTIVITIES		10,516,315	10,599,939
Finance costs	6	(3,527,788)	(3,488,268)
Share of profits of joint ventures		113,439	113,859
Share of profits of associates		<u>22,518</u>	<u>37,417</u>
PROFIT BEFORE TAX	7	7,124,484	7,262,947
Income tax	8	(1,827,333)	(1,747,983)
PROFIT FOR THE YEAR		<u>5,297,151</u>	<u>5,514,964</u>
ATTRIBUTABLE TO:			
Equity holders of the Company		4,429,160	4,601,939
Holders of perpetual capital instruments		226,563	71,686
Non-controlling interests		<u>641,428</u>	<u>841,339</u>
		<u>5,297,151</u>	<u>5,514,964</u>
EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	10		
– Basic and diluted		<u>HK72.10 cents</u>	<u>HK74.91 cents</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2023

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
PROFIT FOR THE YEAR	5,297,151	5,514,964
OTHER COMPREHENSIVE INCOME/(LOSS)		
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:		
Exchange differences:		
Exchange differences on translation of foreign operations	(2,398,740)	(8,638,088)
Debt instruments at fair value through other comprehensive income:		
Changes in fair value	<u>(293,054)</u>	<u>61,221</u>
Net other comprehensive loss that may be reclassified to profit or loss in subsequent periods	<u>(2,691,794)</u>	<u>(8,576,867)</u>
Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods:		
Other financial assets measured at fair value through other comprehensive income:		
Changes in fair value	<u>(23,913)</u>	<u>–</u>
Net other comprehensive loss that will not be reclassified to profit or loss in subsequent periods	<u>(23,913)</u>	<u>–</u>
OTHER COMPREHENSIVE LOSS FOR THE YEAR, NET OF TAX	<u>(2,715,707)</u>	<u>(8,576,867)</u>
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR	<u>2,581,444</u>	<u>(3,061,903)</u>
ATTRIBUTABLE TO:		
Equity holders of the Company	2,182,638	(2,561,037)
Holders of perpetual capital instruments	226,563	71,686
Non-controlling interests	<u>172,243</u>	<u>(572,552)</u>
	<u>2,581,444</u>	<u>(3,061,903)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2023

	<i>Notes</i>	2023	2022
		<i>HK\$'000</i>	<i>HK\$'000</i>
NON-CURRENT ASSETS			
Investment properties		169,940	168,581
Property, plant and equipment		8,772,807	8,943,821
Right-of-use assets		807,201	907,321
		<hr/> 9,749,948	<hr/> 10,019,723
Goodwill		1,535,542	1,561,486
Intangible assets		30,975,754	30,794,582
Interests in joint ventures		1,055,810	965,932
Interests in associates		598,650	592,922
Contract assets	<i>11</i>	94,892,432	96,984,420
Finance lease receivables		12,263	13,367
Other financial assets		150,164	197,546
Other receivables, deposits and prepayments	<i>12</i>	2,445,301	3,105,883
Deferred tax assets		613,814	376,031
		<hr/> 142,029,678	<hr/> 144,611,892
CURRENT ASSETS			
Inventories		894,628	1,014,432
Contract assets	<i>11</i>	13,078,653	12,445,930
Finance lease receivables		771	770
Other financial assets		121,148	221,717
Debtors, other receivables, deposits and prepayments	<i>12</i>	24,419,721	20,476,261
Tax recoverable		5,485	44,053
Pledged bank deposits		176,680	1,163,850
Deposits with banks with maturity period over three months		22,844	27,651
Cash and cash equivalents		8,433,216	10,591,242
		<hr/> 47,153,146	<hr/> 45,985,906

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(continued)*

31 December 2023

	<i>Notes</i>	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
CURRENT LIABILITIES			
Creditors, other payables and accrued expenses	13	17,527,132	22,437,850
Interest-bearing borrowings			
– Secured		3,716,573	3,742,461
– Unsecured		19,401,845	16,435,727
		23,118,418	20,178,188
Tax payable		539,330	197,011
Total current liabilities		41,184,880	42,813,049
NET CURRENT ASSETS		5,968,266	3,172,857
TOTAL ASSETS LESS CURRENT LIABILITIES		147,997,944	147,784,749
NON-CURRENT LIABILITIES			
Other payables	13	468,945	533,657
Interest-bearing borrowings			
– Secured		36,609,182	39,663,880
– Unsecured		34,896,544	34,882,432
		71,505,726	74,546,312
Deferred tax liabilities		10,500,052	10,105,887
Total non-current liabilities		82,474,723	85,185,856
NET ASSETS		65,523,221	62,598,893
EQUITY			
Equity attributable to equity holders of the Company			
Share capital		17,329,537	17,329,537
Reserves		30,811,351	30,044,571
		48,140,888	47,374,108
Non-controlling interests		11,673,720	11,769,351
Perpetual capital instruments		5,708,613	3,455,434
TOTAL EQUITY		65,523,221	62,598,893

Notes:

1. BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and the Hong Kong Companies Ordinance.

The accounting policies and basis of preparation adopted in the preparation of the financial statements are consistent with those adopted in the annual financial statements for the year ended 31 December 2022 except for the changes in accounting policies as further detailed in note 2 below. The financial statements are presented in Hong Kong dollars and all values are rounded to the nearest thousand except when otherwise indicated. The financial statements have been reviewed by the Company’s Audit Committee.

The financial information relating to the years ended 31 December 2023 and 2022 included in this preliminary announcement of annual results 2023 does not constitute the Company’s statutory annual consolidated financial statements for those years but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance is as follows:

The Company has delivered the financial statements for the year ended 31 December 2022 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance and will deliver the financial statements for the year ended 31 December 2023 in due course.

The Company’s auditor has reported on the financial statements of the Group for the years ended 31 December 2023 and 2022. The auditor’s reports for both years were unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its reports; and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following new and revised HKFRSs for the first time for the current year's financial statements.

HKFRS 17	<i>Insurance Contracts</i>
Amendments to HKAS 1 and HKFRS Practice Statement 2	<i>Disclosure of Accounting Policies</i>
Amendments to HKAS 8	<i>Definition of Accounting Estimates</i>
Amendments to HKAS 12	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>
Amendments to HKAS 12	<i>International Tax Reform – Pillar Two Model Rules</i>

The new and revised HKFRSs that are applicable to the Group did not have any significant impact on the financial position or performance of the Group.

3. OPERATING SEGMENT INFORMATION

The Group manages its business by divisions, 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 four reportable segments.

- Environmental energy project construction and operation: this segment engages in the construction and operation of waste-to-energy plants, food and kitchen waste treatment projects, sludge treatment and disposal projects, leachate treatment projects, methane-to-energy plants, fecal treatment projects, fly ash landfill projects, medical waste treatment projects and solid waste treatment projects, and provision of waste sorting, renewable resources utilisation, and sanitation operation services, to generate revenue from construction services, revenue from operation services as well as finance income.
- Environmental water project construction and operation: this segment engages in the construction, upgrade and operation of waste water treatment plants, water supply, reusable water treatment plants, sludge treatment and disposal projects, sponge city construction, river-basin ecological restoration, waste water source heat pump projects, leachate treatment, research and development of water environment technologies and engineering projects, to generate revenue from construction services, revenue from operation services as well as finance income.

3. OPERATING SEGMENT INFORMATION *(continued)*

- Greentech project construction and operation: this segment engages in the construction and operation of integrated biomass utilisation projects, hazardous and solid waste treatment projects, solar energy projects and wind power projects, and provision of environmental remediation services, to generate revenue from construction services, revenue from operation services as well as finance income.
- Others: this segment engages in the conduct of environmental protection technology research and development, provision of environmental-related technological services, design of environmental protection projects, provision of environmental protection project equipment construction and installation services and sales of related equipment from which it generates revenue.

For the purpose of assessing segment performance and allocating resource between segments, the Group's 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, investments in other financial assets, tax recoverable, deferred tax assets and current assets with the exception of intercompany receivables and other corporate assets. Segment liabilities include tax payable, deferred tax liabilities, creditors, other payables and accrued expenses attributable to the activities of the individual segment and borrowings managed directly by the segments, with the exception of intercompany payables and other corporate liabilities.

Revenue and expenses are allocated to the reportable segments with reference to revenue generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments. However, other than reporting inter-segment sales of equipment and provision of technological services, assistance provided by one segment to another, including technical know-how, is not measured.

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

In addition to receiving segment information concerning segment results, management is provided with segment information concerning revenue (including inter-segment sales and revenue from technological services), 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 years ended 31 December 2023 and 2022 is set out below.

For the year ended 31 December

	Environmental energy project construction and operation		Environmental water project construction and operation		Greentech project construction and operation		Others		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment revenue:										
Revenue from external customers	17,359,810	21,968,171	6,704,684	6,727,967	7,415,381	8,042,271	610,332	582,820	32,090,207	37,321,229
Inter-segment revenue	112,604	217,014	–	–	1,592	5,900	756,746	1,148,423	870,942	1,371,337
Reportable segment revenue	<u>17,472,414</u>	<u>22,185,185</u>	<u>6,704,684</u>	<u>6,727,967</u>	<u>7,416,973</u>	<u>8,048,171</u>	<u>1,367,078</u>	<u>1,731,243</u>	<u>32,961,149</u>	<u>38,692,566</u>
Reconciliation:										
Elimination of inter-segment revenue									<u>(870,942)</u>	<u>(1,371,337)</u>
Reportable segment revenue derived from the Group's external customers									<u>32,090,207</u>	<u>37,321,229</u>

3. OPERATING SEGMENT INFORMATION *(continued)*

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

For the year ended 31 December

	Environmental energy project construction and operation		Environmental water project construction and operation		Greentech project construction and operation		Others		Total	
	2023 HK\$'000	2022 HK\$'000	2023 HK\$'000	2022 HK\$'000	2023 HK\$'000	2022 HK\$'000	2023 HK\$'000	2022 HK\$'000	2023 HK\$'000	2022 HK\$'000
Segment results:										
Reportable segment profit (Adjusted EBITDA)	9,078,517	9,056,301	2,475,439	2,178,925	1,479,768	2,234,378	160,365	261,968	13,194,089	13,731,572
Elimination of inter-segment profits									(263,794)	(391,526)
Reportable segment profit derived from the Group's external customers									12,930,295	13,340,046
Finance costs									(3,527,788)	(3,488,268)
Depreciation and amortisation, including unallocated portion									(2,175,689)	(2,090,572)
Unallocated head office and corporate income									147,906	84,705
Unallocated head office and corporate expenses									(250,240)	(582,964)
Consolidated profit before tax									7,124,484	7,262,947
Other segment information:										
Depreciation and amortisation	902,936	822,393	212,466	253,898	965,699	924,790	80,558	78,504	2,161,659	2,079,585
Impairment of debtors, net	268,864	155,812	194,487	226,899	66,909	107,770	41,912	5,858	572,172	496,339
Impairment of other receivables	21,133	73,206	466	33,829	-	-	-	-	21,599	107,035
Impairment/(write-back of impairment) of contract assets, net	(111,964)	29,315	1,282	4,002	19,660	1,476	-	-	(91,022)	34,793
Impairment of goodwill	-	593,368	-	-	-	14,474	-	-	-	607,842
Impairment of property, plant and equipment	-	-	-	-	380,086	15,526	-	-	380,086	15,526
Impairment of intangible assets	-	-	-	14,230	210,144	-	-	-	210,144	14,230
Impairment of right-of-use assets	-	-	-	-	65,423	-	-	-	65,423	-
Write-down of inventories to net realisable value	-	-	-	-	35,405	-	-	-	35,405	-
Additions to property, plant and equipment and right-of-use assets during the year	700,860	951,831	65,081	124,145	365,076	429,540	18,054	52,668	1,149,071	1,558,184
Additions to intangible assets and non-current portion of prepayments during the year	2,125,902	3,241,105	62,905	489,941	615,533	936,075	10,151	8,726	2,814,491	4,675,847
Additions to non-current portion of contract assets during the year	5,415,485	8,570,649	2,874,912	3,185,465	397,754	825,872	-	-	8,688,151	12,581,986

