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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 2024

FINANCIAL HIGHLIGHTS

- Revenue decreased by 6% to HK\$30,258,009,000 (2023: HK\$32,090,207,000)
- EBITDA decreased by 21% to HK\$10,074,731,000 (2023: HK\$12,827,961,000)
- Profit attributable to equity holders decreased by 24% to HK\$3,377,200,000 (2023: HK\$4,429,160,000)
- Final dividend of HK9.0 cents per share (2023: HK8.0 cents per share). Total dividends for the year of HK23.0 cents per share (2023: HK22.0 cents per share)

2024 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 2024 together with comparative figures for the year ended 31 December 2023. The annual results have been reviewed by the Audit Committee of the Company (the “Audit Committee”).

CONSOLIDATED INCOME STATEMENT

Year ended 31 December 2024

		2024	2023
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
REVENUE	4	30,258,009	32,090,207
Direct costs and operating expenses		<u>(18,722,050)</u>	<u>(18,278,916)</u>
Gross profit		11,535,959	13,811,291
Other revenue	5	1,169,183	1,064,351
Other income and losses, net	5	(1,990,227)	(1,209,978)
Administrative expenses		<u>(2,828,073)</u>	<u>(3,149,349)</u>
PROFIT FROM OPERATING ACTIVITIES		7,886,842	10,516,315
Finance costs	6	(3,006,954)	(3,527,788)
Share of (losses)/profits of joint ventures		(13,140)	113,439
Share of profits of associates		<u>393</u>	<u>22,518</u>
PROFIT BEFORE TAX	7	4,867,141	7,124,484
Income tax	8	<u>(893,495)</u>	<u>(1,827,333)</u>
PROFIT FOR THE YEAR		<u>3,973,646</u>	<u>5,297,151</u>
ATTRIBUTABLE TO:			
Equity holders of the Company		3,377,200	4,429,160
Holders of perpetual capital instruments		190,939	226,563
Non-controlling interests		<u>405,507</u>	<u>641,428</u>
		<u>3,973,646</u>	<u>5,297,151</u>
EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	10		
– Basic and diluted		<u>HK54.98 cents</u>	<u>HK72.10 cents</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2024

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
PROFIT FOR THE YEAR	3,973,646	5,297,151
OTHER COMPREHENSIVE INCOME		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences:		
Exchange differences on translation of foreign operations, net of nil tax	(1,462,720)	(2,398,740)
Debt instruments at fair value through other comprehensive income:		
Changes in fair value, net of tax	<u>(1,021,344)</u>	<u>(293,054)</u>
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods	<u>(2,484,064)</u>	<u>(2,691,794)</u>
Other comprehensive income 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, net of nil tax	<u>(1,176)</u>	<u>(23,913)</u>
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods	<u>(1,176)</u>	<u>(23,913)</u>
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	<u>(2,485,240)</u>	<u>(2,715,707)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>1,488,406</u>	<u>2,581,444</u>
ATTRIBUTABLE TO:		
Equity holders of the Company	1,421,527	2,182,638
Holders of perpetual capital instruments	190,939	226,563
Non-controlling interests	<u>(124,060)</u>	<u>172,243</u>
	<u>1,488,406</u>	<u>2,581,444</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2024

	<i>Notes</i>	2024	2023
		<i>HK\$'000</i>	<i>HK\$'000</i>
NON-CURRENT ASSETS			
Investment properties		177,013	169,940
Property, plant and equipment		7,948,751	8,772,807
Right-of-use assets		713,746	807,201
		<hr/> 8,839,510	<hr/> 9,749,948
Goodwill		1,448,432	1,535,542
Intangible assets		29,839,065	30,975,754
Interests in joint ventures		1,021,899	1,055,810
Interests in associates		564,715	598,650
Contract assets	<i>11</i>	93,292,211	94,892,432
Finance lease receivables		11,262	12,263
Other financial assets		137,910	150,164
Other receivables, deposits and prepayments	<i>12</i>	1,911,331	2,445,301
Deferred tax assets		1,186,237	613,814
		<hr/> 138,252,572	<hr/> 142,029,678
Total non-current assets			
CURRENT ASSETS			
Inventories		987,966	894,628
Contract assets	<i>11</i>	13,989,666	13,078,653
Finance lease receivables		805	771
Other financial assets		32,928	121,148
Debtors, other receivables, deposits and prepayments	<i>12</i>	24,713,884	24,419,721
Tax recoverable		7,207	5,485
Pledged bank deposits		106,165	176,680
Deposits with banks with maturity period over three months		40,209	22,844
Cash and cash equivalents		7,895,622	8,433,216
		<hr/> 47,774,452	<hr/> 47,153,146
Total current assets			

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(continued)*

31 December 2024

	<i>Notes</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
CURRENT LIABILITIES			
Creditors, other payables and accrued expenses	13	16,372,025	17,527,132
Interest-bearing borrowings			
– Secured		4,374,110	3,716,573
– Unsecured		14,329,956	19,401,845
		18,704,066	23,118,418
Tax payable		655,747	539,330
Total current liabilities		35,731,838	41,184,880
NET CURRENT ASSETS		12,042,614	5,968,266
TOTAL ASSETS LESS CURRENT LIABILITIES		150,295,186	147,997,944
NON-CURRENT LIABILITIES			
Other payables	13	724,213	468,945
Interest-bearing borrowings			
– Secured		35,903,145	36,609,182
– Unsecured		37,062,228	34,896,544
		72,965,373	71,505,726
Deferred tax liabilities		10,189,024	10,500,052
Total non-current liabilities		83,878,610	82,474,723
NET ASSETS		66,416,576	65,523,221
EQUITY			
Equity attributable to equity holders of the Company			
Share capital		17,329,537	17,329,537
Reserves		30,881,423	30,811,351
		48,210,960	48,140,888
Non-controlling interests		11,403,285	11,673,720
Perpetual capital instruments		6,802,331	5,708,613
TOTAL EQUITY		66,416,576	65,523,221

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 2023 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 2024 and 2023 included in this preliminary announcement of annual results 2024 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 2023 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 2024 in due course.

The Company’s auditor has reported on the financial statements of the Group for the years ended 31 December 2024 and 2023. 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 amendments to HKASs and HKFRSs for the first time for the current year's financial statements.

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

None of the new or amended IFRSs has a material effect on the reported results or financial position of the Group for both current and prior reporting periods.

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

3. OPERATING SEGMENT INFORMATION

The Group manages its business by 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, taxation, 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 2024 and 2023 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	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment revenue:										
Revenue from external customers	15,916,369	17,359,810	6,846,599	6,704,684	6,974,061	7,415,381	520,980	610,332	30,258,009	32,090,207
Inter-segment revenue	88,584	112,604	5,319	–	2,831	1,592	619,218	756,746	715,952	870,942
Reportable segment revenue	<u>16,004,953</u>	<u>17,472,414</u>	<u>6,851,918</u>	<u>6,704,684</u>	<u>6,976,892</u>	<u>7,416,973</u>	<u>1,140,198</u>	<u>1,367,078</u>	<u>30,973,961</u>	<u>32,961,149</u>
Reconciliation:										
Elimination of inter-segment revenue									<u>(715,952)</u>	<u>(870,942)</u>
Reportable segment revenue derived from the Group's external customers									<u>30,258,009</u>	<u>32,090,207</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	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment results:										
Reportable segment profit (Adjusted EBITDA)	6,886,316	9,078,517	2,196,829	2,475,439	1,009,155	1,479,768	(90,775)	160,365	10,001,525	13,194,089
Elimination of inter-segment profits									(198,524)	(263,794)
Reportable segment profit derived from the Group's external customers									9,803,001	12,930,295
Finance costs									(3,006,954)	(3,527,788)
Depreciation and amortisation, including unallocated portion									(2,200,636)	(2,175,689)
Unallocated head office and corporate income									484,271	147,906
Unallocated head office and corporate expenses									(212,541)	(250,240)
Consolidated profit before tax									4,867,141	7,124,484
Other segment information:										
Depreciation and amortisation	994,252	902,936	210,119	212,466	903,533	965,699	78,475	80,558	2,186,379	2,161,659
Expected credit losses on debtors, net	156,996	268,864	164,170	194,487	49,619	66,909	68,318	41,912	439,103	572,172
Expected credit losses on other receivables, net	69,884	21,133	20,523	466	27,383	-	-	-	117,790	21,599
Recognition/(reversal) of expected credit losses on contract assets, net	1,989	(111,964)	1,623	1,282	(16,447)	19,660	-	-	(12,835)	(91,022)
Impairment of goodwill	-	-	-	-	63,697	-	-	-	63,697	-
Impairment of property, plant and equipment	-	-	-	-	449,734	380,086	150,390	-	600,124	380,086
Impairment of intangible assets	118,188	-	-	-	578,680	210,144	-	-	696,868	210,144
Impairment of right-of-use assets	-	-	-	-	82,825	65,423	-	-	82,825	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	271,960	700,860	91,907	65,081	420,109	365,076	18,748	18,054	802,724	1,149,071
Additions to intangible assets and non-current portion of prepayments during the year	1,036,175	2,125,902	348,166	62,905	228,050	615,533	8,919	10,151	1,621,310	2,814,491
Additions to non-current portion of contract assets during the year	5,410,692	5,415,485	3,527,957	2,874,912	390,033	397,754	-	-	9,328,682	8,688,151

