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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 2025

FINANCIAL HIGHLIGHTS

- Revenue decreased by 9% to HK\$27,520,509,000 (2024: HK\$30,258,009,000)
- EBITDA increased by 2% to HK\$10,272,556,000 (2024: HK\$10,074,731,000)
- Profit attributable to equity holders increased by 16% to HK\$3,925,162,000 (2024: HK\$3,377,200,000)
- Final dividend of HK12.0 cents per share (2024: HK9.0 cents per share). Total dividends for the year of HK27.0 cents per share (2024: HK23.0 cents per share)

2025 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 2025 together with comparative figures for the year ended 31 December 2024. The annual results have been reviewed by the Audit Committee of the Company (the “Audit Committee”).

CONSOLIDATED INCOME STATEMENT

Year ended 31 December 2025

		2025	2024
	<i>Notes</i>	HK\$'000	HK\$'000
REVENUE	4	27,520,509	30,258,009
Direct costs and operating expenses		<u>(16,435,051)</u>	<u>(18,722,050)</u>
Gross profit		11,085,458	11,535,959
Other revenue	5	1,436,340	1,169,183
Other income and losses, net	5	(1,471,718)	(1,990,227)
Administrative expenses		<u>(3,027,716)</u>	<u>(2,828,073)</u>
PROFIT FROM OPERATING ACTIVITIES		8,022,364	7,886,842
Finance costs	6	(2,393,735)	(3,006,954)
Share of profits/(losses) of joint ventures		13,952	(13,140)
Share of profits of associates		<u>8,330</u>	<u>393</u>
PROFIT BEFORE TAX	7	5,650,911	4,867,141
Income tax	8	<u>(946,316)</u>	<u>(893,495)</u>
PROFIT FOR THE YEAR		<u>4,704,595</u>	<u>3,973,646</u>
ATTRIBUTABLE TO:			
Equity holders of the Company		3,925,162	3,377,200
Holders of perpetual capital instruments		181,647	190,939
Non-controlling interests		<u>597,786</u>	<u>405,507</u>
		<u>4,704,595</u>	<u>3,973,646</u>
EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	10		
– Basic and diluted		<u>HK63.90 cents</u>	<u>HK54.98cents</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2025

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
PROFIT FOR THE YEAR	4,704,595	3,973,646
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	2,008,547	(1,462,720)
Debt instruments at fair value through other comprehensive income:		
Changes in fair value, net of tax	<u>(517,675)</u>	<u>(1,021,344)</u>
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods	<u>1,490,872</u>	<u>(2,484,064)</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>–</u>	<u>(1,176)</u>
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods	<u>–</u>	<u>(1,176)</u>
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	<u>1,490,872</u>	<u>(2,485,240)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>6,195,467</u>	<u>1,488,406</u>
ATTRIBUTABLE TO:		
Equity holders of the Company	5,186,960	1,421,527
Holders of perpetual capital instruments	181,647	190,939
Non-controlling interests	<u>826,860</u>	<u>(124,060)</u>
	<u>6,195,467</u>	<u>1,488,406</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2025

	<i>Notes</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
NON-CURRENT ASSETS			
Investment properties		192,703	177,013
Property, plant and equipment		7,364,745	7,948,751
Right-of-use assets		599,449	713,746
		<u>8,156,897</u>	<u>8,839,510</u>
Goodwill		1,419,442	1,448,432
Intangible assets		30,806,358	29,839,065
Interests in joint ventures		898,016	1,021,899
Interests in associates		368,389	564,715
Contract assets	<i>11</i>	93,569,824	93,292,211
Finance lease receivables		10,696	11,262
Other financial assets		131,005	137,910
Other receivables, deposits and prepayments	<i>12</i>	1,501,788	1,911,331
Deferred tax assets		1,820,967	1,186,237
Total non-current assets		<u>138,683,382</u>	<u>138,252,572</u>
CURRENT ASSETS			
Inventories		923,514	987,966
Contract assets	<i>11</i>	11,364,254	13,989,666
Finance lease receivables		877	805
Other financial assets		–	32,928
Debtors, other receivables, deposits and prepayments	<i>12</i>	27,615,644	24,713,884
Tax recoverable		31,316	7,207
Pledged bank deposits		164,662	106,165
Deposits with banks with maturity period over three months		25,078	40,209
Cash and cash equivalents		10,334,415	7,895,622
Total current assets		<u>50,459,760</u>	<u>47,774,452</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(continued)*

31 December 2025

	Notes	2025 HK\$'000	2024 HK\$'000
CURRENT LIABILITIES			
Creditors, other payables and accrued expenses	13	16,461,217	16,372,025
Interest-bearing borrowings			
– Secured		4,644,740	4,374,110
– Unsecured		25,294,838	14,329,956
		29,939,578	18,704,066
Tax payable		764,894	655,747
Total current liabilities		47,165,689	35,731,838
NET CURRENT ASSETS		3,294,071	12,042,614
TOTAL ASSETS LESS CURRENT LIABILITIES		141,977,453	150,295,186
NON-CURRENT LIABILITIES			
Other payables	13	740,004	724,213
Interest-bearing borrowings			
– Secured		31,868,552	35,903,145
– Unsecured		26,740,383	37,062,228
		58,608,935	72,965,373
Deferred tax liabilities		10,414,937	10,189,024
Total non-current liabilities		69,763,876	83,878,610
NET ASSETS		72,213,577	66,416,576
EQUITY			
Equity attributable to equity holders of the Company			
Share capital		17,329,537	17,329,537
Reserves		34,890,278	30,881,423
		52,219,815	48,210,960
Non-controlling interests		12,131,803	11,403,285
Perpetual capital instruments		7,861,959	6,802,331
TOTAL EQUITY		72,213,577	66,416,576

Notes:

1. BASIS OF PREPARATION

These financial statements have been prepared in accordance with HKFRS Accounting Standards, which collective term include all applicable individual Hong Kong Financial Reporting Standards (“HKFRSs”), Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and the requirements of 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 2024 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.

During the year ended 31 December 2025, the functional currency of the Company was changed from Hong Kong dollars (HK\$) to Renminbi (RMB). The directors of the Company determined this change was necessary as the Company’s primary economic environment has evolved; its major operations are located in Chinese Mainland, and its primary sources of cash flows and financing are now predominantly denominated in Renminbi. This change in functional currency has been applied prospectively.

Despite the change in the functional currency of the Company to Renminbi, the consolidated financial statements continue to be presented in Hong Kong dollars. As the Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited, the directors consider that retaining Hong Kong dollars as the presentation currency provides the most relevant and comparable information to the Company’s shareholders and potential investors.

The financial information relating to the years ended 31 December 2025 and 2024 included in this preliminary announcement of annual results 2025 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 2024 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 2025 in due course.

1. BASIS OF PREPARATION *(continued)*

The Company's auditor has reported on the financial statements of the Group for the years ended 31 December 2025 and 2024. 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

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

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

3. OPERATING SEGMENT INFORMATION

The Group manages its business by 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, leachate treatment projects, fly ash landfill projects, methane-to-energy plants, sludge treatment and disposal projects, fecal treatment projects, medical waste treatment projects, solid waste treatment projects, construction and decoration waste treatment project, development of environmental protection industrial parks, and provision of services, including integrated urban services, waste sorting, resources utilisation and recycling, technical consultancy and engineering design relating to environmental protection, 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 municipal waste water treatment plants, industrial waste water treatment plants, water supply, reusable water treatment plants, sludge treatment and disposal projects, sponge city construction, river-basin ecological restoration, livestock and poultry manure resource utilisation, research and development of water environment technologies and engineering constructions, to generate revenue from construction services, revenue from operation services as well as finance income.