3. OPERATING SEGMENT INFORMATION *(continued)*

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

	Environmental energy project construction and operation		Environmental water project construction and operation		Greentech project construction and operation		Others		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Reportable segment assets	107,527,318	110,305,556	33,995,027	33,172,387	39,719,911	39,250,554	2,842,975	3,084,121	184,085,231	185,812,618
Unallocated head office and corporate assets									5,097,593	4,785,180
Consolidated total assets									189,182,824	190,597,798
Reportable segment liabilities	52,011,184	52,448,424	20,768,085	20,454,421	27,344,533	25,694,727	2,097,945	2,163,579	102,221,747	100,761,151
Unallocated head office and corporate liabilities									21,437,856	27,237,754
Consolidated total liabilities									123,659,603	127,998,905

3. OPERATING SEGMENT INFORMATION *(continued)*

(ii) Geographic information

The following table sets out information about the geographical location of (i) the Group's revenue from external customers, (ii) the Group's investment properties, property, plant and equipment, right-of-use assets and intangible assets and (iii) the Group's non-current portion of other receivables, deposits and prepayments and non-current portion of contract assets. The geographical location of customers is based on the location at which the services were provided. The geographical location of the assets is based on the physical location of the assets, in the case of investment properties, property, plant and equipment and right-of-use assets, and the location of the operation to which they are allocated, in the case of other receivables, deposits and prepayments, intangible assets and contract assets.

	Revenue from external customers		Investment properties, property, plant and equipment, right-of-use assets and intangible assets		Non-current portion of other receivables, deposits and prepayments and contract assets	
	2023	2022	2023	2022	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Hong Kong (place of domicile)	9,402	5,709	58,106	35,779	–	–
Other parts of the PRC	31,388,415	36,669,710	39,384,074	39,751,966	97,335,434	100,089,198
Germany	56,496	20,404	23,798	26,307	–	–
Poland	565,347	554,172	456,028	447,375	–	241
Vietnam	70,547	71,234	800,943	552,431	2,299	864
Singapore	–	–	2,753	447	–	–
Total	32,090,207	37,321,229	40,725,702	40,814,305	97,337,733	100,090,303

(iii) Information about a major customer

For the years ended 31 December 2023 and 2022, the revenue from the Group's largest customer amounted to less than 10% of the Group's total revenue.

4. REVENUE

An analysis of revenue is as follows:

	2023	2022
	HK\$'000	HK\$'000
<i>Revenue from contracts with customers</i>		
Revenue from environmental energy project construction services	4,332,798	9,193,065
Revenue from environmental water project construction services	2,502,809	2,668,060
Revenue from greentech project construction services	660,645	1,297,251
Revenue from environmental energy project operation services	9,241,305	8,898,332
Revenue from environmental water project operation services	3,104,693	2,951,962
Revenue from greentech project operation services	6,411,122	6,378,433
Others	610,332	582,820
	<hr/>	<hr/>
Total revenue from contracts with customers	26,863,704	31,969,923
Finance income from service concession arrangements	5,226,503	5,351,306
	<hr/>	<hr/>
Total revenue	32,090,207	37,321,229
	<hr/>	<hr/>

The aggregated revenue from environmental energy project construction and operation services, environmental water project construction and operation services, greentech project construction and operation services and finance income derived from the local government authorities in the PRC amounted to HK\$27,399,124,000 (2022: HK\$32,672,072,000) for the year ended 31 December 2023. The revenue is included in “Environmental energy project construction and operation”, “Environmental water project construction and operation” and “Greentech project construction and operation” segments as disclosed in note 3.

5. OTHER REVENUE, OTHER INCOME AND GAINS/(LOSSES), NET

An analysis of other revenue, other income and gains/(losses), net is as follows:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Other revenue		
Rental income from operating leases	10,103	9,305
Interest income	119,464	171,112
Dividend income	857	–
Government grants*	148,694	241,618
Value-added tax refund**	390,307	328,831
Others	394,926	419,548
	<hr/>	<hr/>
Total other revenue	1,064,351	1,170,414
	<hr/>	<hr/>
Other income and gains/(losses), net		
Fair value gains/(losses), net:		
Other financial assets – unlisted equity investment	(1,586)	2,597
Other financial assets – unlisted investments	(51,343)	(18,382)
Fair value gain on investment property	1,383	–
Loss on disposal and write-off of property, plant and equipment, net	(30)	(3,729)
Gain on disposal of interests in associates	–	20,918
Loss on deregistration of a subsidiary	–	(19,157)
Gain on disposal of a subsidiary	–	476
Impairment of debtors, net	(572,172)	(496,339)
Impairment of other receivables	(21,599)	(107,035)
Write-back of impairment/(impairment) of contract assets, net	91,022	(34,793)
Impairment of goodwill	–	(607,842)
Impairment of property, plant and equipment	(380,086)	(15,526)
Impairment of intangible assets	(210,144)	(14,230)
Impairment of right-of-use assets	(65,423)	–
Others	–	145
	<hr/>	<hr/>
Total other income and gains/(losses), net	(1,209,978)	(1,292,897)
	<hr/>	<hr/>

5. OTHER REVENUE, OTHER INCOME AND GAINS/(LOSSES), NET *(continued)*

* Government grants were granted during the year ended 31 December 2023 to subsidise certain environmental energy projects, environmental water projects and greentech projects of the Group in the PRC and Poland. There are no unfulfilled conditions and other contingencies attached to the receipts of those grants. There is no assurance that the Group will continue to receive such grants in the future.

** Value-added tax refund was received/receivable during the year ended 31 December 2023 in relation to certain environmental energy projects, environmental water projects and greentech projects operations of the Group in the PRC. There are no unfulfilled conditions and other contingencies attached to the receipts of such tax refund. There is no assurance that the Group will continue to receive such tax refund in the future.

6. FINANCE COSTS

	2023	2022
	HK\$'000	HK\$'000
Interest on bank and other loans	3,020,205	3,041,534
Interest on corporate bond, asset-backed securities, medium-term notes and super and short-term commercial papers	495,073	423,757
Interest on lease liabilities	6,854	6,327
Asset-backed notes arrangement fees	25,528	55,646
Less: Interest expenses capitalised into construction in progress*	(19,872)	(38,996)
Total	3,527,788	3,488,268

* The borrowing costs have been capitalised at rates ranging from 2.7% to 3.5% (2022: 3.9% to 4.8%) per annum during the year ended 31 December 2023.

7. PROFIT BEFORE TAX

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

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Depreciation		
– property, plant and equipment	657,564	646,186
– right-of-use assets	74,013	70,778
Amortisation of intangible assets	1,444,112	1,373,608
Research and development costs	79,387	122,480
Write-down of inventories to net realisable value	35,405	–
Lease payments not included in the measurement of lease liabilities	17,321	47,586
Auditor's remuneration		
– audit services	14,575	14,281
– other services	3,001	7,134
Employee benefit expense (excluding directors' remuneration):		
Wages, salaries, allowances and benefits in kind	3,753,549	3,551,012
Retirement scheme contributions	384,573	385,049
Total	<u>4,138,122</u>	<u>3,936,061</u>
Foreign exchange differences, net	(57,984)	370,137
Direct operating expenses (including repairs and maintenance) arising from rental-earning investment properties	<u>–</u>	<u>24</u>

As at 31 December 2023, the Group had no forfeited contributions available to reduce its contributions to the retirement schemes in future years (2022: Nil).

8. 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 year ended 31 December 2023 (2022: Nil).

Tax for the PRC operations is charged at the statutory rate of 25% of the assessable profits under tax rules and regulations in the PRC. During the year, certain PRC subsidiaries are subject to tax at 50% of the standard tax rate or fully exempted from income tax under the relevant tax rules and regulations.

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Current – Elsewhere:		
Charge for the year	1,073,123	790,343
Underprovision/(overprovision) in prior years	3,484	(18,027)
Deferred	<u>750,726</u>	<u>975,667</u>
Total tax expense for the year	<u>1,827,333</u>	<u>1,747,983</u>

9. DIVIDENDS

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Dividends attributable to the year:		
Interim – HK14.0 cents (2022: HK15.0 cents) per ordinary share	860,017	921,446
Proposed final – HK8.0 cents (2022: HK9.0 cents) per ordinary share	<u>491,438</u>	<u>552,868</u>
	<u>1,351,455</u>	<u>1,474,314</u>
Final dividend in respect of the previous financial year paid during the year – HK9.0 cents (2022: HK15.0 cents) per ordinary share	<u>552,868</u>	<u>921,446</u>

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting. The final dividend proposed after the end of the reporting period has not been recognised as a liability at the end of the reporting period.

10. EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

The calculation of basic earnings per share amount is based on the profit for the year attributable to equity holders of the Company of HK\$4,429,160,000 (2022: HK\$4,601,939,000), and 6,142,975,292 (2022: 6,142,975,292) ordinary shares in issue during the year.

The Group had no potentially dilutive ordinary shares in issue during the years ended 31 December 2023 and 2022.

11. CONTRACT ASSETS

		31 December 2023	31 December 2022	1 January 2022
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Non-current				
Service concession assets	<i>(a)</i>	94,814,016	96,907,828	102,050,909
Other contract assets	<i>(c)</i>	154,601	158,808	–
Less: Impairment		<u>(76,185)</u>	<u>(82,216)</u>	<u>(79,758)</u>
Total - non-current		<u>94,892,432</u>	<u>96,984,420</u>	<u>101,971,151</u>
Current				
Service concession assets	<i>(a)</i>	8,408,839	8,339,084	8,724,603
Unbilled renewable energy tariff subsidy	<i>(b)</i>	4,258,130	3,804,093	2,606,313
Other contract assets	<i>(c)</i>	466,171	445,589	707,037
Less: Impairment		<u>(54,487)</u>	<u>(142,836)</u>	<u>(130,249)</u>
Total - current		<u>13,078,653</u>	<u>12,445,930</u>	<u>11,907,704</u>
Total net carrying amount		<u>107,971,085</u>	<u>109,430,350</u>	<u>113,878,855</u>
Contract assets arising from performance under construction contracts in connection with service concession arrangements, which are included in “Intangible assets”				
		<u>1,902,843</u>	<u>3,265,071</u>	<u>3,762,581</u>

Notes:

- (a) Included in “Service concession assets” are amounts of HK\$769,354,000 (2022: HK\$525,427,000) and HK\$731,752,000 (2022: HK\$704,322,000) which are related to the construction services under Build-Operate-Transfer (“BOT”), Build-Operate-Own (“BOO”) and Transfer-Operate-Transfer (“TOT”) arrangements rendered by the Group to a non-controlling shareholder of a non wholly-owned subsidiary and a related company of a non wholly-owned subsidiary, respectively.

11. CONTRACT ASSETS *(continued)*

Notes: (continued)

(a) (continued)

“Service concession assets” arose from the Group’s revenue from construction services under BOT, BOO and TOT arrangements and bear interest at rates ranging from 4.20% to 7.83% (2022: 4.40% to 7.83%) per annum. Among the total of HK\$103,222,855,000 (2022: HK\$105,246,912,000), HK\$91,485,026,000 (2022: HK\$86,250,171,000) relates to BOT, BOO and TOT arrangements with operations commenced.