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	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Reportable segment assets	105,640,806	107,527,318	35,609,199	33,995,027	36,281,922	39,719,911	2,677,463	2,842,975	180,209,390	184,085,231
Unallocated head office and corporate assets									5,817,634	5,097,593
Consolidated total assets									186,027,024	189,182,824
Reportable segment liabilities	48,801,680	52,011,184	21,968,288	20,768,085	24,668,671	27,344,533	1,909,325	2,097,945	97,347,964	102,221,747
Unallocated head office and corporate liabilities									22,262,484	21,437,856
Consolidated total liabilities									119,610,448	123,659,603

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	
	2024	2023	2024	2023	2024	2023
	<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)	11,139	9,402	91,523	58,106	–	–
Chinese Mainland	29,371,234	31,388,415	37,409,269	39,384,074	95,203,542	97,335,434
Germany	24,284	56,496	20,180	23,798	–	–
Poland	704,659	565,347	432,902	456,028	–	–
Vietnam	146,693	70,547	724,118	800,943	–	2,299
Singapore	–	–	583	2,753	–	–
Total	30,258,009	32,090,207	38,678,575	40,725,702	95,203,542	97,337,733

(iii) Information about a major customer

For the years ended 31 December 2024 and 2023, 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:

	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
<i>Revenue from contracts with customers</i>		
Revenue from environmental energy project construction services	2,537,007	4,332,798
Revenue from environmental water project construction services	2,933,926	2,502,809
Revenue from greentech project construction services	230,749	660,645
Revenue from environmental energy project operation services	9,720,110	9,241,305
Revenue from environmental water project operation services	2,815,662	3,104,693
Revenue from greentech project operation services	6,414,584	6,411,122
Others	520,980	610,332
	<hr/>	<hr/>
Total revenue from contracts with customers within the scope of HKFRS 15	25,173,018	26,863,704
Finance income from service concession arrangements	5,084,991	5,226,503
	<hr/>	<hr/>
Total revenue	30,258,009	32,090,207
	<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\$26,199,182,000 (2023: HK\$27,399,124,000) for the year ended 31 December 2024. 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 LOSSES, NET

An analysis of other revenue, other income and losses, net is as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Other revenue		
Rental income from operating leases	20,346	10,103
Interest income	87,187	119,464
Dividend income	–	857
Government grants*	88,003	148,694
Value-added tax refund**	484,195	390,307
Others	489,452	394,926
	<hr/>	<hr/>
Total other revenue	1,169,183	1,064,351
	<hr/>	<hr/>
Other income and losses, net		
Fair value gains/(losses), net:		
Other financial assets – unlisted equity investment	464	(1,586)
Other financial assets – unlisted investments	670	(51,343)
Fair value gain on investment properties	1,060	1,383
Loss on disposal and write-off of property, plant and equipment, net	(4,506)	(30)
Loss on disposal and write-off of intangible assets, net	(443)	–
Gain on deregistration of a subsidiary	100	–
Expected credit losses on debtors, net	(439,103)	(572,172)
Expected credit losses on other receivables, net	(117,790)	(21,599)
Reversal of expected credit losses on contract assets, net	12,835	91,022
Impairment of goodwill	(63,697)	–
Impairment of property, plant and equipment	(600,124)	(380,086)
Impairment of intangible assets	(696,868)	(210,144)
Impairment of right-of-use assets	(82,825)	(65,423)
	<hr/>	<hr/>
Total other income and losses, net	(1,990,227)	(1,209,978)
	<hr/>	<hr/>

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

* Government grants were granted during the year ended 31 December 2024 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 2024 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

	2024	2023
	HK\$'000	HK\$'000
Interest on bank and other loans	2,315,073	3,020,205
Interest on corporate bond, asset-backed securities, medium-term notes and super and short-term commercial papers	675,662	495,073
Interest on lease liabilities	6,215	6,854
Asset-backed notes arrangement fees	14,468	25,528
Less: Interest expenses capitalised into construction in progress*	<u>(4,464)</u>	<u>(19,872)</u>
Total	<u>3,006,954</u>	<u>3,527,788</u>

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

7. PROFIT BEFORE TAX

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Depreciation		
– property, plant and equipment	668,991	657,564
– right-of-use assets	75,986	74,013
Amortisation of intangible assets	1,455,659	1,444,112
Research and development costs	69,308	79,387
Write-down of inventories to net realisable value	–	35,405
Lease payments not included in the measurement of lease liabilities	5,083	17,321
Auditor's remuneration		
– audit services	9,243	14,575
– other services	3,396	3,001
Employee benefit expense (excluding directors' remuneration):		
Wages, salaries, allowances and benefits in kind	3,837,468	3,753,549
Retirement scheme contributions	368,900	384,573
Total	<u>4,206,368</u>	<u>4,138,122</u>
Foreign exchange differences, net	<u>(361,764)</u>	<u>(57,984)</u>

As at 31 December 2024, the Group had no forfeited contributions available to reduce its contributions to the retirement schemes in future years (2023: 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 years ended 31 December 2024 and 2023.

Tax for the PRC operations is charged at the statutory rate of 25% of the assessable profits under tax rules and regulations in the PRC. During the 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.

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Current – Elsewhere:		
Charge for the year	1,230,799	1,073,123
(Over)/under-provision in prior years	(59,332)	3,484
Deferred	<u>(277,972)</u>	<u>750,726</u>
Total tax expense for the year	<u>893,495</u>	<u>1,827,333</u>

9. DIVIDENDS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Dividends attributable to the year:		
Interim – HK14.0 cents (2023: HK14.0 cents) per ordinary share	860,017	860,017
Proposed final – HK9.0 cents (2023: HK8.0 cents) per ordinary share	<u>552,868</u>	<u>491,438</u>
	<u>1,412,885</u>	<u>1,351,455</u>
Final dividend in respect of the previous financial year paid during the year – HK8.0 cents (2023: HK9.0 cents) per ordinary share	<u>491,438</u>	<u>552,868</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\$3,377,200,000 (2023: HK\$4,429,160,000) and 6,142,975,292 (2023: 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 2024 and 2023.

11. CONTRACT ASSETS

	<i>Notes</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Service concession assets	<i>(a)</i>	101,679,370	103,222,855
Unbilled renewable energy tariff subsidy	<i>(b)</i>	5,200,296	4,258,130
Other contract assets	<i>(c)</i>	518,122	620,772
		107,397,788	108,101,757
Less: Loss allowance		(115,911)	(130,672)
		107,281,877	107,971,085
Less: Non-current portion			
– Service concession assets, net of loss allowance		(93,140,083)	(94,737,831)
– Other contract assets, net of loss allowance		(152,128)	(154,601)
		(93,292,211)	(94,892,432)
Current portion		13,989,666	13,078,653
Contract assets arising from performance under construction contracts in connection with service concession arrangements, which are included in “Intangible assets”		686,272	1,902,843

Notes:

- (a) Included in “Service concession assets” are amounts of HK\$151,656,000 (2023: HK\$179,313,000) 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 related company of a non wholly-owned subsidiary.

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 3.85% to 7.83% (2023: 4.20% to 7.83%) per annum. Among the total of HK\$101,679,370,000 (2023: HK\$103,222,855,000), HK\$94,559,839,000 (2023: HK\$91,485,026,000) 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 2024 comprised contract assets of HK\$402,969,000 (2023: HK\$416,237,000) arising from performance under environmental remediation service contracts, and HK\$115,153,000 (2023: HK\$204,535,000) 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

	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Debtors, net of loss allowance	21,126,596	19,980,322
Other receivables, deposits and prepayments, net of loss allowance	5,498,619	6,884,700
	26,625,215	26,865,022
Less: Non-current portion		
– Other receivables, deposits and prepayments, net of loss allowance	(1,911,331)	(2,445,301)
Current portion	24,713,884	24,419,721

Included in “Debtors, other receivables, deposits and prepayments” of the Group are debtors of which HK\$34,681,000 (2023: HK\$54,760,000), HK\$15,050,000 (2023: HK\$14,916,000), HK\$19,536,000 (2023: HK\$6,810,000), and HK\$11,080,000 (2023: HK\$11,546,000) 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.

Included in “Debtors, other receivables, deposits and prepayments” of the Group are other receivables of which HK\$30,475,000 (2023: HK\$24,073,000) are due from the Group’s non-controlling shareholders of non-wholly-owned subsidiaries.