3. OPERATING SEGMENT INFORMATION *(continued)*

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

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

Segment assets include all tangible assets, intangible assets, goodwill, interests in associates and joint ventures, investments in other financial assets, tax recoverable, deferred tax assets and current assets with the exception of intercompany receivables and other corporate assets. Segment liabilities include tax payable, deferred tax liabilities, creditors, other payables and accrued expenses attributable to the activities of the individual segment and borrowings managed directly by the segments, with the exception of intercompany payables and other corporate liabilities.

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

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

In addition to receiving segment information concerning segment results, management is provided with segment information concerning revenue (including inter-segment sales and revenue from technological services), depreciation and amortisation and additions to non-current segment assets used by the segments in their operations.

3. OPERATING SEGMENT INFORMATION *(continued)*

(i) Segment results, assets and liabilities

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the years ended 31 December 2025 and 2024 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	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	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	14,995,230	15,916,369	5,349,346	6,846,599	6,728,026	6,974,061	447,907	520,980	27,520,509	30,258,009
Inter-segment revenue	26,273	88,584	5,764	5,319	1,208	2,831	487,332	619,218	520,577	715,952
Reportable segment revenue	<u>15,021,503</u>	<u>16,004,953</u>	<u>5,355,110</u>	<u>6,851,918</u>	<u>6,729,234</u>	<u>6,976,892</u>	<u>935,239</u>	<u>1,140,198</u>	<u>28,041,086</u>	<u>30,973,961</u>
Reconciliation:										
Elimination of inter-segment revenue									<u>(520,577)</u>	<u>(715,952)</u>
Reportable segment revenue derived from the Group's external customers									<u>27,520,509</u>	<u>30,258,009</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	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	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)	7,109,768	6,886,316	1,916,729	2,196,829	1,639,133	1,009,155	(25,615)	(90,775)	10,640,015	10,001,525
Elimination of inter-segment profits									(66,187)	(198,524)
Reportable segment profit derived from the Group's external customers									10,573,828	9,803,001
Finance costs									(2,393,735)	(3,006,954)
Depreciation and amortisation, including unallocated portion									(2,227,910)	(2,200,636)
Unallocated head office and corporate income									35,813	484,271
Unallocated head office and corporate expenses									(337,085)	(212,541)
Consolidated profit before tax									5,650,911	4,867,141
Other segment information:										
Depreciation and amortisation	1,034,983	994,252	236,048	210,119	876,415	903,533	70,886	78,475	2,218,332	2,186,379
Expected credit losses on debtors, net	296,316	156,996	85,210	164,170	38,872	49,619	–	68,318	420,398	439,103
(Reversal)/recognition of expected credit losses on other receivables, net	–	69,884	(8,557)	20,523	–	27,383	–	–	(8,557)	117,790
Recognition/(reversal) of expected credit losses on contract assets, net	39,102	1,989	1,258	1,623	(3,465)	(16,447)	–	–	36,895	(12,835)
Impairment of goodwill	–	–	–	–	66,429	63,697	831	–	67,260	63,697
Impairment of property, plant and equipment	–	–	–	–	330,507	449,734	32,088	150,390	362,595	600,124
Impairment of intangible assets	–	118,188	–	–	160,682	578,680	1,912	–	162,594	696,868
Impairment of right-of-use assets	–	–	–	–	56,944	82,825	17,676	–	74,620	82,825
Impairment of interest in an associate	214,031	–	–	–	–	–	–	–	214,031	–
Additions to property, plant and equipment and right-of-use assets during the year	174,449	271,960	40,700	91,907	285,481	420,109	12,309	18,748	512,939	802,724
Additions to intangible assets and non-current portion of prepayments during the year	1,302,440	1,036,175	452,451	348,166	96,446	228,050	1,467	8,919	1,852,804	1,621,310
Additions to non-current portion of contract assets during the year	4,001,407	5,410,692	1,714,915	3,527,957	319,080	390,033	–	–	6,035,402	9,328,682

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	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Reportable segment assets	107,199,602	105,640,806	37,951,283	35,609,199	34,554,721	36,281,922	2,614,415	2,677,463	182,320,021	180,209,390
Unallocated head office and corporate assets									6,823,121	5,817,634
Consolidated total assets									189,143,142	186,027,024
Reportable segment liabilities	49,977,318	48,801,680	23,216,504	21,968,288	21,723,496	24,668,671	1,818,151	1,909,325	96,735,469	97,347,964
Unallocated head office and corporate liabilities									20,194,096	22,262,484
Consolidated total liabilities									116,929,565	119,610,448

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	
	2025	2024	2025	2024	2025	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Hong Kong (place of domicile)	12,118	11,139	88,785	91,523	-	-
Other parts of the PRC	26,458,834	29,371,234	37,781,451	37,409,269	95,017,181	95,203,542
Germany	26,858	24,284	19,191	20,180	-	-
Poland	807,245	704,659	419,090	432,902	-	-
Vietnam	161,880	146,693	651,973	724,118	-	-
Singapore	-	-	2,765	583	-	-
Uzbekistan	53,574	-	-	-	54,431	-
Total	<u>27,520,509</u>	<u>30,258,009</u>	<u>38,963,255</u>	<u>38,678,575</u>	<u>95,071,612</u>	<u>95,203,542</u>

(iii) Information about a major customer

For the year ended 31 December 2025, the Group has transactions with one (2024: Nil) local government authority in the People's Republic of China ("PRC") from which the revenue individually exceeded 10% of the Group's total revenue. The aggregate revenue from this customer during the year ended 31 December 2025 amounted to HK\$2,979,621,000.

4. REVENUE

An analysis of revenue is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
<i>Revenue from contracts with customers</i>		
Revenue from environmental energy project construction services	1,303,238	2,537,007
Revenue from environmental water project construction services	1,284,227	2,933,926
Revenue from greentech project construction services	93,680	230,749
Revenue from environmental energy project operation services	10,148,359	9,720,110
Revenue from environmental water project operation services	2,961,979	2,815,662
Revenue from greentech project operation services	6,315,266	6,414,584
Others	447,907	520,980
	<hr/>	<hr/>
Total revenue from contracts with customers within the scope of HKFRS 15	22,554,656	25,173,018
Finance income from service concession arrangements	4,965,853	5,084,991
	<hr/>	<hr/>
Total revenue	27,520,509	30,258,009
	<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\$23,650,167,000 (2024: HK\$26,199,182,000) for the year ended 31 December 2025. 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:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Other revenue		
Rental income from operating leases	35,253	20,346
Interest income	54,922	87,187
Gain on disposal of other financial assets		
– unlisted equity investment	108	–
Government grants*	92,242	88,003
Value-added tax refund**	825,568	484,195
Others	428,247	489,452
	<hr/>	<hr/>
Total other revenue	1,436,340	1,169,183
	<hr/>	<hr/>
Other income and losses, net		
Fair value gains/(losses), net:		
Other financial assets – unlisted equity investment	459	464
Other financial assets – unlisted investments	(7,179)	670
Fair value gain on investment properties	502	1,060
Loss on disposal and write-off of property, plant and equipment, net	(95,515)	(4,506)
Loss on disposal and write-off of intangible assets, net	–	(443)
Gain on lease modifications	447	–
(Losses)/gains on deregistration of subsidiaries	(17,440)	100
Loss on deemed disposal of a joint venture	(23,156)	–
Expected credit losses on debtors, net	(420,398)	(439,103)
Reversal/(recognition) of expected credit losses		
on other receivables, net	8,557	(117,790)
(Recognition)/reversal of expected credit losses		
on contract assets, net	(36,895)	12,835
Impairment of goodwill	(67,260)	(63,697)
Impairment of property, plant and equipment	(362,595)	(600,124)
Impairment of intangible assets	(162,594)	(696,868)
Impairment of right-of-use assets	(74,620)	(82,825)
Impairment of interest in an associate	(214,031)	–
	<hr/>	<hr/>
Total other income and losses, net	(1,471,718)	(1,990,227)
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5. OTHER REVENUE, OTHER INCOME AND LOSSES, NET *(continued)*