Pursuant to the BOT, BOO and TOT arrangements, the Group receives no payment from the grantors during the construction period and receives service fees when relevant services are rendered during the operating periods. The service concession assets are not yet due for payment and will be settled by service fees to be received during the operating periods of the service concession arrangements. Amounts billed will be transferred to debtors.

All of the current portion of service concession assets are expected to be recovered within one year.

(b) The balance represented government on-grid tariff subsidy for certain projects which will be billed and settled upon the successful 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.

(c) The balance as at 31 December 2023 comprised contract assets of HK\$416,237,000 (2022: HK\$377,322,000) arising from performance under environmental remediation service contracts, and HK\$204,535,000 (2022: HK\$227,075,000) arising from performance under construction management service contracts.

Such contracts include payment schedules which require stage payments over the service periods once milestones are reached.

12. DEBTORS, OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Non-current		
Other receivables, deposits and prepayments	2,455,083	3,139,237
Less: Impairment – other receivables	<u>(9,782)</u>	<u>(33,354)</u>
Total – non-current	<u>2,445,301</u>	<u>3,105,883</u>
Current		
Debtors	21,388,229	16,252,797
Less: Impairment	<u>(1,407,907)</u>	<u>(937,452)</u>
Subtotal – current	<u>19,980,322</u>	<u>15,315,345</u>
Other receivables, deposits and prepayments	4,557,340	5,248,258
Less: Impairment – other receivables	<u>(117,941)</u>	<u>(87,342)</u>
Subtotal – current	<u>4,439,399</u>	<u>5,160,916</u>
Total – current	<u>24,419,721</u>	<u>20,476,261</u>
Total	<u>26,865,022</u>	<u>23,582,144</u>

Included in “Debtors, other receivables, deposits and prepayments” of the Group are debtors of which HK\$54,760,000 (2022: HK\$22,605,000), HK\$14,916,000 (2022: HK\$15,397,000), HK\$22,735,000 (2022: HK\$13,963,000), and HK\$62,492,000 (2022: Nil) are due from the Group’s joint ventures, associates, a related company of a non wholly-owned subsidiary and non-controlling shareholders of non wholly-owned subsidiaries, respectively. Debtors mainly represent revenue from the provision of operation services for environmental energy projects, environmental water projects, greentech projects and the provision of environmental protection project equipment construction and installation services and sales of related equipment and the billed amounts of the service concession assets.

Debtors are due within 30 to 90 days from the date of billing.

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

The ageing analysis of 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:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Within 1 month	2,997,233	2,495,283
More than 1 month but within 2 months	1,120,944	1,480,883
More than 2 months but within 4 months	1,754,371	1,402,981
More than 4 months but within 7 months	2,141,012	1,809,460
More than 7 months but within 13 months	3,016,494	2,480,817
More than 13 months	8,950,268	5,645,921
Total	<u>19,980,322</u>	<u>15,315,345</u>

Included in “Debtors, other receivables, deposits and prepayments” are debtors of HK\$7,248,873,000 (2022: HK\$5,212,657,000), which were measured at fair value through other comprehensive income as these debtors are managed within a business model with the objective of both holding to collect contractual cash flows and selling for working capital management and the contractual terms of these receivables give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Included in “Other receivables, deposits and prepayments” at 31 December 2023 is an advance made to local government authority in relation to service concession arrangement amounting to HK\$16,173,000 (2022: HK\$20,985,000) which is unsecured, interest-bearing at the rates announced by the People’s Bank of China, and will be settled by instalments from 2024 to 2026.

Included in “Other receivables, deposits and prepayments” under current assets at 31 December 2022 was loan to the Group’s non-controlling shareholder of a non wholly-owned subsidiary of HK\$25,971,000, which was secured, interest-bearing at 110% of the rates announced by the People’s Bank of China and repayable by December 2023.

Included in “Other receivables, deposits and prepayments” under current assets at 31 December 2023 are advances of HK\$6,329,000 (2022: HK\$9,365,000) to the Group’s associate, which are unsecured, repayable on demand and interest-bearing at a rate of 4.75% per annum, and other receivables of HK\$1,247,000 (2022: HK\$5,369,000) due from the Group’s associates, which are unsecured, interest-free and repayable within one year.

Included in “Other receivables, deposits and prepayments” under current assets at 31 December 2023 are loans to the Group’s joint ventures of HK\$25,563,000 (2022: HK\$26,806,000), which are unsecured, interest-bearing at 125% of the loan prime rate announced by the People’s Bank of China (“LPR”), and repayable in 2024, and other receivables and advances to the Group’s joint ventures of HK\$25,263,000 (2022: HK\$18,396,000) and other receivables due from the Group’s non-controlling shareholders of non wholly-owned subsidiaries of HK\$1,977,000 (2022: Nil), which are unsecured, interest-free and repayable within one year.

13. CREDITORS, OTHER PAYABLES AND ACCRUED EXPENSES

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Creditors	12,261,759	16,251,484
Other payables, accrued expenses and deferred income		
– government grants	<u>5,734,318</u>	<u>6,720,023</u>
Total	17,996,077	22,971,507
Less: Non-current portion		
– other payables, accrued expenses and deferred income		
– government grants	<u>(468,945)</u>	<u>(533,657)</u>
Current portion	<u>17,527,132</u>	<u>22,437,850</u>

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:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Within 6 months	9,660,223	12,548,564
Over 6 months	<u>2,601,536</u>	<u>3,702,920</u>
Total	<u>12,261,759</u>	<u>16,251,484</u>

Creditors totalling HK\$8,306,116,000 (2022: HK\$11,096,878,000) represent construction payables for the Group’s BOT, BOO and TOT arrangements. The construction payables are not yet due for payment.

Included in “Creditors, other payables and accrued expenses” are creditors of HK\$3,752,000 (2022: HK\$4,816,000) and HK\$71,812,000 (2022: HK\$71,031,000) due to the Group’s associate and non-controlling shareholders of non wholly-owned subsidiaries, respectively, which are unsecured, interest-free and repayable on credit terms similar to those offered by the associate or the non-controlling shareholders to their major customers.

Included in “Other payables, accrued expenses and deferred income – government grants” at 31 December 2023 are other payables of HK\$23,900,000 (2022: HK\$101,000) and HK\$16,563,000 (2022: HK\$15,671,000) due to the Group’s associate and non-controlling shareholders of non wholly-owned subsidiaries, respectively, which are unsecured, interest-free and repayable on demand. Included in “Other payables, accrued expenses and deferred income – government grants” at 31 December 2023 are other payables of HK\$215,385,000 (2022: HK\$215,053,000) due to a non-controlling shareholder of a non wholly-owned subsidiary, which are unsecured, interest-bearing at the rates announced by the People’s Bank of China and repayable on demand. Included in “Other payables, accrued expenses and deferred income – government grants” at 31 December 2022 was other payable of HK\$1,201,000 due to a non-controlling shareholder of a non wholly-owned subsidiary, which was unsecured, interest-free and repayable within one year.

SCOPE OF WORK OF ERNST & YOUNG ON THE PRELIMINARY ANNOUNCEMENT

The figures in respect of the Group’s consolidated statement of financial position, consolidated income statement, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2023 as set out in the preliminary announcement have been agreed by the Company’s auditor, Ernst & Young, to the amounts set out in the Group’s consolidated financial statements for the year. The work performed by Ernst & Young in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by Ernst & Young on the preliminary announcement.

BUSINESS REVIEW AND PROSPECTS

OPERATING RESULTS

Business Overview

During the year under review, Everbright Environment maintained strategic composure by delving deeper into major businesses and responsibilities while fostering innovation and transformation. As a result, the Group realised stable operating results and carried out high-quality development in a steady manner, further consolidating its industry-leading position.

In terms of operating results, during the year under review, the Group diligently followed its strategic guidance and achieved a further increase in the proportion of operation service revenue with more diversified revenue streams, while yielding notable results in cost reduction and efficiency enhancement. With a focus on its major businesses, the Group consolidated its existing business strengths and explored new frontiers, adopted the “going global” approach with a proactive and steady manner, and continued to foster collaborative ecosystems, enriching its business landscape. Leveraging its high-quality environmental protection projects, the Group exemplified its corporate commitment to actively serving China’s major strategies. It also enhanced the proficiency and efficiency of the operations management by optimising its operations management systems, achieving cost containment through a multi-faceted approach, and carrying out digital transformation. Guided by an innovation-driven and enabled approach, the Group maintained a business model of balanced development of asset-light and asset-heavy businesses, and continuously stepped up the digitalisation of its management, while intensifying the commercialisation of technological results and accelerating the transformation and upgrading of equipment manufacturing. The Group also enhanced the efficiency of decision-making through more standardised corporate governance.

Major operating indicators in 2023 are summarised in the table below:

	2023	2022	Percentage
	<i>HK\$'000</i>	<i>HK\$'000</i>	Change
Revenue	32,090,207	37,321,229	-14%
Earnings before interest, taxes, depreciation and amortisation (“EBITDA”)	12,827,961	12,841,787	-0%
Profit attributable to equity holders of the Company	4,429,160	4,601,939	-4%
Basic earnings per share (<i>HK cents</i>)	72.10	74.91	-4%

During the year under review, the Group recorded a total revenue of HK\$32,090,207,000, of which revenue from operation services increased by 2% from 2022 to HK\$19,187,216,000, and revenue from construction services decreased by 42% from 2022 to HK\$7,676,488,000. The revenue from operation services and finance income accounted for 76% of the total revenue.

During the year under review, the Group actively expanded its financing channels and continuously optimised its portfolio of financing instruments to reduce financing costs and improve liquidity. In the meantime, the Group monitored interest rate changes in domestic and overseas markets, continued to reduce interest rates of domestic borrowings, and replaced overseas high-interest rate borrowings in an orderly manner, to significantly save interest-related expenses. Additionally, the Group adopted various measures and enhanced efforts to collect and manage its debtors, negotiated with banks to secure additional facility support, and obtained various domestic subsidies totalling RMB181 million. As of 31 December 2023, the Group had cash on hand amounting to HK\$8.633 billion, with a reasonable gearing level and a healthy financial position.

The Group's major financing arrangements in 2023 are summarised in the table below:

Issue date	Financing arrangements and uses of proceeds	Issue size (RMB)
November 2023	<p>Everbright Environmental Protection (China) Limited*, the Company's wholly-owned subsidiary, issued the Asset-backed Notes ("ABN") Series 3 in the national inter-bank bond market for the replenishment of the working capital, repayment of debts to financial institutions and/or any other purposes in compliance with relevant national industrial policies and applicable laws and regulations.</p> <p>The Company issued the 2023 Medium Term Notes ("MTNs") (Series 3) in the national inter-bank bond market for the repayment of the interest-bearing debts of the Company and its subsidiaries.</p>	<p>0.47 billion</p> <p>2 billion</p>
September 2023	<p>China Everbright Greentech Limited ("Everbright Greentech"), the Company's listed subsidiary, issued the 2023 second tranche of the green MTNs in the national inter-bank bond market for the repayment of interest-bearing debts of Everbright Greentech and its subsidiaries, replenishment of their working capital and/or investment in and construction of their environmental protection projects and for other business development purposes.</p>	1 billion
August 2023	<p>China Everbright Water Limited ("Everbright Water"), the Company's listed subsidiary, issued the 2023 third tranche MTNs in the national inter-bank bond market for the replenishment of working capital of Everbright Water's subsidiaries.</p>	1 billion

* For identification only

Issue date	Financing arrangements and uses of proceeds	Issue size (RMB)
July 2023	Everbright Water issued the 2023 second tranche MTNs in the national inter-bank bond market for the replenishment of working capital of Everbright Water’s subsidiaries and repayment of the interest-bearing debts of Everbright Water or its subsidiaries.	1.5 billion
May 2023	The Company issued the 2023 perpetual MTNs (Series 2) in the national inter-bank bond market for the repayment of the Group’s interest-bearing debts, which is subject to adjustment.	2 billion
	Everbright Greentech issued the 2023 first tranche of the green MTNs in the national inter-bank bond market for the repayment of interest-bearing debts of Everbright Greentech and its subsidiaries, replenishment of their working capital and/or investment in and construction of their environmental protection projects and for other business development purposes.	1 billion
April 2023	Everbright Water issued the 2023 first tranche MTNs in the national inter-bank bond market for the replenishment of working capital of Everbright Water’s subsidiaries.	1 billion
March 2023	Everbright Water issued the 2023 first tranche of super & short-term commercial papers in the national inter-bank bond market for the repayment of Everbright Water’s outstanding debts.	1 billion
	The Company issued the 2023 MTNs (Series 1) in the national inter-bank bond market for the repayment of the Company’s bank borrowings.	2 billion

The Group remains dedicated to sharing development and operation returns with the shareholders of the Company (the “Shareholders”). To reward the Shareholders for their trust and support, the Board recommended the distribution of a final dividend of HK8.0 cents per share for the year ended 31 December 2023 to the Shareholders (2022: HK9.0 cents per share), with the total dividend for the year amounting to HK22.0 cents per share (2022: HK24.0 cents per share).