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:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Within 1 month	2,459,066	2,997,233
More than 1 month but within 2 months	1,225,429	1,120,944
More than 2 months but within 4 months	1,818,641	1,754,371
More than 4 months but within 7 months	2,352,326	2,141,012
More than 7 months but within 13 months	3,395,157	3,016,494
More than 13 months	9,875,977	8,950,268
	<hr/>	<hr/>
Total	21,126,596	19,980,322

Included in “Debtors, other receivables, deposits and prepayments” are debtors of HK\$7,417,971,000 (2023: HK\$7,248,873,000), 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 2024 is an advance made to local government authority in relation to service concession arrangement amounting to HK\$11,727,000 (2023: HK\$16,173,000) which is unsecured, interest-bearing at the rates announced by the People’s Bank of China, and will be settled by instalments from 2025 to 2027.

Included in “Other receivables, deposits and prepayments” under current assets at 31 December 2024 are advances of HK\$7,493,000 (2023: HK\$6,329,000) to the Group’s associate, which are unsecured, repayable on demand and interest-bearing at a rate of 3.35% (2023: 4.75%) per annum, and other receivables of HK\$8,858,000 (2023: HK\$1,247,000) 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 2024 are loans to the Group’s joint ventures of HK\$25,154,000 (2023: HK\$25,563,000), which are unsecured, interest-bearing at 125% of the loan prime rate announced by the People’s Bank of China, and repayable in 2025, and other receivables and advances to the Group’s joint ventures of HK\$20,109,000 (2023: HK\$25,263,000) and other receivables due from the Group’s non-controlling shareholders of non wholly-owned subsidiaries of HK\$30,475,000 (2023: HK\$24,073,000), which are unsecured, interest-free and repayable within one year.

13. CREDITORS, OTHER PAYABLES AND ACCRUED EXPENSES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Creditors	11,382,917	12,261,759
Other payables, accrued expenses and deferred income		
– government grants	<u>5,713,321</u>	<u>5,734,318</u>
	17,096,238	17,996,077
Less: Non-current portion		
– other payables, accrued expenses and deferred income		
– government grants	<u>(724,213)</u>	<u>(468,945)</u>
Current portion	<u>16,372,025</u>	<u>17,527,132</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:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Within 6 months	9,264,576	9,660,223
Over 6 months	<u>2,118,341</u>	<u>2,601,536</u>
Total	<u>11,382,917</u>	<u>12,261,759</u>

Creditors totalling HK\$7,088,450,000 (2023: HK\$8,306,116,000) 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 bills payable of HK\$774,420,000 (2023: HK\$216,330,000). Included in “Creditors, other payables and accrued expenses” are creditors of HK\$15,460,000 (2023: HK\$8,552,000), HK\$1,900,000 (2023: Nil) and HK\$251,722,000 (2023: HK\$210,858,000) due to the Group’s associate, joint venture 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, joint venture or the non-controlling shareholders to their major customers.

Included in “Other payables, accrued expenses and deferred income – government grants” at 31 December 2024 are other payables of HK\$3,390,000 (2023: HK\$24,608,000) and HK\$63,710,000 (2023: HK\$50,262,000) 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 2024 are other payables of HK\$181,569,000 (2023: HK\$184,251,000) due to the non-controlling shareholder of non wholly-owned subsidiaries, which are unsecured, interest-bearing at rates announced by the People’s Bank of China and repayable on demand.

SCOPE OF WORK OF KPMG 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 2024 as set out in the preliminary announcement have been agreed by the Company’s auditor, KPMG, to the amounts set out in the Group’s consolidated financial statements for the year. The work performed by KPMG 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 KPMG on the preliminary announcement.

BUSINESS REVIEW AND PROSPECTS

OPERATING RESULTS

Business Overview

In 2024, the Group adhered to the principle of making steady progress and promoting stability through practical measures. By focusing on its principal businesses and core responsibilities, it strengthened the core capabilities, solidifying the foundation for stability and fostering an environment for progress. As a result, the Group drove business performance improvement, and continuously consolidated its industry-leading position.

In terms of operating performance, during the year under review, the Group, based on in-depth study and research, as well as studies of domestic and international environment, formulated a preliminary strategic development plan for the 15th Five-year Plan period, clearly identifying three major development directions, namely technology as a driving force, an internationalisation path, and an industrial ecological system, initiating the call for a “Second-stage Entrepreneurship”. The Group strengthened its investment and market expansion efforts in both domestic and international markets, bolstering its growth momentum. It reinforced operations management and optimised financial and budgetary coordination, enhancing revenue, controlling costs, and improving the overall quality and efficiency of its business operations. The Group also emphasised technological innovation, accelerating the transformation of technological achievements, empowering business development, and fostering the establishment of a “Research Ecosystem”. Furthermore, the Group strengthened its management foundation, utilising digitalisation and intelligence-driven tools to enhance governance capabilities. Additionally, efforts were intensified to mitigate risks associated with existing assets of the Group and production safety, thereby solidifying the foundation for its sustainable development.

Major operating indicators in 2024 are summarised below:

	2024	2023	Percentage
	<i>HK\$'000</i>	<i>HK\$'000</i>	change
Revenue	30,258,009	32,090,207	-6%
Earnings before interest, taxation, depreciation and amortisation (“EBITDA”)	10,074,731	12,827,961	-21%
Profit attributable to equity holders of the Company	3,377,200	4,429,160	-24%
Basic earnings per share (<i>HK cents</i>)	54.98	72.10	-24%

During the year under review, the Group recorded a total revenue of HK\$30,258,009,000, of which revenue from operation services amounted to HK\$19,429,550,000, representing an increase of 1% from 2023, while revenue from construction services was HK\$5,743,468,000, representing a decrease of 25% from 2023. The revenue from operation services, construction services, and finance income accounted for 64%, 19% and 17% of the total revenue, respectively.

During the year under review, the Group actively expanded its financing channels, and optimised its portfolio of financing instruments. Through the Company and its listed subsidiaries, the Group timely secured window of opportunity in the market in progressing the issuance of various types of bonds, including medium-term notes (“MTNs”) and asset-backed securities (“ABS”) in an orderly manner, keeping the comprehensive capital cost at a comparatively low level. The Group also strengthened its domestic and overseas credit line reserves and foreign debt management. In 2024, the Group obtained various government funding subsidies amounting to approximately RMB100 million. As of 31 December 2024, the Group had cash on hand amounting to HK\$8.042 billion, representing a reasonable gearing level and a healthy financial position.

In 2024, the major financing arrangements of the Group are summarised below:

Issue date	Financing arrangements and uses of proceeds	Issue size (RMB)
January 2024	China Everbright Water Limited (“Everbright Water”) completed the issuance of the first tranche of MTNs for 2024 in the People’s Republic of China (“PRC”) for the replenishment of working capital of its subsidiaries and repayment of the interest-bearing debts of Everbright Water or its subsidiaries.	1.5 billion
March 2024	The Company completed the issuance of the 2024 MTNs (Series 1) in the PRC for the repayment of the interest-bearing debts of the Group.	2 billion
April 2024	Everbright Water completed the issuance of the 2024 ABS in the PRC for the repayment of the loans borrowed by Everbright Water and its subsidiaries, as well as for their replenishment of working capital.	2 billion
May 2024	The Company completed the issuance of the 2024 MTNs (Series 2) in the PRC for the repayment of the MTNs previously issued by the Company in the PRC.	2 billion
May 2024	China Everbright Greentech Limited (“Everbright Greentech”) completed the issuance of the first tranche green MTNs for 2024 in the PRC for the repayment of interest-bearing debts of Everbright Greentech and its subsidiaries, replenishment of working capital and/or investment in and construction of their environmental protection projects and for other business development purposes.	1 billion

Issue date	Financing arrangements and uses of proceeds	Issue size (RMB)
July 2024	Everbright Greentech completed the issuance of the second tranche MTNs for 2024 in the PRC for the repayment of the interest-bearing debts of Everbright Greentech and its subsidiaries, replenishment of working capital and/or investment in and construction of their environmental protection projects and for other business development purposes.	1 billion
September 2024	Everbright Greentech completed the issuance of the third tranche MTNs for 2024 in the PRC for the repayment of interest-bearing debts of Everbright Greentech and its subsidiaries, replenishment of working capital and/or investment in and construction of their environmental protection projects, and other business development purposes.	1 billion
September 2024	The Company completed the issuance of the 2024 MTNs (Series 3) in the PRC for the replenishment of the Group's working capital and repayment of bank loans.	1.5 billion

The Group remains dedicated to sharing its development and operating results with shareholders of the Company (the "Shareholders"). To reward Shareholders for their support, and taking into account the Group's business development and strategic planning, the Board recommended the distribution of a final dividend of HK9.0 cents per share for the year ended 31 December 2024 (2023: HK8.0 cents per share), with the total dividend for the year amounting to HK23.0 cents per share (2023: HK22.0 cents per share). The dividend payout ratio stood at 41.8%, representing an increase of 11.3 percentage points compared to 2023.