* Government grants were granted during the year ended 31 December 2025 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 2025 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

	2025	2024
	HK\$'000	HK\$'000
Interest on bank and other loans	1,617,675	2,315,073
Interest on corporate bonds, asset-backed securities, medium-term notes and super and short-term commercial papers	744,089	675,662
Interest on lease liabilities	5,681	6,215
Asset-backed notes arrangement fees	28,057	14,468
Less: Interest expenses capitalised into construction in progress*	<u>(1,767)</u>	<u>(4,464)</u>
Total	<u>2,393,735</u>	<u>3,006,954</u>

* The borrowing costs have been capitalised at rates ranging from 2.20% to 3.50% (2024: 2.20% to 3.35%) per annum during the year ended 31 December 2025.

7. PROFIT BEFORE TAX

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

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Depreciation		
– property, plant and equipment	691,637	668,991
– right-of-use assets	54,589	75,986
Amortisation of intangible assets	1,481,684	1,455,659
Research and development costs	63,339	69,308
Lease payments not included in the measurement of lease liabilities	10,495	5,083
Auditor's remuneration		
– audit services	9,572	9,243
– other services	5,278	3,396
Employee benefit expense (excluding directors' remuneration):		
Wages, salaries, allowances and benefits in kind	3,712,184	3,837,468
Retirement scheme contributions	472,650	368,900
Total	<u>4,184,834</u>	<u>4,206,368</u>
Foreign exchange differences, net	<u>(111,521)</u>	<u>(361,764)</u>

As at 31 December 2025, the Group had no forfeited contributions available to reduce its contributions to the retirement schemes in future years (2024: 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 2025 and 2024.

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

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Current – Elsewhere:		
Charge for the year	1,502,559	1,230,799
Over-provision in prior years	(37,885)	(59,332)
Deferred	<u>(518,358)</u>	<u>(277,972)</u>
Total tax expense for the year	<u>946,316</u>	<u>893,495</u>

9. DIVIDENDS

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Dividends attributable to the year:		
Interim – HK15.0 cents (2024: HK14.0 cents) per ordinary share	921,446	860,017
Proposed final – HK12.0 cents (2024: HK9.0 cents) per ordinary share	<u>737,157</u>	<u>552,868</u>
	<u>1,658,603</u>	<u>1,412,885</u>
Final dividend in respect of the previous financial year paid during the year – HK9.0 cents (2024: HK8.0 cents) per ordinary share	<u>552,868</u>	<u>491,438</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\$3,925,162,000 (2024: HK\$3,377,200,000), and 6,142,975,292 (2024: 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 2025 and 2024.

11. CONTRACT ASSETS

	<i>Notes</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Service concession assets	<i>(a)</i>	102,211,475	101,679,370
Unbilled renewable energy tariff subsidy	<i>(b)</i>	2,297,414	5,200,296
Other contract assets	<i>(c)</i>	581,778	518,122
		105,090,667	107,397,788
Less: Loss allowance		(156,589)	(115,911)
		104,934,078	107,281,877
Less: Non-current portion			
– Service concession assets, net of loss allowance		(93,413,503)	(93,140,083)
– Other contract assets, net of loss allowance		(156,321)	(152,128)
		(93,569,824)	(93,292,211)
Current portion		11,364,254	13,989,666
Contract assets arising from performance under construction contracts in connection with service concession arrangements, which are included in “Intangible assets”		1,148,107	686,272

Notes:

- (a) Included in “Service concession assets” are amounts of HK\$128,631,000 (2024: HK\$151,656,000) 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 3.50% to 7.83% (2024: 3.85% to 7.83%) per annum. Among the total of HK\$102,211,475,000 (2024: HK\$101,679,370,000), HK\$96,096,400,000 (2024: HK\$94,559,839,000) 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 2025 comprised contract assets of HK\$418,358,000 (2024: HK\$402,969,000) arising from performance under environmental remediation service contracts, and HK\$163,420,000 (2024: HK\$115,153,000) 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

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Debtors, net of loss allowance	24,152,344	21,126,596
Other receivables, deposits and prepayments, net of loss allowance	<u>4,965,088</u>	<u>5,498,619</u>
	29,117,432	26,625,215
Less: Non-current portion		
– Other receivables, deposits and prepayments, net of loss allowance	<u>(1,501,788)</u>	<u>(1,911,331)</u>
Current portion	<u>27,615,644</u>	<u>24,713,884</u>

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:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Within 1 month	3,572,598	2,459,066
More than 1 month but within 2 months	1,155,991	1,225,429
More than 2 months but within 4 months	1,970,660	1,818,641
More than 4 months but within 7 months	2,268,966	2,352,326
More than 7 months but within 13 months	3,552,882	3,395,157
More than 13 months	<u>11,631,247</u>	<u>9,875,977</u>
Total	<u>24,152,344</u>	<u>21,126,596</u>

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

Included in “Debtors, other receivables, deposits and prepayments” are debtors of HK\$9,133,201,000 (2024: HK\$7,417,971,000), 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 “Debtors, other receivables, deposits and prepayments” are bills receivables of HK\$107,226,000 (2024: HK\$78,706,000).

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

Included in “Debtors, other receivables, deposits and prepayments” of the Group are debtors of which HK\$28,586,000 (2024: HK\$34,681,000), HK\$15,420,000 (2024: HK\$15,050,000), HK\$28,910,000 (2024: HK\$19,536,000), and HK\$17,037,000 (2024: HK\$11,080,000) 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 “Other receivables, deposits and prepayments” at 31 December 2025 is an advance made to local government authority in relation to service concession arrangement amounting to HK\$8,177,000 (2024: HK\$11,727,000) which is unsecured, interest-bearing at the rates announced by the People’s Bank of China, and will be settled by instalments from 2026 to 2027.

Included in “Other receivables, deposits and prepayments” under current assets at 31 December 2025 are advances of HK\$7,699,000 (2024: HK\$7,493,000) to the Group’s associate, which are unsecured, repayable on demand and interest-bearing at a rate of 3.35% (2024: 3.35%) per annum, and other receivables of HK\$4,819,000 (2024: HK\$8,858,000) 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 2025 are loans to the Group’s joint ventures of HK\$25,848,000 (2024: HK\$25,154,000), which are unsecured, interest-bearing at 125% of the loan prime rate announced by the People’s Bank of China, and repayable in 2026, and other receivables and advances to the Group’s joint ventures of HK\$20,826,000 (2024: HK\$20,109,000) and other receivables due from the Group’s non-controlling shareholders of non wholly-owned subsidiaries of HK\$32,593,000 (2024: HK\$30,475,000), which are unsecured, interest-free and repayable within one year.