As of 31 December 2023, the Group had a business presence in 225 cities, counties and districts across 26 provinces, municipalities, autonomous regions and special administrative region in China, with overseas business markets in Germany, Poland, Vietnam and Mauritius. The Group invested in and secured a total of 592 environmental protection projects, with an aggregate investment of approximately RMB160.655 billion. It also undertook various asset-light projects and services, such as environmental remediation, engineering design, procurement, construction and operation (“EPCO”), engineering, procurement and construction (“EPC”), operation and management (“O&M”), equipment supply, and technical services. As the world’s largest waste-to-energy investor and operator, the Group had a total of 191 waste-to-energy projects (including 1 O&M project and 1 EPCO project) under its environmental energy and greentech sectors, with a designed daily household waste processing capacity of 158,900 tonnes.

The major service and treatment capacities as of 31 December 2023 are summarised as below:

Project Category	Designed Treatment/Supply Capacity
Household waste	158,900 tonnes/day [#]
Food and kitchen waste	8,743 tonnes/day [#]
Water treatment*	7,468,100 m ³ /day [#]
Biomass raw materials	8,139,800 tonnes/year
Heat and steam supply	7,957,495 tonnes/year
Solar power installed capacity	140.39 megawatt (“MWp”)

* *Including various types of water business, such as water supply, waste water treatment and reusable water, etc*

[#] *Including treatment capacity under the O&M model*

In terms of market expansion, during the year under review, the Group continued to focus on the three major areas, namely solid waste, water-related business and clean energy. It solidified its major traditional business areas and explored new businesses, further extending its industry chain and diversifying its business deployment. In 2023, the Group invested in and secured a total of 40 new projects and signed 2 supplementary agreements to existing projects, which command a total investment of approximately RMB4.816 billion. These new projects involve traditional business areas such as waste-to-energy and synergistic businesses, municipal and industrial waste water treatment, and solar energy, as well as new business areas such as the construction of “Zero-carbon Park” and livestock and poultry manure resource utilisation. The Group also undertook various asset-light businesses, with a total contract value of approximately RMB3.244 billion.

In respect to market expansion highlights, during the year under review, in terms of the traditional business areas, the Group successively implemented environmental protection projects in Dafang County and Kaiyang County in Guizhou Province, Zhaotong County in Yunnan Province, Guangzong County in Hebei Province, Shen County in Shandong Province, Nanxiong County in Guangdong Province and Feng County in Jiangsu Province, further tapping into county-level markets. It also signed multiple synergistic projects related to waste-to-energy business, encompassing areas such as food and kitchen waste treatment, environmental sanitation integration, resource recycling and utilisation, construction waste, and heat and steam supply, further consolidating the deployment of the Group’s waste-to-energy industry chain in the local markets. Besides, the Group implemented advantageous businesses, such as waste-to-energy, municipal and industrial waste water treatment and solar power, in Shandong, Jiangsu, Anhui, Hong Kong and other places. In terms of new business areas, the Group signed its first livestock and poultry manure resource utilisation project, breaking new ground in the water-related business in Guangdong Province, as well as its first “Zero-carbon Park” project, establishing a foothold in the smart energy industry. Additionally, the Group undertook a number of waste-to-energy and industrial waste water treatment projects based on the EPCO model for the first time, further enriching the portfolio of its business models. It also secured an equipment supply service order in Barkam, Sichuan Province, marking the Group’s first attempt to provide its self-developed small-tonnage household waste mechanical grate furnace to external clients for the first time. This marked the realisation of the Group’s strategic plans for expansion into the county-level small-tonnage household waste treatment market and the commercialisation of its research and development (“R&D”) achievements. The Group also successively undertook asset-light services including technical services, and equipment supply and process packages in Hau Giang of Vietnam, Tanzania, and Abu Dhabi in the United Arab Emirates, constantly exporting its technology and equipment to overseas markets.

The major designed treatment and supply capacities of the new projects secured in 2023 are summarised as below:

Project Category	Designed Treatment/Supply Capacity
Household waste	3,700 tonnes/day [#]
Food and kitchen waste	775 tonnes/day [#]
Biomass raw materials	50,000 tonnes/year
Water treatment*	220,000 m ³ /day [#]
Heat and steam supply	1,738,132 tonnes/year
Solar power installed capacity	100.06 MWp

* Including various types of water business, such as water supply, waste water treatment and reusable water, etc

Including treatment capacity under the O&M model

In 2023, the Group continued to optimise and improve management relating to project operation, construction and tendering and procurement, to increase revenue sources, reduce cost and boost efficiency.

In terms of operations management, during the year under review, the Group continued to optimise its operations management system, to boost synergistic efficiency through project operations and cut costs through various means. It also carried out digital and intelligent transformation. As a result, the Group's overall operating costs further decreased as compared with 2022, and the proportion of operation service revenue against total revenue further increased, demonstrating the Group's transformation from construction service revenue to operation service revenue as the major source of revenue. In 2023, the Group's environmental energy sector boosted the volume of waste for its projects and electricity generated from the projects as compared with 2022, by adopting the Group's *12 Measures to Boost Waste Volume* to better coordinate and integrate waste sources. The sector leveraged its operating projects to expand various synergistic businesses, so that these projects could synergise with each other to boost profitability and efficiency. The environmental water sector completed the construction of a standardised operation management system for intelligent water plants, which was implemented across all operating projects. The sector recorded over 20 achievements under its "Five Innovations" initiative (small inventions, small transformations, small innovations, small designs and small suggestions) across projects under the sector, effectively enhancing techniques and processes, cost control, energy saving, emission reduction, and efficiency. It also continued to promote the "in-plant solar energy" project, which boosted the "low-carbon and energy-efficient" strengths of operating water projects as more solar power generation facilities were put into operation. The greentech sector incorporated intelligent management processes and technologies into several integrated biomass utilisation projects and solid waste treatment projects, facilitating the reduction of operating cost.

In terms of project construction, during the year under review, the Group adopted various measures, such as optimising relevant systems and processes, and improving engineering construction techniques and processes, to continuously reduce project construction costs and develop a number of high-quality projects. Heilongjiang Harbin Yuquan Waste-to-energy Project (“Harbin Project”) became the Group’s fifth project in China to receive the Luban Prize for outstanding project construction; Xiongan Integrated Waste Treatment Project, which is the world’s second and China’s only semi-underground integrated waste treatment project, completed construction and commenced operation, contributing to the development of the Beijing-Tianjin-Hebei region through its excellent environmental services. Multiple sub-projects of Boao Zero-carbon Demonstration Zone Project were completed and delivered by the Group, helping China showcase the concept and achievements of “zero carbon” and contributing to China’s effort to establish a sustainable development model. Thanks to its exceptional safety management, Vietnam Hue Waste-to-energy Project (“Hue Project”) was awarded the “International Safety Awards Distinction” by the British Safety Council. In 2023, 40 projects completed construction and commenced operation, and 16 asset-light services including environmental remediation were completed and delivered. Additionally, 47 new projects commenced construction, and 20 asset-light services including environmental remediation began execution.

In terms of tendering and procurement, during the year under review, the Group continued to optimise the procurement levels and authority system, to boost procurement efficiency. It also organised trainings on tendering and procurement and enhanced procurement supervision, to further standardise the relevant work. Additionally, the Group further promoted the centralised management of tendering and procurement as appropriate to further reduce procurement costs.

In terms of innovation empowerment, during the year under review, the Group adhered to the “Innovation-driven Development” approach. The Group advanced the integration of business and finance through the construction of various digital systems, initiating the digital transformation journey. The Group actively created an open and shared ecosystem for technological innovation, focusing on catering to its needs, market demands, and future development. The Group persistently pursued independent research and innovation that aligned with its own development needs, establishing the “Open Competition” and “Major Topics” mechanisms for R&D to better promote the transformation and application of technological achievements. As of 31 December 2023, the Group held nearly 1,800 authorised intellectual property rights, and multiple technological achievements, such as the medium-temperature and ultra-high-pressure reheating technology with a header system for waste incineration, had received national and provincial honours and recognitions.

The Group adheres to the concepts relating to environmental protection and social responsibility, and actively promotes energy conservation and the reduction of pollution and carbon emissions, to drive the simultaneous improvement of social, economic and environmental benefits. The Group’s major environmental contributions during the year under review are summarised as below:

	Treatment Capacity	Environmental Contribution
Household waste processed	52,440,000 tonnes	Supplying green electricity of 25,865,000,000 kWh. This output could support the annual electricity consumption needs of 21,554,000 households, equivalent to saving 10,345,000 tonnes of standard coal, while avoiding Carbon Dioxide (“CO ₂ ”) emissions by 13,948,000 tonnes.
Hazardous and solid waste processed	449,000 tonnes	
Agricultural and forestry waste processed	7,845,000 tonnes	
Waste water treated	1,749,000,000 m ³	Reducing Chemical Oxygen Demand (“COD”) discharge by 850,000 tonnes.
Waste-to-energy plants’ leachate treated	12,571,000 m ³	

Since the Group’s first environmental protection project commenced operation in 2005, its aggregate major environmental contributions are summarised as below:

	Aggregate Treatment Capacity	Aggregate Environmental Contribution
Household waste processed	270,365,000 tonnes	Supplying green electricity of 131,351,000,000 kWh. This output could support the annual electricity consumption needs of 109,459,000 households, equivalent to saving 52,540,000 tonnes of standard coal, while avoiding CO ₂ emissions by 113,015,000 tonnes.
Hazardous and solid waste processed	2,220,000 tonnes	
Agricultural and forestry waste processed	42,634,000 tonnes	
Waste water treated	16,481,562,000 m ³	Reducing COD discharge by 6,626,000 tonnes.
Waste-to-energy plants’ leachate treated	59,800,000 m ³	

In terms of social responsibility, the Group actively fulfilled its corporate citizenship responsibilities by providing comprehensive high-quality and stable environmental management services to protect the natural and human living environment. The Group also actively participated in various public welfare and charitable activities to promote the concepts relating to ecological environmental protection and sustainable development. During the year under review, by leveraging various operating environmental protection projects, the Group organised a series of dynamic environmental education activities around themes like the “World Water Day”, “Earth Day”, and “World Book Day”. It also organised diverse public welfare activities in local communities, fostering symbiotic and inclusive relationships with the local residents. Among them, Liaoning Shenyang Waste-to-energy Project (“Shenyang Project”) and Tianjin Xiqing Waste-to-energy Project (“Xiqing Project”) were recognised as the “AAA-rated Scenic Zones in China”, marking the Group’s further breakthrough in opening-up for public visits and environmental demonstration, as well as setting a new industry benchmark. The Group supported the “Strive and Rise Programme” of the Government of the Hong Kong Special Administrative Region, by conducting environmental lectures and research activities on environmental protection projects for Hong Kong’s youth, contributing to green and low-carbon development in Hong Kong. As of 31 December 2023, the Group had 216 environmental protection projects participating in public visit. In 2023, several environmental protection projects located in Zhejiang, Hainan, Henan, Shandong, and other provinces received over ten national and provincial titles related to public accessibility units and environmental education bases. Additionally, the Group’s integrated biomass utilisation projects, by leveraging the system for the collection, storage and transporting of biomass raw materials, paid nearly RMB2.4 billion in total for such materials, which benefited more than 5 million farmers, supporting China’s strategies to vitalise rural areas.