As of 31 December 2024, the Group had a business presence in 229 cities, counties, and districts across 25 provinces, municipalities, autonomous regions, and one special administrative region in China, and overseas markets spanning Germany, Poland, Vietnam, and Mauritius. The total number of environmental protection projects invested in and held by the Group was 604, with an aggregate investment of approximately RMB162.425 billion. Additionally, the Group undertook various asset-light services, including environmental remediation, waste sorting, design and consulting, equipment supply, and technical services. The Group secured a total of 193 waste-to-energy projects under its environmental energy and greentech sectors, with a designed daily household waste processing capacity of 159,900 tonnes (including capacity under the operation and management (“O&M”) model).

The designed treatment and supply capacities of projects of major types under the Group as of 31 December 2024 are summarised below:

Project Category	Designed Treatment/Supply Capacity
Household waste [#]	159,900 tonnes/day
Food and kitchen waste [#]	8,743 tonnes/day
Water treatment and supply [#]	7,658,600 m ³ /day
Biomass raw materials	8,209,800 tonnes/year
Heat and steam supply	8,217,495 tonnes/year
Solar power and wind power installed capacity	292.85 megawatt (“MW”)
Energy storage capacity	22.20 MW

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

In terms of market expansion, during the year under review, the Group continued to focus on three areas, namely solid waste, water-related business and clean energy. It solidified its traditional business areas, explored new businesses and development models, further extended its business chains, expanded synergistic businesses, and promoted a balanced growth between asset-light and asset-heavy businesses. For traditional business areas, the Group invested in multiple projects in areas such as waste-to-energy, waste water treatment and solar power, and expanded its asset-light services, including integrated sanitation solutions, industrial waste water treatment, and equipment supply, further solidifying its business chains in waste-to-energy and industrial waste water treatment. For new business development, the Group expanded its clean energy business portfolio by investing in its first energy storage project in Guangzhou City, Guangdong Province. It also developed its first biomass gasification project in Xiao County, Anhui Province, to further enhance its overall biomass utilisation capabilities. In Changzhou City, Jiangsu Province, the Group implemented its first waste battery recycling project, which was not only the Group's inaugural project of this kind but also the first benchmark project for the implementation of the national major technical equipment of this kind in China. Furthermore, the Group secured its biogas purification business and established its channels for sales of biomethane to external clients, further optimising the value of its operating projects and enhancing efficiency through synergy. The Group also developed a virtual power plant and electricity trading platform, refining its "zero-carbon park + virtual power plant" business model. It also completed its first electricity transaction, marking its entry into the power trading business. In the international market, the Group actively pursued business opportunities in the Republic of Uzbekistan ("Uzbekistan"), Malaysia, and other countries and regions, and meanwhile, successfully secured or won the bidding for asset-light business contracts in Egypt, Indonesia, Malaysia, and India. These efforts have facilitated the global expansion of the Group's self-developed environmental protection equipment and technical solutions, reinforcing its commitment to green development under the Belt and Road Initiative. Additionally, the Group strengthened its engagement with various international dignitaries and domestic provincial and ministerial leaders through participation in key forums and industry exchanges. These included the annual conference of the China Council for International Cooperation on Environment and Development. The Group also actively engaged in industry exchange activities both domestically and internationally, including IE Expo China and the Macao International Environmental Co-operation Forum & Exhibition. Moreover, the Group took the lead in hosting the Everbright Environment Green Technology and Sustainable Development Forum in Hong Kong, bringing together distinguished guests from the government, industry, and academia to explore opportunities in new quality productive forces and industrial ecosystems, further enhancing its industry impact.

In 2024, the Group invested in and secured 12 new projects with a total investment of approximately RMB1.764 billion, and signed various new contracts for asset-light business worth RMB1.835 billion.

The designed treatment and supply capacities of the new projects secured in 2024 are summarised below:

Project category	Designed treatment/supply capacity
Household waste	1,000 tonnes/day
Water treatment and supply	192,000 m ³ /day
Biomass raw materials	70,000 tonnes/year
Heat and steam supply	260,000 tonnes/year
Solar power installed capacity	56.46 MW
Energy storage capacity	12.20 MW

In terms of innovation-driven empowerment, during the year under review, the Group focused on tackling technical challenges and driving the transformation of scientific and technological achievements. It established the Technology Committee to coordinate the Group’s research and development (“R&D”) projects. In terms of technological innovation and application, the Group successfully completed the transformation and commercialisation of 30 technical projects in areas such as desulfurisation and denitrification, gasification heating, and waste battery recycling. These initiatives contributed to optimising costs, enhancing efficiency, increasing revenue, and reducing risks in safety production in related projects. The construction of digital platforms for the integration of business and finance, document management, and intelligent management, made solid progress, further showcasing the effectiveness of digital empowerment in the Group’s operational management. As of 31 December 2024, the Group had been granted a total of 2,149 intellectual property rights and had received more than 20 provincial and ministerial-level scientific and technological awards, serving as a testament to the Group’s innovation capabilities and achievements.

In terms of operations management, during the year under review, the Group focused on increasing revenue and enhancing efficiency, reducing carbon emission and energy consumption, cutting costs and expenses to improve operational quality and efficiency, and ensuring the delivery of high-quality environmental management services across different regions. Among these efforts, the environmental energy sector ensured the volume of waste entering the plants and enhanced waste storage efficiency, achieving a record-breaking average power generation efficiency of incoming waste at waste-to-energy projects surpassing 400 kWh/tonne. The environmental water sector actively promoted the “Five Innovations” initiative (small inventions, small transformations, small innovations, small designs, and small suggestions) and piloted the “Dark Factory” model. The green environmental sector deeply explored the localisation of fuel resources, reduced related costs, and explored the resource utilisation and high-value application of biomass energy, accelerating business transformation and development.

In terms of project construction, during the year under review, the Group adhered to a refined and dynamic management model, focusing on strengthening the comprehensive monitoring and control of safety risk factors to ensure the safety and steady progress of all construction projects. The Prime Minister of Vietnam attended the completion ceremony of the Group's Hue Waste-to-energy Project ("Hue Project") in Vietnam, demonstrating the Vietnamese government's full recognition of the Group's capability in project construction. On the other hand, the Group's Guangdong Nanxiong Livestock and Poultry Manure Resource Utilisation Project ("Nanxiong Project") commenced operation upon completion of construction work, laying a good foundation for the Group's effort to create new business growth points. In 2024, 33 projects of the Group commenced operation upon completion of construction works, 4 projects (including EPCO projects) completed construction, and 9 environmental remediation services were completed and delivered. 21 projects of the Group (including an EPCO project) commenced construction and 10 environmental remediation services were started.

In terms of safety and environmental management, during the year under review, adhering to the modest principle of "Start Safe, Finish Safe", the Group implemented robust safety production systems, organised training programmes for its safety and environmental team, and implemented actions to overcome difficulties for safety production, establishing a reliable safety barrier for both the Group and the communities it serves. Notably, a total of 270 project leaders and safety and environmental management directors for the regional centers of all business sectors of the Group participated in qualification certification examinations, to enhance learning and improve the capabilities of personnel responsible for safety and environmental performance. Additionally, the Group strengthened on-site duty arrangements at its headquarters during holidays and, for the first time, introduced daily safety production operation reports during flood seasons, typhoon prevention periods, and major holidays.

In terms of environmental contributions, the Group has been actively promoting energy conservation, and the reduction of pollution and carbon emissions to promote the collective improvement of social, economic, and environmental benefits. The Group's major environmental contributions during the year under review are summarised below:

	Treatment Volume	Environmental Contributions
Household waste processed	56,162,000 tonnes	Supplying green electricity of 27,678,000,000 kWh. This output could support the annual electricity consumption needs of 23,065,000 households, equivalent to saving 11,071,000 tonnes of standard coal, while displacing Carbon Dioxide ("CO ₂ ") emissions by 13,041,000 tonnes.
Hazardous and solid waste processed	499,000 tonnes	
Agricultural and forestry waste processed	7,686,000 tonnes	
Waste water treated	1,763,000,000 m ³	Reducing Chemical Oxygen Demand ("COD") discharge by 852,000 tonnes.
Waste-to-energy plants' leachate treated	14,039,000 m ³	

Since the launch of the Group's first environmental protection project in 2005, its aggregate major environmental contributions are summarised below:

	Treatment Volume	Environmental Contributions
Household waste processed	326,527,000 tonnes	Supplying green electricity of 159,029,000,000 kWh. This output could support the annual electricity consumption needs of 132,524,000 households, equivalent to saving 63,611,000 tonnes of standard coal, while displacing CO ₂ emissions by 126,056,000 tonnes.
Hazardous and solid waste processed	2,719,000 tonnes	
Agricultural and forestry waste processed	50,320,000 tonnes	
Waste water treated	18,244,562,000 m ³	Reducing COD discharge by 7,478,000 tonnes.
Waste-to-energy plants' leachate treated	73,839,000 m ³	

In terms of social responsibility, during the year under review, the Group fulfilled its corporate citizenship responsibilities by not only safeguarding the natural and human living environment through high-quality integrated environmental services but also actively promoting green concepts and advocating for environmental actions through diverse initiatives. In Hong Kong, the Group launched the “Green Wings Program”, a public welfare campaign for environmental education. Supported by the Environment and Ecology Bureau of the Government of the Hong Kong Special Administrative Region of the PRC, this program leverages the Group’s professional expertise in environmental protection. Through activities such as environmental lectures, workshops, project visits, and student internships, the program aims to inspire enthusiasm and a sense of responsibility for environmental protection among Hong Kong’s youth and the general public, fostering consensus on green and low-carbon development. In mainland China, the Group continued to organise a variety of environmental science education and public welfare activities through its local projects. Centred around environmental theme days such as World Environment Day, the Group launched a series of community-focused science education activities, deeply integrating into local communities and serving as a vivid example of fostering shared interests across the government, businesses and the public. As of 31 December 2024, the Group had opened 226 projects to the public. In 2024, the Group’s projects attracted more than 80,000 domestic and international visitors, along with more than 100,000 participants in online activities.