13. CREDITORS, OTHER PAYABLES AND ACCRUED EXPENSES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Creditors	11,373,219	11,382,917
Other payables, accrued expenses and deferred income		
– government grants	<u>5,828,002</u>	<u>5,713,321</u>
	17,201,221	17,096,238
Less: Non-current portion		
– other payables, accrued expenses and deferred income		
– government grants	<u>(740,004)</u>	<u>(724,213)</u>
Current portion	<u>16,461,217</u>	<u>16,372,025</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:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Within 6 months	7,689,452	9,264,576
Over 6 months	<u>3,683,767</u>	<u>2,118,341</u>
Total	<u>11,373,219</u>	<u>11,382,917</u>

Creditors totalling HK\$6,785,687,000 (2024: HK\$7,088,450,000) 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\$872,937,000 (2024: HK\$774,420,000). Included in “Creditors, other payables and accrued expenses” are creditors of HK\$27,006,000 (2024: HK\$15,460,000), HK\$3,395,000 (2024: HK\$1,900,000) and HK\$290,473,000 (2024: HK\$251,722,000) 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.

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

Included in “Other payables, accrued expenses and deferred income – government grants” at 31 December 2025 are other payables of HK\$2,521,000 (2024: HK\$3,390,000) and HK\$74,141,000 (2024: HK\$60,574,000) 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 2025 are other payables of HK\$186,573,000 (2024: HK\$181,569,000) 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.

Included in “Other payables, accrued expenses and deferred income – government grants” at 31 December 2025 is other payable of HK\$5,593,000 (2024: HK\$3,136,000) due to the non-controlling shareholder of a non-wholly-owned subsidiary, which is unsecured, interest-free and repayable within one year.

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 2025 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 2025, facing a complex and severe internal and external environment, the Group remained focused on its core responsibilities and core business areas. It empowered industrial development through technological innovation, expanded development horizon through international expansion, and solidified development foundations through industrial ecosystem construction, steadily implementing all business operations to deliver tangible results, while advancing high-quality development. As a result, the Group deepened its three major development strategies, namely technology as a driving force, an internationalisation path, and an industrial ecological system, making every effort to drive its “Second-Stage Entrepreneurship”. For the first time, the Group established a strategic planning system for the 15th Five-Year Plan period, which is led by a master plan with five sub-plans and five specialised plans, laying a solid foundation for a smooth commencement of the 15th Five-Year Plan period.

During the year under review, the Group focused on technology as a driving force, embedding innovation capabilities across the value chain. In terms of mechanism construction, it formed a systematic policy framework supporting the entire research process and deepened management mechanisms such as the “challenge-led” model. In terms of research and development (“R&D”) and innovation, it centred on the “3+1” key directions and made solid progress: forming a 100 tonnes/day waste charcoal production process and a fly ash recirculation treatment process; and completing the straw natural gas explosion + enzymatic hydrolysis research trails. The Group also completed independent R&D and full-set manufacturing of micro-scale waste grate furnace. In respect of commercialisation and application of research results, technologies for energy-saving, efficiency enhancement, digitalisation were converted into tangible commercial applications. For example, technologies for efficiently producing biomethane from biogas in synergy with waste incineration facilitated the Group’s projects to sell biomethane to external clients; breakthroughs were achieved in selective catalytic reduction (“SCR”) high-dust denitrification technology for biomass boilers with a water-cooled vibrating grate; key technologies for high-efficiency pyrolysis of waste power batteries and complete equipment for recovering valuable components (the “Power Battery Recycling Technology and Equipment”) were included in a national catalogue, helping to establish the first full-industry-chain battery recycling demonstration project in Jiangsu Province. In terms of digital and intelligent upgrading, intelligent power plants with unmanned slag crane operations demonstrated tangible results; the automation level of waste water treatment (“WWT”) plants continued to improve; the “Equipment Cloud Service” platform was launched, constructing a full-process digital service system for equipment and technology products; comprehensive data governance and intelligent platform upgrades advanced steadily, providing strong support for management decision-making.

As of 31 December 2025, intellectual property rights that were held and major technical essays published by the Group are listed below:

		As of 31 December 2025 2025 (accumulated)
Granted intellectual property rights	191	2,340
Invention patents	91	373
Utility model patents	91	1,571
Software copyrights	9	341
Appearance patents	–	55
Major technical essays	4	106

During the year under review, the Group accelerated its internationalisation progress, steadily building its global service capability. In market deployment, it expanded both asset-light and asset-heavy businesses and diversified business areas. It secured 2 waste-to-energy (“WTE”) projects in Uzbekistan, marking a key footprint in the Central Asia market; in markets such as Egypt, Thailand, and Malaysia, it secured asset-light businesses, with contract value of overseas equipment sales reaching new highs, indicating the Group’s technology- and service-export model became mature and strengthened the market-driven export path. It established representative offices in Vietnam, Indonesia, and Central Asia, driving the transformation of the overseas expansion structure from a project-driven model to a region-focused model. On the global capability-building front, it integrated environment, social and governance (“ESG”) practices with professional insight, actively participating in and organising high-level and high-standard international exchange activities to continuously enhance the Group’s global brand presence in the industry.

During the year under review, the Group deepened its ecosystem-based development with a clear emphasis on building a multi-layer, open, and synergy-based industry ecosystem. On the business-ecosystem front, the Group advanced the continuous extension and internal synergy of the industry value chain: expanding synergy-based WTE services such as heat and steam supply; developing biomethane supply business, and introducing market-oriented equipment and technological solutions for power battery recycling. On the energy-ecosystem front, the pace of innovation and integration accelerated: electricity trading through the “Virtual Power Plant” platform expanded customer base of the electricity-sales business, while the “Zero-Carbon Park” model delivered integrated energy and environmental solutions. On the social-ecosystem front, the Group spared no effort in advancing the development of a state-level innovation center for environmental protection equipment manufacturing, to build a platform that integrates industry, academia, research and application collaboration in the environmental protection manufacturing sector; by engaging with government authorities, industry associations, and partners from various sectors through strategic cooperation and in-depth research exchanges, the Group built an extensive cooperation network that lays a solid foundation for long-term collaboration.

Major operating indicators of the Group in 2025 are summarised below:

	2025	2024	Percentage
	<i>HK\$'000</i>	<i>HK\$'000</i>	change
Revenue	27,520,509	30,258,009	-9%
Earnings before interest, taxation, depreciation and amortisation (“EBITDA”)	10,272,556	10,074,731	2%
Profit attributable to equity holders of the Company	3,925,162	3,377,200	16%
Basic earnings per share (HK cents)	63.90	54.98	16%

During the year under review, the Group recorded a total revenue of HK\$27,520,509,000, of which revenue from operation services amounted to HK\$19,832,552,000, representing an increase of 2% from 2024, while revenue from construction services was HK\$2,722,104,000, representing a decrease of 53% from 2024. The revenue from operation services, construction services, and finance income accounted for 72%, 10% and 18% of the total revenue, respectively.

The Group upholds the principle of sharing its operating results with shareholders of the Company (the “Shareholders”). To reward the Shareholders’ support and in line with business development and strategic planning, the Board recommended the distribution of a final dividend of HK12.0 cents per share for the year ended 31 December 2025 (2024: HK9.0 cents per share), with a full-year dividend per share of HK27.0 cents (2024: HK23.0 cents per share). The proposed dividend payout ratio stood at 42.3%, representing an increase of 0.5 percentage points from 2024.