In 2023, the Group received many honours from home and abroad in recognition of its fulfilment of its responsibility and continued efforts in various aspects, including business operation and social responsibility. The major awards and honours are summarised as below:

Category	Award/Recognition	Awarding Organisation(s)
Operation and management	First place in the “2023 Top 50 Environmental Enterprises in China” (the fifth consecutive year)	China Environment Chamber of Commerce
	First place in the “Top Ten Influential Solid Waste Treatment Enterprises in China” (the thirteenth consecutive year)	E20 Environmental Platform

Category	Award/Recognition	Awarding Organisation(s)
	Everbright Water was shortlisted in the list of “Top Ten Influential Enterprises in China’s Water Industry” (the sixth consecutive year)	E20 Environmental Platform
	Everbright Environmental Technical Equipment (Changzhou) Limited* (“Changzhou Equipment Company”) was shortlisted in the list of “Green Supply Chain Management Enterprises”	Ministry of Industry and Information Technology of the People’s Republic of China (the “PRC”)
Brand influence	Top of the List for “Brand Value of Listed Environmental Protection Companies in 2022”	National Business Daily (“NBD”) and NBD Brand Value Research Institute
Technology R&D	Changzhou Equipment Company received the “Innovation Award at the Invention and Entrepreneurship Awards”	China Association of Inventions
	Multi-parameter In-situ Online Inspection Equipment for Incineration of Biomass and Organic Solid Waste and the Pollutant received the “First Prize on Innovation and Entrepreneurship Technology”	China Association of Inventions
	The R&D and engineering application technology of medium-temperature and ultra-high-pressure reheating technology with a header system for waste incineration won the “All-China Environment Federation Science and Technology Progress Award 2023”	All-China Environment Federation

* For identification purpose only

Category	Award/Recognition	Awarding Organisation(s)
	<p>The complete sets of the multi-source and high heating value solid waste energy utilisation water-cooled grate furnace (“Water-cooled Grate Furnace R&D Results”) were awarded the First Prize of “2023 Environmental Equipment Technology Innovation”</p>	<p>China Association of Machinery Industry for Environmental Protection</p>
	<p>Water-cooled Grate Furnace R&D Results were selected as the “First Set of Major Equipment in Jiangsu Province”</p>	<p>Bureau of Industry and Information Technology of Jiangsu Province</p>
Project construction	<p>Harbin Project was awarded the “Second Batch of the 2022-2023 Luban Prize in China’s construction industry” (China Quality Construction) (“Luban Prize”)</p>	<p>Ministry of Housing and Urban-Rural Development of the PRC and China Construction Industry Association</p>
	<p>Jiangxi Ji’an Waste-to-energy Project was awarded the “China Installation Engineering Quality Award”</p>	<p>China Installation Association</p>
	<p>Hue Project was awarded the “International Safety Awards Distinction”</p>	<p>British Safety Council</p>

Category	Award/Recognition	Awarding Organisation(s)
Sustainable development and environmental, social and governance (ESG)	A constituent member of the Dow Jones Sustainability Indices (the eighth consecutive year)	Dow Jones
	A member of the <i>Sustainability Yearbook</i> (the sixth time)	S&P Global
	A member of the <i>Sustainability Yearbook (China Edition)</i> and among the “Best 1% of Chinese Companies in S&P Global ESG Score”	S&P Global
	A constituent member of the Hang Seng Corporate Sustainability Benchmark Index (the 13th consecutive year)	Hang Seng Indexes
	Everbright Water received the “Singapore Corporate Sustainability Award” under the Mid-Cap Category	Securities Investors Association (Singapore)
	Everbright Greentech received the “Best Corporate Governance and ESG Award”	Hong Kong Institute of Certified Public Accountants
	Jiangsu Changzhou Waste-to-energy Project (“Changzhou Project”) was selected as a National “Typical Green and Low Carbon Base” Case Study	Ministry of Ecology and Environment of the PRC
	Vietnam Can Tho Waste-to-energy Project was named the “2022 Vietnam Sustainable Energy Development Enterprise”	Vietnam’s Ministry of Industry and Trade and other government authorities

Category	Award/Recognition	Awarding Organisation(s)
Social responsibility	Social Responsibility Brand of the Year (the ninth consecutive year)	China Charity Festival
	Zhejiang Hangzhou Waste-to-energy Project and Changzhou Project were rated as “National Ecological and Environmental Science Popularisation Bases”	Ministry of Ecology and Environment of the PRC, Ministry of Science and Technology of the PRC
	Hainan Danzhou Waste-to-energy Project was recognised as the “National Science Popularisation Education Base” for 2021-2025	China Association for Science and Technology
	Shenyang Project was recognised as “AAA-rated Scenic Zones in China”	Liaoning Shenyang Tourism Resources Planning and Development Quality Evaluation Committee
	Xiqing Project was recognised as “AAA-rated Scenic Zones in China”	Tianjin Tourism Scenic Spot Quality Evaluation Committee

I. ENVIRONMENTAL ENERGY

Environmental energy is a core business sector of the Group, with the largest scale and biggest business portion, covering waste-to-energy, food and kitchen waste treatment, leachate treatment, fly ash treatment, methane-to-energy, sludge treatment and disposal, construction and decoration waste treatment, development of environmental protection industrial parks, integrated urban services, waste sorting, resource utilisation and recycling, as well as technical consultancy and engineering design relating to environmental protection. During the year under review, with a focus on the area of solid waste, environmental energy further improved the deployment of the Group's waste-to-energy industry chain, consistently facilitated integrated development of the resources and energy integrated utilisation businesses, and maintained a solid leading position in the industry.

As of 31 December 2023, environmental energy had invested in and held 281 projects, with a total investment of approximately RMB98.318 billion, and undertook 2 O&M projects, 2 EPCO projects, and other types of asset-light businesses. These projects (including processing capacity under the O&M model) are designed to have an annual household waste processing capacity of 53,782,750 tonnes, an annual on-grid electricity of 18,309,554,700 kWh, an annual food and kitchen waste processing capacity of 3,169,295 tonnes, an annual sludge treatment capacity of 503,700 tonnes, and an annual medical waste processing capacity of 20,258 tonnes.

As of 31 December 2023, environmental energy's waste-to-energy projects are summarised as follows:

Project Status	Number of Projects	Designed Processing Capacity (tonnes/annum)
In operation*	148	49,019,500
Under construction	9	3,066,000

* including O&M project(s)

As of 31 December 2023, environmental energy's waste-to-energy synergistic projects* are summarised as follows:

Project Status	Number of Projects	Designed Processing Capacity (tonnes/annum)
In operation [#]	81	4,327,860
Under construction	16	752,400

* *including various waste-to-energy synergistic projects such as food and kitchen waste treatment, sludge treatment and disposal, and medical waste treatment, etc*

[#] *including O&M project(s)*

In terms of market development, during the year under review, environmental energy dedicated its efforts to achieving a balanced development of waste-to-energy and synergistic businesses as well as asset-light and asset-heavy businesses, contributing to an increasing proportion of the synergistic businesses and a diversified development of the asset-light businesses. In particular, it implemented waste-to-energy projects in Dafang County and Kaiyang County in Guizhou Province, Guangzong County in Hebei Province and Zhaotong City in Yunnan Province, as well as securing environmental sanitation integration business in Ma'anshan of Anhui Province and Laoling of Shandong Province, further consolidating the Group's business deployment in county-level solid waste treatment markets. It also secured Sichuan Yibin Second Household Waste-to-energy Project (Phase I) EPCO Project, which marks the Group's first time to adopt the EPCO model, further broadening the portfolio of business models and the scope of the asset-light businesses for the Group. In 2023, environmental energy invested in and secured 24 new projects, covering the areas of waste-to-energy, food and kitchen waste treatment, environmental sanitation integration and heat and steam supply, etc, with a total investment of approximately RMB3.079 billion. It also newly undertook 2 EPCO projects, 1 EPC project and other types of asset-light businesses, with a total contract value of approximately RMB619 million. The newly secured projects contribute a designed daily household waste processing capacity of 3,700 tonnes (including processing capacity under the O&M model), a designed daily food and kitchen waste processing capacity of 775 tonnes, and a designed annual steam supply capacity of 1,081,132 tonnes.

In terms of operations management, during the year under review, environmental energy took a multi-faceted approach to enhance the fine management level across various operational aspects, including optimising waste sourcing coordination, and leveraging technological empowerment, to promote cost reduction and efficiency enhancement in operation. In particular, weighbridge data was automatically collected from over 100 projects through intelligent sensing technology, while human effort in high-risk operations was replaced with robotics to better safeguard the well-being of frontline workers. In 2023, the average electricity generated per tonne of waste incinerated at environmental energy's waste-to-energy projects was approximately 458 kWh, with an integrated power consumption ratio of approximately 15%.

In terms of project construction, during the year under review, environmental energy continued to construct high-quality projects. In the Hainan Free-trade Zone, it spent only three months completing the construction of multiple sub-projects of the zero-carbon demonstration project in Boao, Hainan, under the EPC model, delivering zero carbon outcomes through the use of green materials, technology and processes, contributing the “Everbright” strength to a sustainability benchmark with Chinese characteristics. Additionally, in the Northeast region of China, Harbin Project was awarded the Luban Prize, becoming the fifth waste-to-energy project of the Group to receive this honour since its first win in 2013. During the year under review, 20 projects completed construction and commenced operation, with a total designed daily household waste processing capacity of 5,300 tonnes, and a designed daily food and kitchen waste processing capacity of 1,558 tonnes. 26 projects (including EPCO and EPC projects) commenced construction, with a total designed daily household waste processing capacity of 3,900 tonnes, and a designed daily food waste processing capacity of 1,568 tonnes.

During the year under review, environmental energy contributed an EBITDA of HK\$9,078,517,000, remained stable as compared with 2022. Environmental energy contributed a net profit attributable to the Group of HK\$5,271,451,000, an increase of 4% as compared with 2022. The increase in profit was mainly attributable to the effort in strategic financial arrangements to reduce finance costs during the year under review.

Major operating data relating to environmental energy during 2023 are summarised in the table below:

	2023	2022	Percentage Change
Waste processing volume (<i>tonnes</i>)	48,603,000	45,511,000	7%
Food and kitchen waste, sludge, and other waste processing volume (<i>tonnes</i>)	2,718,000	1,965,000	38%
On-grid electricity (<i>MWh</i>)	15,828,000	15,114,860	5%

II. ENVIRONMENTAL WATER

As of 31 December 2023, the Group held a 72.87% stake in Everbright Water, which is listed on the Mainboard of the Singapore Exchange Securities Trading Limited and the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). As a first-class water environment management service provider in China, Everbright Water focuses on the “water-related” business areas. It has developed a fully-fledged business coverage, which includes raw water protection, water supply, municipal waste water treatment, industrial waste water treatment, reusable water, river-basin ecological restoration, and sludge treatment and disposal. It has also formed a full industry chain in the water business, including project investment, planning and design, technology R&D and related services, engineering and construction, operations management and integrated diagnosis, among others. Everbright Water is proactively creating value to industries through various water businesses.