In 2024, the Group received many honours from home and abroad in recognition of the fulfillment of its responsibility and continued efforts in various aspects, such as business operation, sustainability, and social responsibility. The major awards and honours are summarised below:

Category	Award/Recognition	Awarding Organisation(s)
Operational Management	First place in the “2024 Top 50 Chinese Environmental Enterprises by Revenue”*	China Environment Chamber of Commerce (“CECC”)
	First place in the “Top 10 Influential Solid Waste Treatment Enterprises in China” (the 14th consecutive year)	E20 Environment Platform
	Awarded the “Outstanding Enterprise Contribution Award for the 75th Anniversary of the Founding of the PRC” and recognised as an “Outstanding High-Quality Development Listed Company”	China Securities Golden Bauhinia Awards

* *The ranking of CECC was renamed from “Top 50 Chinese Environmental Enterprises” to “Top 50 Chinese Environmental Enterprises by Revenue” in 2024. The Group has been ranked the first place on the list since 2019.*

Category	Award/Recognition	Awarding Organisation(s)
Operational Management	Included in the “2024 Global Top 500 New Energy Enterprises” list (ranked 82th)	China Institute of Energy Economics Research
	Everbright Water was shortlisted in the list of “Top 10 Influential Enterprises in China’s Water Industry” (the 7th consecutive year)	E20 Environment Platform
	Everbright Water was awarded “ListCo Excellence Awards” (the 5th consecutive year)	Jointly awarded by PRC media <i>IFENG.COM/HK</i> , Hong Kong media <i>AM730</i> , and other institutions
	Everbright Greentech received the “Global ESG Excellence Award” (the third time)	<i>Yazhou Zhoukan</i>
	Everbright Greentech was awarded the “ESG Excellence in Environmental Performance Award”, “ESG Excellence in Corporate Governance Award”, and “ESG Certification of Recognition”	Sing Tao News Group and The Hong Kong Polytechnic University
	The Group’s Jiangxi Yingtan Waste-to-energy Project (“Yingtan Project”) was recognised as “National Workers’ Pioneer”	All-China Federation of Trade Unions
Technology R&D	The water-cooled grate furnace for incineration of solid waste of high heating value was included in the <i>National Catalogue of Major Technical Equipment for Promotion and Application (First Set of Equipment) (2024 Edition)</i>	Ministry of Industry and Information Technology of the PRC

Category	Award/Recognition	Awarding Organisation(s)
Technology R&D	The project for the development and equipment application of key technologies relating to efficient and clean combustion of multi-source solid waste was awarded the “2024 Machinery Industry Science and Technology Award”	China Machinery Industry Federation, Chinese Mechanical Engineering Society
	The integrated technology for high-temperature SCR denitrification in biomass boilers was awarded the “Second Prize in Environmental Protection Equipment Science and Technology”	China Association of Machinery Industry for Environmental Protection
	The key technology and complete equipment for recycling and resource utilisation of waste power batteries were awarded the First Prize of “2024 Environmental Equipment Technology Innovation Award”	China Association of Machinery Industry for Environmental Protection
	Everbright Environmental Technical Equipment (Changzhou) Limited (“Changzhou Equipment Company”) incineration furnaces (including small-scale incineration furnaces), water-cooled grate incineration furnace, complete equipment for leachate treatment, complete equipment for flue gas treatment, and rotary kilns for hazardous and medical waste treatment passed European Conformity (the CE Marking)	UDEM
	The Group’s Huangshi Waste Tire Recycling Project in Hubei Province was awarded dual certifications of ISCC EU and ISCC PLUS	International Sustainability and Carbon Certification (“ISCC”)

Category	Award/Recognition	Awarding Organisation(s)
Operations Management	Hue Project was selected as one of the “Top 20 Enterprises for Green Economic Development in Vietnam in 2024”	Vietnam Institute of Economic and Cultural Studies
	The Group’s Henan Nanyang Waste-to-energy Project (“Nanyang Project”), Heilongjiang Harbin Waste-to-energy Project (“Harbin Project”), Zhejiang Ninghai Waste-to-energy Project, Henan Yangxin Waste-to-energy Project and Jiangsu Wuxi Xidong Waste-to-energy Project were recognised as “National AAA-rated Household Waste Incineration Plants”	China Association of Urban Environmental Sanitation
	Harbin Project was awarded the title of “Comprehensive Environmental Protection Law Enforcement Training Base in Heilongjiang Province”	Heilongjiang Provincial Department of Ecology and Environment
Project Construction	The Group’s Western Yiyang Waste-to-energy Project in Hunan Province was recognised as a “2024 High-Quality Small and Medium-Sized Power Project in China”	China Electric Power Construction Association
	The construction work of the Group’s Xiongan Waste Integrated Treatment Project garnered the “2024 Hebei Province Construction Engineering Anji Cup Award”	Hebei Construction Industry Association

Category	Award/Recognition	Awarding Organisation(s)
Sustainable Development	Included in the Dow Jones Sustainability Indices (the 9th consecutive year)	Dow Jones
	Included in the <i>Sustainability Yearbook</i> (the 7th time)	S&P Global
	Included in the <i>Sustainability Yearbook (China Edition)</i> (the second consecutive year)	S&P Global
	Included in the Hang Seng Corporate Sustainability Benchmark Index (the 14th consecutive year)	Hang Seng Index
	Shortlisted in the list of “China’s Top 100 Sustainable Development Companies (2024)”	China Business Council for Sustainable Development and China Enterprise Confederation
	The Group’s Zhejiang Ninghai Waste-to-Energy Project was shortlisted as the first batch of “Zhejiang Province New Quality Productive Force Science Popularisation Experience Centre (Site)”	Zhejiang Association for Science and Technology
	The Group’s Gansu Wuwei Waste-to-energy Project (“Wuwei Project”) successfully registered as an International Verified Carbon Standard (“VCS”) Project	VERRA*
	Hue Project garnered the “Environmental Protection Contribution Award”	Government of Thua Thien Hue Province, Vietnam

* *VERRA is a non-profit organisation established in 2005 by the Climate Group (CG), the International Emissions Trading Association (IETA), and the World Economic Forum (WEF).*

Category	Award/Recognition	Awarding Organisation(s)
Social Responsibility	Social Responsibility Brand of the Year (the 10th consecutive year)	China Charity Festival
	The Green Wings Program was awarded the Charity Case of the Year	China Charity Festival
	The Group’s Hubei Tianmen Waste-to-energy Project garnered the “Hubei Environmental Protection Government Award”	Government of Hubei Province
	Yingtian Project garnered the “Science Education Base in Jiangxi Province” award	Jiangxi Association For Science and Technology
	The Group’s Hainan Sanya Waste-to-energy Project was shortlisted in “The Third Batch of Science Education Bases in Hainan Province 2021-2025”	Hainan Association For Science and Technology, Department of Science and Technology of Hainan Province
	The Group’s Henan Xinyang Waste-to-energy Project and Nanyang Project garnered the “Excellent Science Education Base for Classification of Domestic Waste in Henan Province for the Year 2023” award	Department of Housing and Urban-Rural Development of Henan Province
	The Group’s Liaoning Shenyang Waste-to-energy Project was accredited as one of the “First Batch of Provincial Tourism Technology Demonstration Parks in Liaoning Province”	Department of Culture and Tourism of Liaoning Provincial

I. ENVIRONMENTAL ENERGY

Environmental energy is the largest core business sector of the Group, contributing the most to its overall business. This sector encompasses 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, environmental energy continued to focus on the solid waste business area, improving the layout of the waste-to-energy business chain, and solidifying its industry-leading position.

As of 31 December 2024, environmental energy had invested in and held 283 projects, with a total investment of approximately RMB98.892 billion, and undertook 2 O&M projects, 2 engineering design, procurement, construction and operation (“EPCO”) projects, and other types of asset-light services. These projects (including processing capacity under the O&M model) are designed to have an annual household waste processing capacity of 54,147,750 tonnes, an annual on-grid electricity of 18,453,224,900 kWh, an annual food and kitchen waste processing capacity of 3,169,295 tonnes, and an annual steam supply capacity of 1,910,832 tonnes.