On the market expansion front, during the year under review, the Group adhered to the principle of pursuing development at home and abroad and advancing both asset-light and asset-heavy businesses, steadily advancing its expansion efforts. On one hand, the Group continued to solidify and innovate domestic market deployment: while further consolidating its strengths in areas such as WTE and WWT, the Group vigorously expanded the Business-to-Business market and other emerging growth drivers; it achieved business breakthroughs in key regions such as Beijing and Guangzhou and successfully signed the first biomethane project, marking a breakthrough in high-value utilisation of biomass. The diversification and contribution of synergy-based businesses, such as heat and steam supply, continued to increase, leading to ongoing optimisation of the business structure. At the same time, the Group deepened and diversified its presence in overseas markets, delivering notable results in the expansion of both asset-light and asset-heavy businesses (for specific highlights, please refer to the earlier section regarding the Group’s internationalisation progress).

In 2025, the Group invested in and secured 8 new projects with a total investment of approximately RMB3.247 billion, and signed various new contracts for asset-light business worth a total of approximately RMB1.277 billion. Newly secured projects and services cover areas such as WTE, biogas purification, mobile energy storage, leachate treatment, equipment procurement, technical services and environmental remediation. The designed treatment or supply capacities of new projects secured in 2025 are summarised below:

Project category	Designed treatment/supply capacity
Household waste	3,750 tonnes/day
Water treatment and supply*	11,050 m ³ /day
Biomass raw materials	50,000 tonnes/year
Biomethane supply	10,000,000 Nm ³ /year
Solar power installed capacity	2.59 megawatt (“MW”)

* *Including treatment capacity under the operation and management model*

As of 31 December 2025, the Group’s business presence had expanded to 24 provinces, autonomous regions, municipalities and 1 special administrative region in China, with its footprint spanning 228 districts, counties and cities, in addition to overseas markets in 16 countries, including Germany, Poland, Vietnam and Uzbekistan. The total number of environmental protection projects invested in and held by the Group was 605, with an aggregate investment of approximately RMB164.691 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 196 WTE projects under its environmental energy and greentech sectors, with a designed daily household waste processing capacity of 163,050 tonnes (including capacity under the operation and management (“O&M”) model).

The designed treatment or supply capacities of projects of major types under the Group as of 31 December 2025 are summarised below:

Project category	Designed treatment/supply capacity
Household waste*	163,050 tonnes/day
Food and kitchen waste*	8,693 tonnes/day
Water treatment and supply*	7,619,650 m ³ /day
Biomass raw materials	8,259,800 tonnes/year
Heat and steam supply	8,217,495 tonnes/year
Solar power and wind power installed capacity	276.91 MW
Energy storage capacity	22.20 MW

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

On the operations management front, during the year under review, the Group pursued incremental improvements while also digging into the potential to reduce costs and enhance efficiency in existing businesses. Leveraging on measures such as the “Twenty Refined Management Measures” and the “Fifteen Special Measures to Increase Operating Revenue” and other requirements to enhance the operating quality and efficiency of existing projects, with core operating indicators continuously improving. In the environmental energy sector, WTE projects generated about 467 kWh of electricity per tonne of incoming waste fed into the furnace, an increase of 1% from 2024; heat and steam supply volume was about 3.50 million tonnes, an increase of 39% from 2024; slag production volume was about 12 million tonnes, an increase of 55% from 2024. In the environmental water sector, WWT volume was about 1.811 billion m³, an increase of 3% from 2024; more than 30 external business contracts were signed leveraging existing projects, generating additional revenue streams; “In-Plant Solar Power” program continued to advance. In the greentech sector, heat and steam supply volume of integrated biomass utilisation projects and solid waste treatment projects increased 17% compared with 2024, achieving stable fuel supply and cost optimisation.

On the project construction front, during the year under review, 31 projects of the Group commenced operation, 1 project completed construction, and 8 environmental remediation services were completed and delivered. Meanwhile, 18 projects commenced construction, and 4 environmental remediation services entered the implementation phase.

On the corporate governance front, during the year under review, the Group continued to enhance its governance framework and solidify its development foundation. The Board established a sustainability committee to systematically elevate ESG management of the Group. On the management side, the Group has established the Chief Executive Officer's Office (the "CEO Office") and a mechanism for thematic meetings on business operation and management, prioritising the functional setup at the Group's headquarters, and strengthening the coordination and support to key tasks such as market expansion.

On the capital market deployment front, on 14 November 2025, the Company announced its plan to issue RMB-denominated shares to be listed on the Shenzhen Stock Exchange. During the year under review, the Group continued to diversify financing channels and optimise the structure of financing instruments. The Group successfully issued medium-term notes ("MTNs") and other financing instruments, helping to keep overall funding costs at a relatively low level. In 2025, the Group received government subsidies amounting to approximately RMB85.20 million. As of 31 December 2025, the Group held cash and cash equivalents of approximately HK\$10.5 billion, with debt at a reasonable level and a healthy financial position.

In 2025, the major financing arrangements of the Group are summarised below:

Issue date	Financing arrangements and use of proceeds	Issue size (RMB)
January 2025	China Everbright Water Limited (“Everbright Water”) completed the issuance of the 2025 first tranche of MTNs in the PRC for the replenishment of working capital of Everbright Water.	1.5 billion
January 2025	China Everbright Greentech Limited (“Everbright Greentech”) completed the issuance of the 2025 first tranche of the carbon-neutral green asset-backed securities in the PRC for replenishing working capital of Everbright Greentech and its subsidiaries, repaying interest bearing loans, providing loans to its subsidiaries, acquiring fixed assets, investing in projects, and/or other purposes as permitted under the applicable laws and regulations.	653 million
February 2025	Everbright Greentech completed the issuance of the 2025 first tranche of green MTNs 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 environmental protection projects and for other business development purposes.	1 billion
April 2025	The Company completed the issuance of the 2025 perpetual MTNs (series 1) in the PRC for the redemption of the 2022 perpetual MTNs (series 1).	1.5 billion
April 2025	Everbright Water completed the issuance of the 2025 second tranche of MTNs in the PRC for the repayment of the outstanding debts of Everbright Water.	1 billion

Issue date	Financing arrangements and use of proceeds	Issue size (RMB)
May 2025	Everbright Greentech completed the issuance of the 2025 second tranche of green MTNs 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 environmental protection projects, and for other business development purposes.	1 billion
June 2025	Everbright Water completed the issuance of the 2025 third tranche of MTNs in the PRC for the redemption of the existing perpetual MTNs of Everbright Water.	700 million
June 2025	The Company's wholly-owned subsidiary, Everbright Environmental Protection (China) Limited ("EEP China"), completed the issuance of the 2025 science technology innovation bonds (series 1) in the PRC for the repayment of interest bearing loans and/or for the replenishment of working capital of EEP China and its subsidiaries.	1 billion
November 2025	Everbright Greentech completed the issuance of the 2025 third tranche of green MTNs 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 environmental protection projects, and for other business development purposes.	1 billion
December 2025	EEP China completed the issuance of the 2025 asset-backed notes series 1 in the PRC for the replenishment of working capital, repayment of debts to financial institutions and/or any other purposes in compliance with relevant national industrial policies and applicable laws and regulations.	787 million

On the environmental contribution front, the Group upholds the principles of green and sustainable development, coordinates energy saving and carbon-reduction efforts with pollution prevention, and is committed to promoting synergy among social, economic and environmental outcomes. During the year under review, the Group's major environmental contributions are summarised below:

	Treatment volume	Environmental contribution
Household waste processed	57,895,000 tonnes	Generated approximately 28,547,901,000 kWh of electricity, could support the annual electricity consumption needs of around 23,790,000 households, equivalent to saving 11,419,000 tonnes of standard coal; and supplied approximately 8,191,000 tonnes of heat and steam, together displacing approximately 14,899,000 tonnes of CO ₂ equivalent ("CO ₂ e") greenhouse gas ("GHG") emissions in total.
Hazardous and solid waste processed	506,000 tonnes	
Agricultural and forestry waste processed	7,484,000 tonnes	
Waste water treated	1,811,000,000 m ³	Reduced Chemical Oxygen Demand ("COD") emission by 926,000 tonnes.
WTE plants' leachate treated	14,272,000 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 contribution
Household waste processed	384,422,000 tonnes	Generated approximately 187,576,400,000 kWh of electricity, could support the annual electricity consumption needs of around 156,314,000 households, equivalent to saving 75,030,000 tonnes of standard coal; and supplied approximately 24,835,000 tonnes of heat and steam, together displacing approximately 143,721,000 tonnes of CO ₂ e GHG emissions in total.
Hazardous and solid waste processed	3,225,000 tonnes	
Agricultural and forestry waste processed	57,804,000 tonnes	
Waste water treated	20,055,562,000 m ³	Reduced COD emission by 8,404,000 tonnes.
WTE plants' leachate treated	88,111,000 m ³	

On the social responsibility front, 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 to local communities 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 (“Government of HKSAR”), 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 addition, the Group successfully hosted the Everbright Environment ESG Sustainable Development Forum 2025 in Hong Kong and launched the *Everbright Environment ESG White Paper* at the forum venue. The event brought together professionals from various sectors for in-depth discussions on green transition pathways and synergistic innovation mechanisms in the Guangdong-Hong Kong-Macao Greater Bay Area. In Chinese Mainland, 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 2025, the Group had cumulatively opened 226 projects to the public. In 2025, the Group’s projects received approximately 40,000 visitors from all walks of life, along with more than 30,000 participants in online activities.

In 2025, the Group continued to steadily advance its core business and technological innovation, while diligently pursuing sustainable development and fulfilling social responsibility. As a result, it received numerous domestic and international honours. The main honours are summarised as follows:

Category	Award/recognition	Awarding organisation(s)
Operational management	First place in the “2025 Top 50 Chinese Environmental Enterprises by Revenue” (for the 7th consecutive year)	China Environment Chamber of Commerce
	First place in the “Top 10 Influential Solid Waste Treatment Enterprises in China” (for the 15th consecutive year)	E20 Environment Platform
	“Listed Enterprises 2025” award	<i>Bloomberg Businessweek (Chinese edition)</i>
	A member of the lists of the “Top 50 Medium-Sized Enterprises” and “Excellent Listed New Energy Companies of the Year”	12th Top 100 Hong Kong Listed Companies Assessment by Top 100 Hong Kong Listed Companies Research Centre
	“Best-Practice Case for Market Value” and “Best-Practice Case for ESG” under the Hong Kong-Listed Company category, with Mr. Wang Silian, Chairman of the Board, receiving “Outstanding Corporate Leader” award	“2025 Yinghua Best-Practice Cases Among China-Listed Companies” by China Fund
	Everbright Water was listed among the “Top Ten Influential Enterprises in China’s Water Industry” (for the 8th consecutive year)	E20 Environment Platform

Category	Award/recognition	Awarding organisation(s)
Technological innovation	The Ultra-Low-Emission Flue Gas Purification Technology and Industrialisation for Municipal Solid Waste Incineration project was included in the 2025 List of Exemplary Cases for Transforming Ecological and Environmental Science and Technology Results	The Ministry of Ecology and Environment of the PRC (“MEE”)
	The Power Battery Recycling Technology and Equipment was shortlisted in the National Catalogue of Major Environmental Protection Technologies Encouraged for Development (2025 edition)	The Ministry of Industry and Information Technology of the PRC (“MIIT”)
	The self-developed water-cooled grate equipment set and the Power Battery Recycling Technology and Equipment were included in the list for the First Unit (Set) Major Technical Equipment Insurance and Compensation Program	MIIT
	The project of Key Technologies and Applications for Pollution Reduction and Carbon Reduction Across the Entire Life Cycle of Municipal Solid Waste Collection, Transportation, Treatment, and Resource Recovery was awarded the First Prize of the Environmental Protection Science and Technology Award under the Scientific and Technological Progress category	The Awarding Committee for the Environmental Protection Science and Technology Awards
	The project of Self-Developed Water-Cooled Flow Channel Temperature Sensor Flow Monitoring System and Method, and Flow Channel Parameter Testing System won the Excellence Award at the China Patent Award	China National Intellectual Property Administration

Category	Award/recognition	Awarding organisation(s)
Governance and disclosure	2025 Pioneering Award for ESG Disclosure Contribution	Green and Sustainable Finance Awards by Hong Kong Quality Assurance Agency
	The Company, together with Everbright Water and Everbright Greentech, were shortlisted in the GBA Outstanding ESG Disclosure List	Hong Kong ESG Reporting Awards
	Everbright Greentech was awarded the Best Small Cap ESG Reporting Grand Award	Hong Kong ESG Reporting Awards
Operations management	The Group's Guizhou Zhijin WTE Project was named a winner of the 2022-2023 National Ankang Cup Competition	All-China Federation of Trade Unions, Ministry of Emergency Management of the PRC, and National Health Commission of the PRC
	Five WTE Projects of the Group were awarded the National AAA-Rated Household Waste Incineration Plants	China Association of Urban Environmental Sanitation
	The Group's Zibo Zhangdian East Chemical Industry Park Industrial WWT Plant Upgrading and Expansion Project and Zibo WWT Project ("Zibo Project") in Shandong Province were awarded the Industrial Park WWT and Municipal WWT recognitions	E20 Environment Platform

Category	Award/recognition	Awarding organisation(s)
Sustainable development	Certificate of Merit at 2024 Hong Kong Awards for Environmental Excellence	Environment and Ecology Bureau of the Government of HKSAR and Environmental Campaign Committee
	Included in <i>Sustainability Yearbook</i> (for the eighth time)	Standard & Poor's Global ("S&P Global")
	Included in <i>Sustainability Yearbook (China edition)</i> (for the third consecutive year)	S&P Global
	Everbright Water was included in <i>Sustainability Yearbook (China edition)</i> for the first time	S&P Global
	Everbright Greentech was granted the Most Sustainable Organisation Award (small-cap category)	2025 Best Corporate Governance and ESG Awards by Hong Kong Institute of Certified Public Accountants
	The case of Green and Low-Carbon Practices at Suzhou WTE Project, which was jointly carried out by the Group's Jiangsu Suzhou WTE Project and envirotech, was shortlisted in the list of 2025 Green and Low-Carbon Exemplary Cases	MEE
	The practices relating to smart power plant construction of the Group's Jiangsu Zhenjiang WTE Project ("Zhenjiang Project") was shortlisted in the 2025 Exemplary ESG Cases for Enterprises	Center for Environmental Education and Communications of MEE

Category	Award/recognition	Awarding organisation(s)
Sustainable development (Continued)	The Group’s Xiong’an Waste Integrated Treatment Project and Zhenjiang Project were granted the 2025 Outstanding Corporate ESG Results	China Enterprise Reform and Development Society and <i>China Comment</i>
Social responsibility	Included in FTSE4Good Index Series (for the eighth time)	FTSE Russell
	The Group’s Heilongjiang Harbin WTE Project was selected in the 2025 Advanced Exemplary Cases List of Environmental Protection Facilities Open to the Public	MEE
	Eighteen environmental protection projects under the Group were selected in the fifth batch of the National List of Open-to-Public Environmental Protection Facilities and Urban Waste Water and Waste Treatment Facilities	MEE
	The Group’s Jiangsu Wuxi Xidong WTE Project, Suzhou Wuzhong Chengnan WWT Project, Jiangxi Yingtan WTE Project (the ecological science popularisation base) and Zibo Project were shortlisted in the First Batch of Youth Ecological Civilisation Education Practice Venues	MEE
	The Group’s Zhejiang Hangzhou WTE Project’s construction documentary was selected as a Class II micro-documentary work in the Major Construction Projects Archive for the “14th Five-Year Plan”	National Archives Administration of China

I. ENVIRONMENTAL ENERGY

Environmental energy is the largest core business sector of the Group, contributing the most to its overall business. This sector encompasses WTE and various synergy-based businesses, development of environmental protection industrial parks, integrated urban services, waste sorting, resource utilisation and recycling, as well as environmental technical consultancy and engineering design. During the year under review, environmental energy continued to focus on the solid waste business area, improving the layout of the WTE business chain, enhancing its operational resilience, and solidifying its industry-leading position.