As of 31 December 2023, Everbright Water had invested in and held 166 projects, with a total investment of approximately RMB30.78 billion. It also undertook 7 O&M projects, 3 EPCO projects and other types of asset-light businesses. These projects (including treatment capacity under the O&M model) are designed to have an annual waste water treatment capacity of 2,300,412,000 m³, an annual reusable water supply capacity of 115,194,000 m³, an annual water supply capacity of 310,250,000 m³, and an annual sludge treatment capacity of 793,875 tonnes.

As of 31 December 2023, Everbright Water’s water projects are summarised as follows:

Project Status	Number of Projects	Designed Treatment Capacity (m³/annum)
In operation*	146	2,219,601,500
Under construction [#]	18	392,375,000

* *including O&M project(s)*

[#] *including EPCO project(s)*

In terms of market development, during the year under review, Everbright Water adhered to “water” as the fundamental factor of its business and effectively promoted the balanced and synergistic development of the asset-light and asset-heavy businesses by strengthening its presence in the existing business areas while proactively exploring asset-light businesses. This approach also led to new breakthroughs in regional markets, business scopes, and business models, as exemplified by the securing of Guangdong Nanxiong Livestock and Poultry Manure Resource Utilisation Project. The project marked the Group’s entry in the field of livestock and poultry manure resource utilisation, thereby expanding its water environment management business to the areas of non-point source pollution control and rural environmental management and enriching the comprehensive “water-related” businesses. Also, Everbright Water successively undertook water projects in Lianshui County, Jiangyin High-tech Zone and Changzhou Zhenglu Town in Jiangsu Province based on the EPCO model, successfully exporting its experience and strengths in operations management based on this asset-light business model. In 2023, Everbright Water invested in and secured 6 new projects and signed 1 supplementary agreement to an existing project, with a total investment of approximately RMB1.213 billion, and newly undertook 2 O&M projects (excluding a renewed O&M project), 3 EPCO projects and other types of asset-light businesses, with a total contract value of approximately RMB1.884 billion. The new projects are designed to have a daily waste water treatment capacity of 205,000 m³ (including treatment capacity under the O&M model), and a daily reusable water supply of 15,000 m³.

In terms of operations management, during the year under review, Everbright Water continuously focused on “cost reduction and efficiency enhancement” and carried out an array of initiatives, including on-site operation guidance and benchmarking, the construction of “intelligent water plants”, the promotion of “Five Innovations” initiative, and the implementation of “in-plant solar energy” project, to boost the operations management proficiency and efficiency from multiple dimensions. In particular, the “Intelligent Water Plants” operations management system was applied across all operating projects of the Group. The issuance and implementation of the “Standards for Everbright Water’s Intelligent Waste Water Treatment Plants” further empowered project operation management and promoted cost reduction and efficiency enhancement. Over 20 achievements in the “Five Innovations” initiative were promoted across the projects under the Group, effectively supporting process improvement, cost control, energy conservation, emission reduction, and efficiency enhancement. The “in-plant solar energy” project had been progressing in an orderly manner. As of 31 December 2023, solar energy facilities of 4 projects have been put into operation, which generated more than 10 million kWh green electricity during the year under review, while facilities related to 10 other projects are still in progress. In 2023, 11 waste water treatment plants of Everbright Water received regulatory approval for tariff hikes, ranging between 4% to 36%.

In terms of project construction, during the year under review, Everbright Water had 13 projects that completed construction and commenced operation, with a designed daily water treatment capacity of 130,000 m³; 18 projects (including EPCO projects) commenced construction, with a designed daily water treatment capacity of 325,000 m³.

During the year under review, the Group’s environmental water sector contributed an EBITDA of HK\$2,475,439,000, an increase of 14% compared with 2022. Environmental water contributed a net profit attributable to the Group of HK\$861,002,000, an increase of 18% compared with 2022. The increase in profit was mainly due to (i) commencement of operation of new projects; (ii) the tariff hike for numerous projects effected; and (iii) the one-off effect of the implementation of new value added tax (VAT) incentive policy which resulted in an increase of direct costs and operating costs in 2022.

Major operating data relating to environmental water during 2023 are summarised in the table below:

	2023	2022	Percentage Change
Waste water treatment volume (<i>'000 m³</i>)	1,749,000	1,770,000	-1%

III. GREENTECH

As of 31 December 2023, the Group held a 69.7% stake in Everbright Greentech, which is listed on the Main Board of the Stock Exchange. Everbright Greentech focuses on clean energy business deployment and develops zero-carbon parks. With business covering integrated biomass utilisation, hazardous and solid waste treatment, environmental remediation, and new energy, Everbright Greentech positions itself as a leading intelligent energy supplier dedicated to carbon neutrality in China.

As of 31 December 2023, Everbright Greentech had invested in and held 140 projects, with a total investment of approximately RMB30.935 billion. These projects are designed to have an annual biomass raw material processing capacity of 8,139,800 tonnes, an annual household waste processing capacity of 4,215,750 tonnes, an annual hazardous and solid waste processing capacity of 2,466,400 tonnes, an annual on-grid electricity of 7,047,733,085 kWh, an annual steam supply of 6,046,663 tonnes, and solar and wind power installed capacity of 236.39 megawatt. In addition, Everbright Greentech undertook 18 environmental remediation services (excluding services that had been completed and delivered).

As of 31 December 2023, Everbright Greentech's solar energy projects are summarised as follows:

Project Status	Number of Projects	Designed Installed Capacity (MWp)
In operation	21	36.82
Under construction	7	43.38

In terms of market expansion, in 2023, Everbright Greentech actively broadened its thinking, focused on business extension, and emphasised value creation. Regarding the construction of zero-carbon parks, it signed a project cooperation agreement with Jiangsu King's Luck Brewery Joint-stock Co., Ltd. to jointly develop a zero-carbon park, which covers areas such as rooftop solar energy power generation, user-side energy storage, and virtual power plants. By integrating the relevant resources in the integrated biomass utilisation project industrial park, further opportunities were explored in asset-light businesses such as green electricity trading. During the year under review, Everbright Greentech secured 10 new projects and signed a supplementary agreement of an existing project, with a total investment of approximately RMB523 million. It also newly undertook 9 environmental remediation services and signed a supplementary agreement of an existing service, with a total contract value of approximately RMB299 million. The new projects are designed to have an annual biomass raw material processing capacity of 50,000 tonnes and a solar power installed capacity of 100.06 MWp.

In terms of operations management, during the year under review, Everbright Greentech actively strengthened its management and continuously unleashed management efficiency. Among them, it took the lead in carrying out the "Construction of the System and Pilot Programme for the Front-end Collection and Storage of Biomass Fuels", in response to challenges, such as the supply and demand imbalance in the biomass fuel market and adverse weather conditions. By securing fuel sources for the projects, the Group effectively reduced fuel cost and enhanced the projects' economic benefits.

With respect to project construction, during the year under review, Everbright Greentech had 7 projects that had completed construction and commenced operation, contributing a designed annual household waste processing capacity of 365,000 tonnes, a designed annual hazardous and solid waste processing capacity of 366,000 tonnes and a solar power installed capacity of 29.27 MWp. 7 environmental remediation services were completed and delivered. Separately, 8 projects commenced construction, with a designed annual household waste processing capacity of 255,500 tonnes and a solar power installed capacity of 29.61 MWp. 9 environmental remediation services started their respective remediation work in succession.

During the year under review, the Group’s greentech sector contributed an EBITDA of HK\$1,479,768,000, a decrease of 34% compared with 2022. Greentech contributed a net loss attributable to the Group of HK\$195,502,000 from net profit attributable to the Group of HK\$290,267,000 in 2022.

Major operating data relating to greentech during 2023 are summarised in the table below:

	2023	2022	Percentage Change
Waste processing volume (<i>tonnes</i>)	3,836,000	3,457,000	11%
Biomass raw material processing volume (<i>tonnes</i>)	7,845,000	8,186,000	-4%
Hazardous and solid waste processing volume (<i>tonnes</i>)	449,000	431,000	4%
Steam supply volume (<i>tonnes</i>)	3,083,509	2,419,361	27%
On-grid electricity (<i>MWh</i>)	6,474,263	6,270,760	3%

IV. EQUIPMENT MANUFACTURING

With Changzhou Equipment Company being the platform, the Group’s equipment manufacturing sector strives to upgrade its factories from the country’s “Green Factories” to “Zero-carbon Factories”, and proactively fosters a new development paradigm for the “Intelligently Made by Everbright”, continuing to solidify its industry-leading position.

In terms of market expansion, during the year under review, equipment manufacturing insisted on market, technology and service as its core elements, and explored the “Service and Sales Network+” model with the construction of a customer service and maintenance platform as an entry point to create value for customers, thus promoting the continuous optimisation of the revenue structure of both internal and external sales, with the share of revenue from external sales rising significantly. At the same time, the traditional industrial structure continued to be optimised and adjusted, and the integration of manufacturing and services highlighted the technical, export-oriented and market-oriented brand model. In 2023, the Group secured the Sichuan Barkam Boiler and Flue Gas Purification Project, in which the Group provided its self-developed small-tonnage household waste mechanical grate furnace to an external client for the first time. This marked the realisation of the Group’s strategic plans for expansion into the county-level small-tonnage household waste treatment market and the commercialisation of its technological equipment. The signing of the incinerator order for the Hau Giang household waste-to-energy project in Vietnam marked the first time that the Group had signed an order directly with an overseas business unit to provide equipment services. The authorisation of patents relating to grate furnace technologies was obtained in Malaysia, Indonesia and Brazil, etc, laying a good foundation for further opening up the overseas business market. In 2023, equipment manufacturing signed a total of 14 external sales contracts and sold 26 sets of equipment to external market, including 16 sets of incinerators, 6 sets of flue gas purification systems, and 4 sets of leachate treatment systems. The total value of contracts relating to the external sales of complete sets of equipment amounted to RMB442 million.

In terms of equipment supply and after-sales services, during the year under review, equipment manufacturing commenced 24 service items, spanning Vietnam and 11 provinces, municipalities and autonomous regions in China. It provided 20 sets of grate furnaces to projects of the Group and external clients, which have a total designed daily waste processing capacity of 9,400 tonnes. In addition, it sold 76 sets of equipment, covering grate furnace systems and leachate treatment systems. It also signed 146 contracts in relation to external after-sales services, with a total contract value of approximately RMB55.08 million. Throughout 2023, the sector provided 187 after-sales service projects, of which 113 were internal projects and 74 were external projects.

In terms of equipment, processes and technology R&D, during the year under review, equipment manufacturing insisted on market-based and innovative development, and carried out a number of R&D projects in an orderly manner, with the major achievements summarised as follows:

- Independent research, development and design of the first small-tonnage domestic waste incinerator samples successfully launched. The equipment is a complete set of small tonnage of waste incinerators specially developed for the county and rural markets, which can adapt to and treat waste with different calorific values and at different altitudes. The Group has already mastered the production capacity of different models of equipment ranging from 50 tonnes/day to 200 tonnes/day, which empowers the Group to further expand its presence in the county and rural markets.
- The Water-cooled Grate Furnace R&D Results appraised by the China Association of Machinery Industry for Environmental Protection, filling the gaps in the domestic market. Its overall achievements have reached the advanced international level, and the welding and manufacturing of the water-cooled grate sheets are considered to have reached the leading position worldwide.
- The high-level concentration technology of Electrodialysis Reversal Low-Temperature Evaporation (EDR-LTE) for leachate in waste incineration plants has achieved international advanced levels.
- Taking the lead to develop two social organisation standards for the Water-cooled Grate Furnace for Energy Utilisation of Multi-source High Calorific Value Solid Waste, which were published already.