As of 31 December 2024, the status of waste-to-energy projects under environmental energy are summarised below:

Project Status	Number of Projects	Designed Processing Capacity (tonnes/annum)
In operation*	155	50,698,500
Under construction	6	2,080,500

* *including O&M project(s)*

As of 31 December 2024, the status of waste-to-energy synergistic projects* under environmental energy are summarised below:

Project Status	Number of Projects	Designed Processing Capacity (tonnes/annum)
In operation [#]	118	5,563,975
Under construction	11	1,375,142

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

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

In terms of market development, during the year under review, environmental energy continued to deepen its domestic market presence, leveraging the business model of balanced development of asset-light and asset-heavy businesses to drive its expansion efforts. Environmental energy secured investment projects such as Hainan Dongfang Waste-to-energy Project Phase II, consolidating its traditional business advantages. It also signed agreements for asset-light solid waste treatment synergistic businesses, including Gansu Wuwei Sanitation Integration Service Project and a biogas purification and refinement business in Wuxi City, Jiangsu Province, further strengthening the Group's comprehensive solid waste management service capabilities. At the same time, environmental energy actively expanded into overseas markets, signing a joint development agreement with Uzbekistan in relation to waste-to-energy projects in Ferghana and Namangan Provinces, laying a solid foundation for further expansion into the Central Asian market. In 2024, environmental energy invested in and secured 2 new projects, with a total investment of approximately RMB568 million. It also signed various new contracts for asset-light business, covering areas such as waste sorting, sanitation integration, and heating and steam supply, with a total contract value of approximately RMB384 million. The newly-secured projects contributed to an additional designed daily household waste processing capacity of 1,000 tonnes.

In terms of operations management, during the year under review, environmental energy advanced operations management through the approach of “Think Beyond Operations, Leverage Strengths and Address Weaknesses, and Implement Category-Specific Management”. It deepened the implementation of the “12 Measures + Pre-Testing and Post-Evaluation” strategies for waste volume growth to ensure stable waste intake, enhanced waste storage efficiency to achieve a record-breaking average power generation efficiency of incoming waste at waste-to-energy projects surpassing 400 kWh/tonne, optimised slag treatment efficiency to strengthen pricing authority and realise annualised efficiency gains, and expanded the adoption of technologies such as coke-cleaning robots and pipeline inspection robots to significantly reduce frontline operational risks. In 2024, key metrics include an average electricity generation of 461 kWh per tonne of waste incinerated in waste-to-energy projects, a comprehensive plant power consumption rate of 15.4%, and 2 waste-to-energy projects that were approved for increased waste treatment fees.

In terms of project construction, during the year under review, 13 projects completed construction and commenced operation, with a total designed daily household waste processing capacity of 4,600 tonnes, and a designed daily food and kitchen waste processing capacity of 425 tonnes. 8 projects commenced construction, with a total designed daily household waste processing capacity of 1,900 tonnes, and a designed daily food waste processing capacity of 525 tonnes.

During the year under review, the Group’s environmental energy sector contributed EBITDA of HK\$6,886,316,000, a decrease of 24% as compared with 2023. Environmental energy contributed a net profit attributable to the Group of HK\$3,849,226,000, a decrease of 27% as compared with 2023. The decrease in profit was mainly attributable to the decrease in number of construction projects leading to lower construction profits compared to that of 2023.

Major operating data relating to environmental energy during 2024 are summarised below:

	2024	2023	Percentage Change
Waste processing volume (<i>tonnes</i>)	52,006,000	48,603,000	7%
Food and kitchen waste, sludge, and other waste processing volume (<i>tonnes</i>)	4,260,000	2,718,000	57%
On-grid electricity (<i>MWh</i>)	17,042,000	15,828,000	8%

II. ENVIRONMENTAL WATER

As of 31 December 2024, the Group held a 72.87% stake in Everbright Water, its environmental water sector, 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, sludge treatment, disposal, etc. It has also formed a full business 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 for industries through various water businesses.

As of 31 December 2024, Everbright Water had invested in and held 171 projects, with a total investment of approximately RMB31.675 billion. It also undertook 12 O&M projects and other types of asset-light services. These projects (including treatment capacity under the O&M model) are designed to have an annual waste water treatment capacity of 2,366,660,000 m³, an annual reusable water supply capacity of 118,479,000 m³, an annual water supply capacity of 310,250,000 m³, an annual sludge treatment capacity of 793,875 tonnes, and an annual livestock and poultry manure treatment capacity of 109,500 tonnes.

As of 31 December 2024, Everbright Water’s water projects are summarised below:

Project Status*	Number of Projects	Designed Treatment Capacity (m³/annum)
In operation	153	2,246,064,000
Under construction	10	372,300,000

* *including projects with O&M services*

In terms of market development, during the year under review, Everbright Water consolidated its existing business strengths and explored new frontiers, promoting the balanced development of asset-light and asset-heavy businesses. It advanced various expansion initiatives through synergies. Everbright Water implemented municipal waste water treatment projects such as Anyang Municipal Waste Water Treatment Centre Phase I Project in Henan Province, thereby continuing to strengthen its traditional business advantages. It also secured asset-light business including Jiangyin Lingang Industrial Waste Water Treatment Plant and Ancillary Pipeline Network Phase I EPCO Project in Jiangsu Province, as well as Zhengzhou Airport Economy Zone Waste Water Treatment (Plant 4) Construction, Operation and Management Project in Henan Province, further extending its services to comprehensive industrial park waste water treatment. Leveraging its technical service entities, the Group further enhanced its asset-light capacity to deliver high-value services, promoting a more pronounced synergy between its asset-light and asset-heavy businesses. In overseas markets, Everbright Water adopted an asset-light business model to successively secure equipment supply services for the Bengkalis Water Supply Project in Indonesia and the Petrochemical Waste Water Treatment Project in Egypt. A Memorandum of Understanding was signed to explore opportunities for cooperation in the industrial estate of Siak Regency, Riau Province, Indonesia. The signing was supported by a delegation of relevant business representatives, with the aim of fostering business exchanges and collaboration in the water sector. In 2024, Everbright Water invested in and secured 5 new projects and signed 2 complementary agreements to its existing projects, with a total investment of approximately RMB896 million, and signed various new contracts for asset-light business, with a total contract value of approximately RMB1.033 billion. The new projects are designed to have a daily waste water treatment capacity of 183,000 m³ and a daily reusable water supply capacity of 9,000 m³.

In terms of operations management, during the year under review, Everbright Water leveraged digitalisation, innovative models, the “Five Innovations” initiative, and other key initiatives to enhance project operations management, diversify income streams, and improve efficiency. Some of its projects implemented energy management contracting (“EMC”), making technological energy-saving improvements to reduce costs and increase efficiency. Some of its projects recycled residual oxygen to generate additional profit. Everbright Water further refined evaluation criteria for star-rated factories, continuously improving the proficiency and efficiency of intelligent water plant construction. Based on industry exchanges and in-depth learning, Everbright Water explored the development of a “Dark Factory” model and an implementation road map that meets its needs. Additionally, it further solidified the “Solar Power +” model that integrates new energy with environmental protection business scenario. As at 31 December 2024, 7 projects of Everbright Water had seen their solar power facilities commence operation, with a total installed capacity of approximately 14 MWp, generating over 13 million kWh of green electricity per annum. In 2024, 5 waste water treatment plants of Everbright Water received regulatory approval for tariff hikes.

In terms of project construction, during the year under review, Everbright Water had 13 projects that either commenced construction or commenced operation upon completion of construction works, with a designed daily water treatment capacity of 209,000 m³; 8 projects that commenced construction, with a designed daily water treatment capacity of 154,000 m³.

During the year under review, the Group's environmental water sector contributed an EBITDA of HK\$2,196,829,000, a decrease of 11% compared with 2023. Environmental water contributed a net profit attributable to the Group of HK\$810,769,000, a decrease of 6% compared with 2023. The decrease in profit was mainly due to the recognition of one-off lump sum operation income related to the new tariffs applied retrospectively in 2024 is lower than that of 2023.

Major operating data relating to environmental water during 2024 are summarised below:

	2024	2023	Percentage change
Waste water treatment volume (<i>'000 m³</i>)	1,763,000	1,749,000	1%
Reusable water treatment volume (<i>'000 m³</i>)	48,500	45,500	7%

III. GREENTECH

As of 31 December 2024, the Group held a 69.70% stake in Everbright Greentech, its greentech sector, which is listed on the Main Board of the Stock Exchange. Everbright Greentech focuses on integrated biomass utilisation, hazardous and solid waste treatment, environmental remediation, and new energy such as solar power and wind power.