As of 31 December 2025, environmental energy business had invested in and held a total of 284 projects, with an aggregate investment of approximately RMB101.378 billion, and undertook different types of asset-light businesses including 4 O&M and EPCO (Engineering Design-Procurement-Construction-Operaiton) projects. The designed capacities of these projects (including processing capacity under the O&M model) include but not limited to: an annual processing capacity of 55,297,500 tonnes of household waste, an annual on-grid electricity generation of 19,288,795,800 kWh, an annual processing capacity of 3,151,045 tonnes of food and kitchen waste, and an annual heat and steam supply capacity of 1,910,832 tonnes.

As of 31 December 2025, the status of WTE projects under environmental energy is summarised as below:

Project status	Number of projects	Designed processing capacity (tonnes/annum)
In operation*	161	51,209,500
Under construction	7	3,029,500

* Including O&M project(s)

As of 31 December 2025, the status of WTE synergy-based projects* under environmental energy is summarised as below:

Project status	Number of projects	Designed processing capacity (tonnes/annum)
In operation [#]	104	11,221,267
Under construction	2	69,350

* *Including various WTE synergy-based projects such as food and kitchen waste treatment, sludge treatment and disposal, medical waste treatment, etc.*

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

In respect of market expansion, during the year under review, environmental energy continued to pursue both domestic and international growth. Internationally, it achieved new breakthroughs in Central Asia and Thailand by securing WTE projects in the Fergana Region and Namangan Region of Uzbekistan, and signing a WTE plant engineering management service contract in Thailand. Domestically, it secured Hainan Sanya WTE Project Phase V, continuing to solidify its market position in the region. At the same time, environmental energy further diversified its market expansion, with asset-light and WTE synergy-based business in areas such as waste sorting, sanitation integration, and heat and steam supply as key driving forces. It also actively explored new business opportunities, such as pilot projects on gasification for hydrogen production and methanol synthesis at biomass grate furnace, expanding the space for business development. In 2025, environmental energy invested in and secured 4 new projects with a total investment of approximately RMB2.953 billion, and signed contracts for asset-light businesses covering waste sorting, integrated environmental and sanitation services and heat and steam supply, with a total contract value of approximately RMB240 million. These new projects added a designed daily household waste processing capacity of 3,750 tonnes.

In respect of operations management, during the year under review, environmental energy advanced refined management measures, including deeper application of intelligent power plant-related results to improve operating performance against the headwinds. The core indicators improved as compared with 2024: the average power generation per tonne of incoming waste fed into the furnace of the WTE projects was approximately 467 kWh, increased by 1% as compared with 2024; the comprehensive plant power consumption rate was approximately 15.5%, maintained at similar level as compared with 2024; supply of heat and steam increased by 39% as compared with 2024; and 2 WTE projects received regulatory approval to increase waste treatment fee.

In respect of project construction, during the year under review, 17 projects commenced operation, with a total designed daily household waste processing capacity of 1,400 tonnes and annual heat and steam supply capacity of 1,413,000 tonnes. 10 projects commenced construction, with a total designed daily household waste processing capacity of 4,000 tonnes.

During the year under review, the Group's environmental energy sector contributed EBITDA of HK\$7,109,768,000, representing an increase of 3% as compared with 2024. Environmental energy sector contributed a net profit attributable to the Group of HK\$4,508,260,000, increased by 17% as compared with 2024. The increase in profit was mainly attributable to the effective reduction of finance costs during the year.

Major operating data relating to environmental energy in 2025 is summarised as below:

	2025	2024	Percentage change
Waste processing volume (<i>tonnes</i>)	53,704,000	52,006,000	3%
Food and kitchen waste, sludge, and other waste processing volume (<i>tonnes</i>)	7,952,000	4,260,000	87%
On-grid electricity (<i>MWh</i>)	17,857,000	17,042,000	5%

II. ENVIRONMENTAL WATER

As of 31 December 2025, the Group held a 72.87% stake in Everbright Water, the environmental water sector of the Group, 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 China’s first-class water environment management service provider, Everbright Water focuses on the “water-related” business areas. It has developed a fully-fledged business coverage that includes raw water protection, water supply, municipal WWT, industrial WWT, reusable water, river-basin ecological restoration, sludge treatment and disposal, etc. It has also formed a full business chain in the water industry, spanning project investment, planning and design, technology R&D and related services, engineering and construction, operations management, and integrated diagnosis, among others.

As of 31 December 2025, Everbright Water had invested in and held 172 projects, with a total investment of approximately RMB31.853 billion. It also undertook 16 O&M services and other asset-light businesses. The designed capacities of these projects (including treatment capacity under the O&M model) are as follows: an annual WWT capacity of 2,352,443,250 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 2025, Everbright Water’s water projects are summarised as below:

Project status	Number of projects	Designed treatment and supply capacity (m³/annum)
In operation*	162	2,569,472,250
Under construction	7	76,650,000

* Including O&M project(s)

In respect of market expansion, during the year under review, Everbright Water proactively promoted market expansion. First, it accelerated its key regional presence. Domestically, it acquired a minority equity stake in an industrial WWT project serving the cosmetics manufacturing sector in Huadu District, Guangzhou City of Guangdong Province. This marked a dual breakthrough in both new markets and niche business areas. Internationally, it expanded its footprint in Southeast Asia by securing equipment procurement service contracts for a municipal water plant in Thailand, further supporting China's "Belt and Road" Initiative. Second, it broadened its business scope, continuing to extend along both the upstream and downstream segments of the industry value chain. Notably, it signed an investment cooperation agreement with Daxing District People's Government of Beijing Municipality in relation to zero-carbon energy projects, and also explored opportunities in agricultural waste resource utilisation across multiple provinces. Third, it continued to innovate its business models. Leveraging its in-house platforms, it accelerated the commercialisation and application of technological achievements, with its self-developed intelligent oxygen-supply equipment successfully commercialised and sold to external customers. Meanwhile, multiple asset-light services were implemented across its water projects in locations including Dandong City. Through a series of smaller-scale initiatives, it broadened its income streams and strengthened professional capabilities for its projects. In 2025, Everbright Water invested in and secured 2 projects, in addition to the extension of the concession rights for 1 existing project, with a total investment value of approximately RMB223 million. It also undertook various asset-light projects and services, with a total contract value of approximately RMB266 million. The newly secured projects and services have added a designed daily water treatment capacity of 11,050 m³ (including O&M capacity).