V. ENVIROTECH

Being the Group's engine for technology R&D and innovation, envirotech focused on key research areas such as household waste treatment, treatment of various hazardous and solid waste, agricultural and forestry biomass utilisation, water environment management, big data, and intelligent control, etc. As the Group's platform for core technological innovation and commercialisation of results, envirotech is dedicated to tackling the difficulties of environmental protection processes and technologies and aims at cutting-edge technologies worldwide.

During the year under review, envirotech continued to cater to the Group’s needs, its market demands, and future development. It established the “Major Topics” and “Open Competition” mechanisms. With a focus on optimising existing business in the areas of solid waste, water-related business and clean energy, the Group promoted technological innovation and commercialisation in areas such as incineration and gasification with energy-saving and efficiency enhancement, flue gas purification, solid waste resource utilisation, intelligent optimisation control, data governance, and low-carbon energy storage. Forming more than ten flexible project teams, the Group also explored new directions such as hydrogen energy and storage. It focused on advancing carbon asset management, carbon asset development, and carbon monitoring, in line with China’s “Dual Carbons” strategic goals. Adhering to technology as the driving force to create value, the Group aimed to empower and accelerate development of all businesses within the Group.

In 2023, the Group’s major technology R&D progress and results for both traditional and new business areas are summarised as follows:

Business Area	Research Result(s)/Topic(s)
Incineration and gasification with energy-saving and efficiency enhancement	<ul style="list-style-type: none"> <li data-bbox="683 1072 1449 1247">• The self-developed hydraulic ash cleaning technology and products have been applied in the Group’s environmental protection projects in Zoucheng, Shandong and Haiyan, Zhejiang. <li data-bbox="683 1264 1449 1583">• Completed the R&D of biomass gasification technology, which can solve the problems of high cost of direct combustion and difficulty in meeting the flue gas emission standards in small and medium-sized woody biomass scenarios, and will be applied in the Group’s integrated biomass utilisation projects. <li data-bbox="683 1600 1449 1776">• Applied multiple process adjustments to condenser, water turbine and other facilities in traditional projects, to enhance power generation efficiency.

Business Area	Research Result(s)/Topic(s)
Flue gas purification	<ul style="list-style-type: none"> • Gas-Gas-Heater (GGH) systems were applied to the Group’s environmental protection projects in Suzhou, Jiangsu, and Jiaozhou, Shandong. • The integrated desulphurisation and denitrification technology has been applied in the Group’s Xiqing Project and Tianjin Beichen Waste-to-energy Project.
Leachate treatment	<ul style="list-style-type: none"> • The anaerobic membrane bioreactor (MBR) technology has been applied in the Group’s Jiangsu Suzhou Waste-to-energy Project Phase IV, which has significantly increased the biogas production rate of the project. • The EDR-LTE system was applied to the Group’s Nanjing Gaochun Waste-to-energy Project, to effectively reduce leachate volume.
Organic solid waste treatment	<ul style="list-style-type: none"> • Dry-anaerobic fermentation technology has been applied in the Group’s kitchen waste treatment projects in Pei County, Jiangsu Province, making it the Group’s first dry anaerobic demonstration project for kitchen waste treatment.
Informatisation, intelligent enhancement	<ul style="list-style-type: none"> • The Automatic Combustion Control (ACC) system has been rolled out to nearly 40 of the Group’s environmental protection projects. • An intelligent upgrading system for the solid waste treatment plant was applied to the Group’s environmental protection project in Huangshi, Anhui Province, which significantly enhanced the management efficiency and safety coefficient of the project.

Business Area

Research Result(s)/Topic(s)

- The key technologies of the Group's data centre and master data platform have been developed to provide protection for the construction of an intelligent management platform for the Group and its business segments, enhancing the security of core data and achieving significant results in cost reduction and efficiency enhancement.
- Carbon-related topics
- Relying on energy storage technology, completed the Group's first energy storage demonstration project pilot project in collaboration with Everbright Water, which provided a good reference for the Group to further explore the application scenarios of energy storage projects.
 - Relying on the self-developed carbon asset management system, the Group promoted the construction of information technology and intelligence, and realised the connection between the carbon asset management system and the production data of the Group's business segments.
 - In accordance with the requirements of the Ministry of Ecology and Environment of the PRC, the Group has taken forward the second phase of the carbon monitoring and assessment pilot project from 2023 to 2024.

As of 31 December 2023, patents that were held and major technical essays published by the Group are listed in the table below:

	2023	As of 31 December 2023 (accumulated)
Granted patents	250	1,783
Invention patents	57	224
Utility model patents	167	1,219
Software patents	20	287
Appearance patents	6	53
Major technical essays	10	97

EVENTS AFTER THE REPORTING PERIOD

On 22 March 2024, the Company completed the issuance of the 2024 MTN (series 1) in the national inter-bank bond market of the PRC with a principal amount of RMB2 billion, an interest rate of 2.57% per annum for the first three years and a maturity period of 3+2 years (with an interest rate adjustment option to be exercised by the Company and a resale option to be exercised by the noteholders at the end of the third interest-bearing year). The proceeds from the issuance were used for repayment of the interest-bearing debts of the Group.

On 5 January 2024, Everbright Water completed the issuance of the 2024 first tranche MTNs in the national inter-bank bond market of the PRC with a principal amount of RMB1.5 billion, an interest rate of 2.80% per annum and a maturity period of 5 years (with an interest rate adjustment option to be exercised by Everbright Water and a resale option to be exercised by the noteholders at the end of the third interest-bearing year). The proceeds from the issuance were used to replenish the working capital of Everbright Water's subsidiaries and repay the interest-bearing debts of Everbright Water or its subsidiaries.

BUSINESS PROSPECTS

The year 2024 is a crucial year for the implementation of China’s “14th Five-Year Plan” and an important year for the construction of a beautiful China. The Group will uphold the corporate mission of being “Devoted to Ecology and Environment for a Beautiful China”. It will adhere to the working principle of “Making Progress with Stability and Promoting Stability through Progress”, maintain firm confidence, unity, and hard work, and focus on key tasks for high-quality development, continuously solidifying a favourable development momentum. With the goal, “To become a World-Class Integrated Environmental Service Provider with Chinese Characteristics”, the Group will implement strategic guidance, establishing a “One Body and Two Wings” development path, which refers to focusing on domestic business with an emphasis on operation as one body, and exploring overseas business and pursuing development that is driven by innovation as two wings; adhere to the “Two Major Directions” by deepening its major responsibilities and consolidating its leading position, and promoting innovation and transformation to drive high-quality development; prioritise project operation, adopting refined and data-driven management to continuously improve our operational core competitiveness; strengthen investment and development, with each business sector focusing on core responsibilities to create new growth drivers; and make forward-looking arrangements, focusing on three core business areas of solid waste, water-related business and clean energy, exploring strategic opportunities. We will also promote the deep integration of business and technology, transforming towards a technology-driven enterprise, in response to demand, market needs, and future trends.

With the strategic guidance of the Board and support from the stakeholders, the Group will do its utmost to solidly promote its development to present a fresh momentum and embark on new frontiers to contribute more of Everbright’s strength to the construction of a beautiful China, and to celebrate the 75th anniversary of the founding of the People’s Republic of China with its actions and achievements.

FINANCIAL REVIEW

Financial Results

In 2023, the Group's consolidated revenue amounted to HK\$32,090,207,000, a decrease of 14% from HK\$37,321,229,000 in 2022. Consolidated gross profit was HK\$13,811,291,000, a decrease of 4% compared to 2022. The Group's consolidated gross margin increased to approximately 43%, an increase of 5 percentage points over 2022. The EBITDA remained stable from HK\$12,841,787,000 in 2022 to HK\$12,827,961,000 in 2023. Profit attributable to equity holders of the Company for 2023 was HK\$4,429,160,000, a decrease of 4% compared to 2022. Basic earnings per share for 2023 was HK72.10 cents, HK2.81 cents less than the amount of HK74.91 cents in 2022. The decrease of revenue and earnings were primarily due to decrease in construction service revenue recorded during 2023, mainly resulting from a drop in the number of new projects in the industry.

Financial Position

As of 31 December 2023, the Group's total assets approximately amounted to HK\$189,182,824,000 with net assets amounting to HK\$65,523,221,000. Net asset value per share attributable to equity holders of the Company was HK\$7.837 per share, representing an increase of 2% as compared to HK\$7.712 per share as at the end of 2022. As of 31 December 2023, the gearing ratio (total liabilities over total assets) of the Group was 65%, a decrease of 2 percentage points as compared with that of 67% as at the end of 2022.

Financial Resources

The Group adopts a prudent approach on cash and financial management to ensure proper risk control and low cost of funds. It finances its operations primarily with internally generated cash flow and loan facilities from banks. As of 31 December 2023, the Group had cash and bank balances of HK\$8,632,740,000, representing a decrease of HK\$3,150,003,000 as compared to HK\$11,782,743,000 at the end of 2022. Most of the Group's cash and bank balance, representing approximately 98%, was denominated in Hong Kong dollars and Renminbi.

Borrowings

The Group is dedicated to enhancing the ways of financing and improving banking facilities to reserve funding to support the development of the environmental protection business. As of 31 December 2023, the Group had outstanding borrowings of HK\$94,624,144,000, representing a decrease of HK\$100,356,000 as compared to HK\$94,724,500,000 at the end of 2022. The borrowings included secured interest-bearing borrowings of HK\$40,325,755,000 and unsecured interest-bearing borrowings of HK\$54,298,389,000. The borrowings are mainly denominated in Renminbi, representing approximately 87% of the total borrowings, and the remainder is denominated in Hong Kong dollars and Euro. Most of the borrowings are at floating rates. As of 31 December 2023, the Group had banking facilities of HK\$101,382,514,000, of which HK\$25,295,683,000 have not been utilised. The banking facilities are of 1 to 24 years terms.

Foreign Exchange Risks

The Company's financial statements are denominated in Hong Kong dollars, which is the functional currency of the Company. The Group's investments made outside Hong Kong (including the Mainland China) may incur foreign exchange risks and foreign exchange realignment when retranslation of the financial statements of foreign subsidiaries into Hong Kong dollars. The Group's operations are predominantly based in China, representing over 97% of its total investments and revenue. The Group's assets, borrowings and major transactions are mainly denominated in Renminbi, and as such, it forms a natural hedging effect in a long run. With this in mind, the Group also pursues an optimal allocation of borrowings in different currencies while setting appropriate levels of borrowing in non-base currencies, and adopting proper financial instruments to closely manage foreign exchange risk.

Pledge of Assets

Certain banking facilities, lease liabilities and asset-backed securities of the Group were secured by revenue and receivables in connection with the Group's service concession arrangements, bank deposits, mortgages over property, plants and equipment, right-of-use assets and the equity interests of certain subsidiaries of the Company. As of 31 December 2023, the aggregate net book value of assets and equity interests in subsidiaries pledged amounted to approximately HK\$98,650,493,000.

Commitments

As of 31 December 2023, the Group had purchase commitments of HK\$4,398,306,000 outstanding in connection with the construction contracts.