As of 31 December 2024, Everbright Greentech had invested in and held 145 projects, with a total investment of approximately RMB31.236 billion. These projects are designed to have an annual biomass raw material processing capacity of 8,209,800 tonnes, an annual household waste processing capacity of 4,215,750 tonnes, an annual hazardous and solid waste processing capacity of 2,466,376 tonnes, an annual on-grid electricity of 7,144,334,985 kWh, an annual steam supply of 6,306,663 tonnes, a solar and wind power installed capacity of 292.85 MW, and an energy storage capacity of 22.20 MW. In addition, Everbright Greentech undertook 17 environmental remediation services (excluding services that had been completed and delivered).

As of 31 December 2024, Everbright Greentech’s solar power and wind power projects are summarised below:

Project Status	Number of Projects	Designed Installed Capacity (MW)
In operation	31	186.78
Under construction	2	68.61

In terms of market expansion, during the year under review, Everbright Greentech achieved remarkable results in the expansion of its new environmental protection business. It invested in and developed its first energy storage project in Guangzhou, Guangdong Province, marking a new step forward in the clean energy sector; improved its “zero-carbon park + virtual power plant + power trading” model by signing three new zero-carbon park projects; established a virtual power plant and power trading platform, culminating in the completion of the first electricity transaction, thus marking the beginning of a new journey in the electricity sales business. Meanwhile, Everbright Greentech continued to solidify its traditional operations, successfully signing contracts for multiple landfill restoration and contaminated site remediation services, achieving a significant business breakthrough in the Guangdong and Yunnan markets. In 2024, Everbright Greentech invested in and secured 5 new projects and a sub-project under the existing project, with a total investment of approximately RMB300 million. It also signed new contracts for 9 environmental remediation services, with a total contract value of approximately RMB134 million. The new projects are designed to have an annual biomass raw material processing capacity of 70,000 tonnes, a solar power installed capacity of 56.46 MW, and an energy storage capacity of 12.20 MW.

In terms of operations management, during the year under review, Everbright Greentech focused on tapping into the potential of local fuel resources and strengthened the management of secondary fuel costs, resulting in significant savings in production costs. It also actively explored the resource utilisation and high-value application of biomass, accelerating its transformation and development. By enhancing centralised market coordination, the overall disposal costs for hazardous waste were further reduced.

With respect to project construction, during the year under review, Everbright Greentech had 11 projects that completed construction and commenced operation, contributing an additional designed annual household waste processing capacity of 255,500 tonnes, with a solar power installed capacity of 53.96 MW, and an energy storage capacity of 2.20 MW. 9 environmental remediation services were completed and delivered. In addition, 5 projects commenced construction, with a solar power installed capacity of 60.19 MW and an energy storage capacity of 12.20 MW. 10 environmental remediation services commenced their respective remediation work in succession.

During the year under review, the Group's greentech sector contributed an EBITDA of HK\$1,009,155,000, a decrease of 32% compared with 2023. Greentech contributed a net loss attributable to the Group of HK\$284,787,000, an increase of loss of 46% as compared with 2023. The decrease in profit was mainly due to the weaker-than-expected recovery of the domestic hazardous and solid waste treatment market leading to certain projects continued to operate at a loss, resulting in an increase in the impairment losses on intangible assets, property, plant and equipment, goodwill, and right of use assets compared to the last financial year.

Major operating data relating to greentech during 2024 are summarised below:

	2024	2023	Percentage change
Waste processing volume (<i>tonnes</i>)	4,156,000	3,836,000	8%
Biomass raw material processing volume (<i>tonnes</i>)	7,686,000	7,845,000	-2%
Hazardous and solid waste processing volume (<i>tonnes</i>)	499,000	449,000	11%
Steam supply volume (<i>tonnes</i>)	4,009,000	3,084,000	30%
On-grid electricity (<i>MWh</i>)	6,675,831	6,474,263	3%

IV. EQUIPMENT MANUFACTURING

With Changzhou Equipment Company being the platform, the Group's equipment manufacturing sector strategically positions itself as the major entity to implement the Group's development strategies empowered by intelligent manufacturing. It also persistently develops and upgrades the zero-carbon factories to foster a new development paradigm featured with "Intelligently Made by Everbright". As a result, equipment manufacturing continues to solidify its industry-leading position.

In terms of market expansion, during the year under review, equipment manufacturing insisted on integrating its professional advantages with market demand, actively deployed market opportunities at home and abroad, and followed up on multiple projects with good progress. Notably, equipment manufacturing implemented the first waste battery recycling and resource utilisation project in Changzhou City, Jiangsu Province. This not only marks the Group's first battery recycling project but also serves as a benchmark project for the implementation of the national major technical equipment of this kind in China. In overseas markets, equipment manufacturing won the bid for an equipment supply service in Malaysia, marking its first small-scale furnace equipment project in the overseas market, and won another bid in India for a grate furnace supply service, accelerating the international rollout of the Group's independently developed environmental protection equipment and services. Additionally, five equipment products, including incinerators (including the small-scale type), passed the relevant assessment and received the CE Marking, providing strong support for the Group's in-depth expansion into the European market.

In 2024, equipment manufacturing signed 191 external sales contracts (including contracts for external sales of equipment), with a total contract value of RMB285 million. With respect to the equipment supply and after-sales services, equipment manufacturing commenced service items to 205 clients, provided 15 sets of grate furnaces to the Group's internal projects and external clients, and provided 81 sets of equipment for incinerator, boiler, flue gas purification system and membrane system. The sector also signed 167 contracts in relation to external after-sale services, with a total contract value of approximately RMB171.7 million. In 2024, the sector provided 195 after-sales service projects, of which 124 were internal projects and 71 were external projects.

During the year under review, with a goal of boosting proficiency and efficiency, equipment manufacturing's major achievements in the R&D on equipment, processes, and technologies are summarised as follows:

- A project on the R&D and commercialisation of rapid assembly of small-scale solid waste treatment equipment with a treatment capacity of 200 tonnes/day passed relevant assessment and inspection.
- The Group's complete set of 75 tonnes/day small-scale equipment was installed and commenced operation at an environmental protection project in Barkam, Sichuan Province.
- The set of equipment and engineering application for multi-source, multi-phase hazardous waste large-capacity continuous flow incineration was certified as internationally leading by an authoritative organisation.
- The key technologies for efficient tiered pyrolysis of waste power batteries and complete equipment for recovering valuable components from waste batteries were certified as internationally leading in terms of performance.

V. ENVIROTECH

Being the Group's engine for technology R&D and innovation, envirotech focused on key research areas such as solid waste treatment and resource utilisation, agricultural and forestry biomass utilisation, water environment management, big data, intelligent control, etc. Serving as the Group's platform for core technological innovation and commercialisation of technological achievements, envirotech aims to empower the development of all business sectors of the Group through technology-driven solutions.

In terms of technological empowerment, during the year under review, envirotech strengthened technical exchanges and communication with various business sectors within the Group. It delved into demands, identified pain points, effectively addressed practical issues in project operations, and promoted the transformation of outcomes. In the meantime, by leveraging projects under the Group, envirotech has actively implemented major initiatives such as beautifying rural areas, flue gas purification, and small-scale waste incinerators, thereby supporting the Group's expansion into new businesses, elevating processing technologies, and fostering equipment innovation. In 2024, envirotech achieved 30 commercialisations. Among them, the integrated desulfurisation and denitrification technology offered a cost-effective solution for raising standards of flue gas emissions in multiple projects; anaerobic ammonia oxidation technology was applied for the first time in projects through a EMC model; the automatic combustion control (ACC) technology was further applied in more projects, further enhancing the level of automation in waste incineration; and most core functional modules of the data comprehensive application service technology are now operational online, boosting data sharing capabilities within the Group's systems.

Centred on the Group's "Second-stage Entrepreneurship" initiative and the exploration of the "Second Curve" development goals, envirotech, during the year under review, focused on the challenges and opportunities facing the domestic environmental protection industry. From the perspective of leading technological innovation, envirotech aimed to establish itself as the Group's platform for collecting and sharing policy and industry information. With specific concentration on areas such as solid waste recycling, green fuels, bio-based materials, and solar energy storage, envirotech systematically conducted policy research, industry surveys, and model exploration.

Guided by China's goals of "Peaking Carbon Emission and Achieving Carbon Neutrality", during the year under review, envirotech actively promoted asset development and management work. Among these efforts, envirotech collaborated with environmental energy to complete the registration of the International VCS programme for Wuwei Project, making it the Group's first waste-to-energy project with the VCS verification. Furthermore, it expedited the VCS verification for Hue Project. Envirotech also facilitated the internal adoption of a self-developed carbon asset management system within the Group's systems, which has spanned over 370 projects. This advancement further enhances the intelligent management of carbon emission data and establishes a solid foundation for the disclosure of carbon emission data.