Contingent Liabilities

As of 31 December 2023, the Company granted financial guarantees to its subsidiaries. The Board does not consider it probable that a claim will be made against the Company under the guarantees. The maximum liability of the Company as of 31 December 2023 for the provision of the guarantees was HK\$827,852,000.

INTERNAL MANAGEMENT

The Group adheres to the management principle of “People-oriented, Pragmatism, Creativity and Systematic Management”, and has built a comprehensive management structure to maximise efficiency. The Group’s management holds Management Decision Committee meeting(s) regularly to review current operations and management, with a view to promoting the sustainable development of the Company. The responsibilities of each functional department and business sector of the Group are clear with various comprehensive management systems. Internal control procedures are sound and have been implemented effectively. The Company’s audit department performs its internal monitoring functions to ensure that each functional department and business sector strictly comply with the relevant internal control requirements.

The Group is committed to building a comprehensive risk management culture. It implements the risk management model of “Integration of Policy, Procedure and System with Risk-oriented” to comprehensively strengthen its risk management and control. During the year under review, the Group updated the list of risk factors according to the progress of the implementation of risk management system, with a view to continuously enhancing the systematisation and normalisation level of risk management.

During the year under review, the Group continued to uphold the fundamental principle of “maintaining safe and stable operations while ensuring compliance with relevant emission standards” and strictly complied with the relevant national laws and regulations. In terms of safety, environment and occupational health, it proactively carried out routine inspections. Apart from incorporating “Safe Production Month” into its operation, the Group paid close attention to safety management and carried out hidden hazards identification and rectification in relation to safety risk to ensure all projects, whether under construction or in operation, strictly complied with all production safety policies. These steps secured the stable operation of environmental protection projects including waste-to-energy, integrated biomass utilisation, waste water treatment projects, etc, while enhancing economic benefits. Besides, the Group continued to move forward with project construction works while accelerating the finalisation of projects in the preparatory stage. It also went through due formalities to ensure that all project construction works were carried out in compliance with laws and regulations. At the same time, the Group continued to put more efforts into safety management of construction projects to ensure professional and safe construction.

HUMAN RESOURCES

Human Resources are the key strategy of corporate development which require appropriate personnel to execute this core strategy. The Group highly values its human resources management and puts great emphasis on staff training. It believes that realising the full potential of its employees is crucial to its long-term growth. The Group continues to improve its human resources through internal training as well as local, overseas, and on-campus recruitment.

During the year under review, the Group continued to adopt the prevention measures of the Pandemic with reference to its changes. Meanwhile, the Group has issued the “Notice on the Preparation for Normalization of Production and Pandemic Prevention”, leading the employees to return to normal, ensuring employee health and reducing impact on the Group.

During the year under review, the Group resumed organizing employee fun sports days, basketball competitions, reading clubs, etc. to enhance employee cohesion. Considering most environmental protection projects operate 24 hours a day, the canteens of some project companies not only provide breakfast, lunch and dinner, but also provide midnight snacks, which fully reflects the care for employees.

To cope with the development requirement of the Group, the Group successively held the seminars on safety and environmental management, strategic optimization, tendering management, cybersecurity, etc. through online and offline blended training mode. The management and employees were well equipped with relevant knowledge and skills with a view to address new opportunities and challenges.

The Group makes full use of the advantages of diversified business to provide employees with a broad development platform. In addition to cross-sector and cross-regional job rotation, the Group has arranged a number of internal recruitments to provide employees the privileges opportunities to apply for the vacancies of different departments at the head office which can provide the employees the opportunities to develop their potential by changing different positions.

As of 31 December 2023, the Group had approximately 12,000 employees. Details of the total employee benefit expenses for the year under review are set out in the 2023 annual report. Employees within the Group are remunerated according to their qualifications, experience, job nature, performance and with reference to market conditions. Apart from a discretionary performance bonus, the Group also provides other benefits such as medical insurance and a mandatory provident fund scheme to employees in Hong Kong.

PRINCIPAL RISKS AND UNCERTAINTIES

During the year under review, the Group continued to promote work in relation to its risk management. The principal risks faced by the Group during the year were adequately identified and assessed, which included accounts receivable risk, environmental compliance and safety management risk, staff turnover risk, market competition risk, procurement compliance risk, operational stability risk, cost control risk and construction project management risk, the details of which are set out in the 2023 annual report.

ENVIRONMENTAL AND SOCIAL MANAGEMENT

The Group pays close attention to its operational impacts brought to the environment and society. After years of development, the Group has established a comprehensive safety and environmental management system. In 2023, the Group continued to implement relevant management policies, covering structure and responsibilities, accident management, flood control, risk classification, hidden danger investigation, safety and environment training, information reporting, rating of the safety and environmental management levels of the operating projects and construction projects, fire safety management, related parties' management, occupational health, public opening, etc.

The Group implements all staff safety production responsibility system and clarifies the safety production and environmental management responsibilities and assessment standards. The person in charge of the various levels of units of the project companies is the key person responsible for the safety and environmental management of the respective units and is fully responsible for the safety production and environmental management of the respective units. The Group and the business sectors have signed the annual safety and environmental management target responsibility statement every year, clarifying the annual target, key tasks and assessment methods.

In addition, the Group has signed the “Safety Production, Occupational Health, and Environmental Protection Responsibility Letter” with various construction and operation service providers to clarify relevant standards in order to provide greater protection to the safety and health of the employees as well as the external personnel.

The Board and senior management review sustainability strategies of the Group on a regular basis, and revise the strategies when appropriate.

The Group's waste-to-energy projects are designed and operated fully in compliance with the applicable national environmental requirements and standards including but not limited to the Standard for Pollution Control on the Municipal Solid Waste Incineration (GB18485-2014), the relevant local standards, as well as other requirements as set forth in the environmental impact assessment reports approved by the local government, while the daily average values of online flue gas continuously monitored parameters are well below the respective emissions limits as stipulated under the Industrial Emissions Directive (2010/75/EU) and its relevant annexes and amendments. Moreover, all of the Group's biomass combustion operations meet the Emission Standard of Air Pollutants for Thermal Power Plants (GB13223-2011), the relevant local standards, as well as other requirements as set forth in the environmental impact assessment reports approved by the local government.

The Group continued proactively and timely disclosing emissions data and environmental management information of its projects on Everbright Environment's corporate website, including the connection to the automatic monitoring data information disclosure platform of the Ministry of Ecology and Environment of the People's Republic of China at <https://ljgk.envsc.cn/index.html> in respect of the daily average values of the 5 indicators of flue gas and furnace temperature data from the operation of waste-to-energy projects of Everbright Environment. The Group was also devoted to improving the information sharing platforms to facilitate the management to monitor the operational condition to ensure compliant operation, and to timely report the operating performance of the projects to the stakeholders of the Group.

More details about the environmental and social management performance of the Group are set out in the sustainability report 2023 of the Company which is prepared in accordance with the Global Reporting Initiative Standards, as well as the Environmental, Social and Governance Reporting Guide published by the Stock Exchange. Furthermore, the Group's environmental and social management strategies echo with the Sustainable Development Goals of the United Nations, reflecting the Group's commitment to tackling global challenges and creating a sustainable future. The full report will be available for download at the websites of the Company under "CSR > Sustainability Report" section (www.cebenvironment.com/en/csr/susreport.php) and Hong Kong Exchanges and Clearing Limited ("HKEX") (www.hkexnews.hk).

CORPORATE GOVERNANCE

Compliance with the Corporate Governance Code

The Group upholds the management principle of “People-oriented, Pragmatism, Creativity and Systematic Management”. The Board firmly believes that high-quality, comprehensive and high-level corporate governance is the cornerstone of the Group, which can create long term value for the Group and is vital to the sustainable development of the Group. It can also safeguard the interests of the Shareholders and other stakeholders of the Company, including but not limited to customers, suppliers, employees and the general public. The Board and management strive to maintain high-level corporate governance standards, and continue to strengthen corporate governance, internal control and risk management systems through a series of rules, regulations and policies, and actively improve transparency and accountability. The Company strictly complies with the laws and regulations of the places where it operates, and complies with the applicable guidelines and rules issued by the regulatory authorities.

The Corporate Governance Code (the “CG Code”) set out in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) have been duly adopted by the Board as the code on corporate governance practices of the Company.

The Company complied with all Code Provisions as set out in the CG Code throughout the year ended 31 December 2023. The Company will continue to commit to enhancing its corporate governance appropriate to the conduct and growth of its business, and to continuously reviewing, monitoring and assessing from time to time its corporate governance practices to ensure the same comply with the CG Code and align with the latest developments.

The details of the Company’s corporate governance practices are set out in the 2023 annual report.

Model Code for Securities Transactions by Directors

The Group 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 own code of conduct for Directors’ transactions in securities of the Company. Having made specific enquiries to the Directors, all the then incumbent Directors confirmed that they had complied with the required standard of dealings as set out in the Model Code during the year ended 31 December 2023.

FINAL DIVIDEND

The Board has proposed to pay a final dividend of HK8.0 cents per share (2022: HK9.0 cents per share) for the year ended 31 December 2023, payable to the Shareholders whose names appear on the register of members of the Company (the “Register of Members”) on Tuesday, 11 June 2024. Subject to approval by the Shareholders of the payment of final dividend at the forthcoming annual general meeting of the Company to be held on Thursday, 30 May 2024 (the “2024 AGM”), the final dividend will be paid to the Shareholders on or around Wednesday, 3 July 2024.

ANNUAL GENERAL MEETING

The 2024 AGM will be held on Thursday, 30 May 2024 and the notice of the 2024 AGM will be published and dispatched in the manner as required by the Listing Rules.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the Shareholders’ eligibility to attend and vote at the 2024 AGM and entitlement to the final dividend, the Register of Members will be closed in accordance with the following timetable:

- (i) For determining the Shareholders’ eligibility to attend and vote at the 2024 AGM:
 - (a) Latest time to lodge transfer documents for registration 4:30 p.m. on Friday,
24 May 2024
 - (b) Closure of Register of Members Monday, 27 May 2024 to
Thursday, 30 May 2024
(both dates inclusive)

(ii) For determining entitlement to the final dividend:

- (a) Latest time to lodge transfer documents for registration 4:30 p.m. on Wednesday,
5 June 2024
- (b) Closure of Register of Members Thursday, 6 June 2024 to
Tuesday, 11 June 2024
(both dates inclusive)
- (c) Record date Tuesday, 11 June 2024

During the above closure periods, no transfer of shares will be registered. In order to be eligible to attend and vote at the 2024 AGM, and to qualify for the proposed final dividend, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrar and transfer office, Tricor Tengis Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than the relevant latest time set out above.

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

During the year under review, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company.

REVIEW OF ANNUAL FINANCIAL RESULTS

The Audit Committee of the Company has reviewed the annual financial results of the Company for the year ended 31 December 2023 for the Board's approval.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This announcement is published on the websites of the Company (www.cebenvironment.com/en/ir/announcements.php) and HKEX (www.hkexnews.hk). The 2023 annual report containing all the information required by the Listing Rules will be published on the websites of the Company and HKEX and dispatched to the Shareholders in due course.

By Order of the Board
China Everbright Environment Group Limited
Huang Haiqing
Chairman of the Board

Hong Kong, 27 March 2024

As at the date of this announcement, the Board comprises: (i) two Executive Directors, namely Mr. Huang Haiqing (Chairman of the Board) and Mr. Luan Zusheng (Chief Executive Officer); (ii) two Non-executive Directors, namely Mr. Kang Guoming and Mr. Pan Jianyun; and (iii) four Independent Non-executive Directors, namely Mr. Fan Yan Hok, Philip, Mr. Zhai Haitao, Mr. Suo Xuquan and Ms. Li Shuk Yin, Edwina.