As of 31 December 2024, authorised intellectual property rights that were held and major technical essays published by the Group are listed below:

	2024	As of 31 December 2024 (accumulated)
Granted intellectual property rights*	193	2,149
Invention patents	56	282
Utility model patents	90	1,480
Software copyrights	45	332
Appearance patents	2	55
Major technical essays	5	102

* *Including intellectual property rights that have been terminated or have expired*

EVENTS AFTER THE REPORTING PERIOD

In January 2025, Everbright Water completed the issuance of the first tranche MTNs for 2025 in the Inter-Bank Bond Market in the PRC with a principal amount of RMB1.5 billion, at an interest rate of 1.78% per annum, and a maturity period of 5 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 are for the replenishment of Everbright Water's working capital. This issuance set a new record for the lowest interest rate on three-year panda bonds ever issued in the market.

In February 2025, Everbright Greentech completed the issuance of the first tranche green MTNs in the Inter-Bank Bond Market in the PRC with a principal amount of RMB1.0 billion, at an interest rate of 2.39% per annum, and a maturity period of 3+N years. The proceeds from the issuance are for repayment of interest-bearing debts of Everbright Greentech and its subsidiaries, replenishment of working capital and/or investment in and construction of their environmental protection projects and for other business development purposes.

BUSINESS PROSPECTS

As a practitioner of Xi Jinping's Thought on Ecological Civilisation, a leading player of Building a Beautiful China, and a leader in China's environmental protection industry, the Group will adhere to the corporate mission of "Devoted to Ecology and Environment for a Beautiful China", with the goal "To Become a World-Class Integrated Environmental Service Provider with Chinese Characteristics". The Group will actively integrate into key national strategies, effectively ensuring people's livelihood security and stability of energy supply. It will delve deeper into the three major development directions, namely technology as a driving force, an internationalisation path, and an industrial ecological system, and gradually transform the strategic blueprint of its "15th Five-Year Plan" into reality. Additionally, the Group will coordinate domestic and international markets, as well as traditional and emerging businesses, to expand synergistic businesses, extend the business chains, and enhance the contribution of incremental business. Furthermore, the Group will strengthen refining operations management, tap into operations management potential, and accelerate digital transformation. It will deepen the integration of technology and industry to cultivate new quality productive forces and drive "Second-stage Entrepreneurship" with innovation. The Group will also elevate positioning and broaden perspectives to make every effort to address the difficult problem of accounts receivable, while persisting in the continuous emphasis on safety production. Lastly, regarding execution, the Group will practice and promote the corporate culture of "Real Action, Immediate Implementation" and the entrepreneurial culture of "Embracing Rules, Taking Bold Responsibility, and Pursuing Dreams", to consolidate the collective effort of "Second-stage Entrepreneurship".

Looking forward, the Group will adhere to the principles of pursuing progress while maintaining stability and promoting stability through progress, focus on core responsibilities and main business, as well as consolidate the Group's leading position in the industry. In addition, the Group will enhance its core competitiveness, fully embark on a new journey of "Second-stage Entrepreneurship", laying a solid foundation for a good start for the 15th Five-Year Plan" and continue to contribute to the construction of a Beautiful China.

FINANCIAL REVIEW

Financial Results

In 2024, the Group's consolidated revenue amounted to HK\$30,258,009,000, a decrease of 6% from HK\$32,090,207,000 in 2023. Consolidated gross profit was HK\$11,535,959,000, a decrease of 16% compared to 2023. The Group's consolidated gross margin was approximately 38.1%, a decrease of 4.9 percentage points over 2023. The EBITDA amounted to HK\$10,074,731,000, a decrease of 21% from HK\$12,827,961,000 in 2023. Profit attributable to equity holders of the Company for 2024 was HK\$3,377,200,000, a decrease of 24% compared to 2023. Basic earnings per share for 2024 was HK54.98 cents, HK17.12 cents less than the amount of HK72.10 cents in 2023. The decrease of revenue and earnings were primarily due to decrease in construction service revenue recorded during 2024, mainly resulting from a drop in the number of new projects in the industry.

Financial Position

As of 31 December 2024, the Group's total assets approximately amounted to HK\$186,027,024,000 with net assets amounting to HK\$66,416,576,000. Net asset value per share attributable to equity holders of the Company remained stable from HK\$7.837 per share as at the end of 2023 to HK\$7.848 per share as at the end of 2024. As of 31 December 2024, the gearing ratio (total liabilities over total assets) of the Group was 64%, a decrease of 1 percentage point as compared with that of 65% as at the end of 2023.

Financial Resources

The Group adopts a prudent approach on cash and financial management to ensure proper risk control and low cost of funds. It finances its operations primarily with internally generated cash flow and loan facilities from banks. As of 31 December 2024, the Group had cash and bank balances of HK\$8,041,996,000, representing a decrease of HK\$590,744,000 as compared to HK\$8,632,740,000 at the end of 2023. 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 2024, the Group had outstanding borrowings of HK\$91,669,439,000, representing a decrease of HK\$2,954,705,000 as compared to HK\$94,624,144,000 at the end of 2023. The borrowings included secured interest-bearing borrowings of HK\$40,277,255,000 and unsecured interest-bearing borrowings of HK\$51,392,184,000. The borrowings are mainly denominated in Renminbi, representing approximately 97% of the total borrowings, and the remainder is denominated in Hong Kong dollars and Polish Zloty. Most of the borrowings are at floating rates. As of 31 December 2024, the Group had banking facilities of HK\$96,219,437,000, of which HK\$30,024,637,000 have not been utilised. The banking facilities are of 1 to 23 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 Chinese Mainland) 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 2024, the aggregate net book value of assets and equity interests in subsidiaries pledged amounted to approximately HK\$100,883,278,000.

Commitments

As of 31 December 2024, the Group had purchase commitments of HK\$2,161,956,000 outstanding in connection with the construction contracts.

Contingent Liabilities

As of 31 December 2024, 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 2024 for the provision of the guarantees was HK\$243,147,000.

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.

To cope with the needs of talent development, the Group has adopted a multi-pronged approach to enhance its comprehensive management level through improving the policies, providing training for all staff and setting up various professional teams. During the year under review, the Group formulated new management policies including The Management Policies for Staff Training, Management Policies of Professional Qualification Framework of Headquarters, and revised the Management Policies for Recruitment. The Group has successively held seminars and trainings on ESG, tendering management, cybersecurity, policies' briefing, integrity and self-discipline through a combination of 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. In order to improve the overall level of information management, different professional teams namely Information Technology Operation and Maintenance Team, Digital Platform Construction Working Group and Contract Management System Construction Project Working Group have been established. Meanwhile, in order to increase the involvement of staff in the Group's development strategy, the "Campaign to listen to the Voices of Staff" was held to collect the ideas and suggestions of employees.

The Group makes full use of the advantages of diversified businesses 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 accord priority to employees to apply for the vacancies of different departments at the head office which can provide the employees with the opportunities to develop their potential by changing different positions.

As at 31 December 2024, the Group had approximately 15,000 employees. Details of the total employee benefit expense for the year under review are set out in the 2024 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 placement risk, market competition risk, procurement compliance risk, operational stability risk and cost control risk, the details of which are set out in the 2024 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 2024, 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.

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 2024 of the Company which is prepared in accordance with the Global Reporting Initiative Standards and the Stock Exchange's *Environmental, Social and Governance Reporting Guide*, and with reference to the newer *Environmental, Social and Governance Reporting Code* to ensure smooth transition to full compliance of the said code by financial year 2025. 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 is 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 (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 2024. 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 2024 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 all the then incumbent Directors, they confirmed that they had complied with the required standard as set out in the Model Code regarding directors’ securities transactions throughout their tenure during the year ended 31 December 2024.

FINAL DIVIDEND

The Board has proposed to pay a final dividend of HK9.0 cents per share (2023: HK8.0 cents per share) for the year ended 31 December 2024, payable to the Shareholders whose names appear on the register of members of the Company (the “Register of Members”) on Tuesday, 10 June 2025. 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, 29 May 2025 (the “2025 AGM”), the final dividend will be paid to the Shareholders on or around Wednesday, 2 July 2025.

ANNUAL GENERAL MEETING

The 2025 AGM will be held on Thursday, 29 May 2025 and the notice of the 2025 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 2025 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 2025 AGM:
 - (a) Latest time to lodge transfer documents for registration 4:30 p.m. on Friday,
23 May 2025

(b) Closure of Register of Members Monday, 26 May 2025 to
Thursday, 29 May 2025
(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,
4 June 2025

(b) Closure of Register of Members Thursday, 5 June 2025 to
Tuesday, 10 June 2025
(both dates inclusive)

(c) Record date Tuesday, 10 June 2025

During the above closure periods, no transfer of shares will be registered. In order to be eligible to attend and vote at the 2025 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 Investor Services 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 2024 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 2024 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
Wang Silian
Chairman of the Board

Hong Kong, 25 March 2025

As at the date of this announcement, the Board comprises: (i) two Executive Directors, namely Mr. Wang Silian (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) three Independent Non-executive Directors, namely Mr. Fan Yan Hok, Philip, Mr. Suo Xuquan and Ms. Li Shuk Yin, Edwina.