In respect of operations management, during the year under review, Everbright Water continued to place refined management at the core of its operations. With cost control and revenue growth as key drivers, it further deepened the integration of digitalisation and intelligent transformation with refined operations, thereby continuously strengthening its development foundation. In respect of cost control, it streamlined its supply chain and optimised procurement processes, achieving notable reductions in key operating cost items, including unit procurement costs and chemical consumption per tonne of water. At the same time, through precise analysis and targeted upgrades of energy and material usage within production processes, it further enhanced control over overall operating costs. In respect of efficiency enhancement, supported by the development of intelligent capabilities, it deployed a range of practical digital applications such as “dark factory”, artificial intelligence-driven visual inspections and intelligent dosing algorithms. These initiatives effectively strengthened automation, improved operational efficiency and reduced reliance on manual labour and material consumption, further aligning refined management, intelligent production and performance optimisation. As of 31 December 2025, solar power generation facilities had been put into operation at 12 projects, with a total installed capacity of approximately 20 MWp, generating an average annual power of approximately 20 million kWh.

In respect of project construction, during the year under review, Everbright Water had 9 projects that commenced operation upon completion of construction work, with a designed daily water treatment capacity of 835,000 m³ and a designed daily sludge treatment capacity of 125 tonnes; 4 projects commenced construction, with a designed daily water supply capacity of 54,000 m³.

During the year under review, the Group’s environmental water sector contributed an EBITDA of HK\$1,916,729,000 to the Group, representing a decrease of 13% as compared with 2024, and recorded a net profit attributable to the Group of HK\$601,512,000, declined by 26% as compared with 2024. The decrease in profit was mainly attributable to the decrease in number of construction projects and activities leading to lower construction profits as compared with 2024.

Major operating data relating to environmental water in 2025 is summarised as below:

	2025	2024	Percentage change
WWT volume (<i>'000 m³</i>)	1,811,000	1,763,000	3%
Raw water supply volume (<i>'000 m³</i>)	103,300	N/A	N/A
Reusable water volume (<i>'000 m³</i>)	40,800	48,500	-16%

III. GREENTECH

As of 31 December 2025, the Group held a 69.70% stake in Everbright Greentech, the greentech business sector of the Group 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 2025, Everbright Greentech had invested in and held 143 projects, with a total investment of approximately RMB30.663 billion. These projects are designed to have an annual biomass raw material processing capacity of 8,259,800 tonnes, an annual household waste processing capacity of 4,237,650 tonnes, an annual hazardous and solid waste processing capacity of 2,234,876 tonnes, an annual on-grid electricity supply capacity of 7,144,334,985 kWh, an annual heat and steam supply of 6,306,663 tonnes, a solar and wind power installed capacity of 276.91 MW, and an energy storage capacity of 22.2 MW. In addition, Everbright Greentech undertook 14 environmental remediation services (excluding services that had been completed and delivered).

As of 31 December 2025, Everbright Greentech’s solar power and wind power projects (including zero-carbon park projects) are summarised as below:

Project status	Number of projects	Designed installed capacity (MW)
In operation	35	251.45
Under construction	1	5.46

In respect of market expansion, during the year under review, Everbright Greentech continued to push forward its business structure transformation and achieved remarkable results: it implemented the Group’s first biomethane project, supplying natural gas to Jingjiang Special Steel Co., Ltd., marking an important advance in high-value utilisation of biomass; secured Jiangsu Huai’an Xinhuai Energy Heat Pipeline Network Project, strengthening its advantages in heat and steam supply; and further boosted the market share and earnings contribution of the electricity sales business. In 2025, Everbright Greentech invested in and secured 2 new projects with a total investment of approximately RMB72 million, and signed new contracts for 6 environmental remediation services with a total contract value of approximately RMB155 million. The new projects are designed to have an annual biomass raw material processing capacity of 50,000 tonnes and a biomethane supply capacity of 10,000,000 Nm³.

In respect of operations management, during the year under review, Everbright Greentech focused on revenue growth, cost reduction, and green value-add initiatives, effectively enhancing the competitiveness of its projects. In terms of revenue growth, the heat and steam supply volume of relevant projects increased by about 17% from 2024, driving a significant increase in related revenue. In terms of cost reduction, the biomass fuel settlement costs declined by 8.6% from 2024, effectively easing cost pressures. Notably, Anhui Dangshan Biomass Utilisation Project became the Group’s first benchmark for turning a loss into a profit without relying on national subsidies. In terms of green value-added initiatives, the green certificate trading volume increased approximately 11.3 times from 2024, further strengthening green profitability.

In respect of project construction, during the year under review, Everbright Greentech had 3 projects that commenced operation, with solar power projects installed capacity of 59.88 MW. Meanwhile, 8 environmental remediation services were completed and delivered. In addition, 4 projects commenced construction, contributing an additional designed annual biomass raw material processing capacity of 120,000 tonnes, an installed capacity of 17.46 MW for solar power projects, and an installed capacity of 7.5 MW for energy storage projects. Furthermore, 4 environmental remediation services started remediation works.

During the year under review, the Group's greentech sector contributed an EBITDA of HK\$1,639,133,000, an 62% increase as compared with 2024 and a net profit attributable to the Group of HK\$87,026,000, which was a turnaround from a net loss attributable to the Group of HK\$284,787,000 in 2024. The turnaround from net loss to net profit was mainly attributable to decrease in impairment losses on goodwill, intangible assets, property, plant and equipment and right of-use assets as compared with 2024.

Major operating data relating to greentech in 2025 is summarised as below:

	2025	2024	Percentage change
Waste processing volume (<i>tonnes</i>)	4,191,000	4,156,000	1%
Biomass raw material processing volume (<i>tonnes</i>)	7,484,000	7,686,000	-3%
Hazardous and solid waste processing volume (<i>tonnes</i>)	506,000	499,000	1%
Heat and steam supply volume (<i>tonnes</i>)	4,690,000	4,009,000	17%
On-grid electricity (<i>MWh</i>)	6,681,000	6,676,000	0%

IV. EQUIPMENT MANUFACTURING

Anchored by Everbright Environmental Technical Equipment (Changzhou) Limited, the Group's equipment manufacturing sector leverages self-developed core technologies and related experience to provide full life-cycle environmental protection equipment and technical services, thereby continuously strengthening its industry-leading position.

In respect of market expansion, during the year under review, equipment manufacturing adhered to the approach of “seizing major market opportunities, expanding overseas markets, and seeking breakthroughs in new fields”, achieving solid domestic and international sales results. In the domestic market, it tackled key challenges and tapped internal potential to solidify growth support: winning the bid for SCR denitrification upgrade works, achieving a breakthrough in turnkey EPC (Engineering, Procurement and Construction) projects for flue gas treatment in the coal-fired power sector; deeply developing mini-scale waste incineration technology and securing related projects in Sichuan Province and other places; focusing on sub-fields such as flue gas treatment upgrading and implementing multiple projects, further extending the technology road map for the industry chain. In overseas markets, it shifted from equipment import to service upgrading: signing an equipment supply project in Thailand, achieving a breakthrough in overseas application of its self-developed water-cooled grate technology; subsequently signing or winning the bid for asset-light contracts for equipment supply and technical services in Malaysia, Italy, Turkey, and other countries, laying a solid foundation for deeper expansion into the European and Asian markets.

In 2025, equipment manufacturing signed 20 contracts for external sales of equipment, with a total contract value of approximately RMB528 million, covering a total of 36 sets of equipment, such as furnaces, flue gas purification systems, leachate treatment systems and other new products. On the equipment supply and after-sales service front, supply services were initiated for 211 projects; production was completed for 5 sets of grate furnaces for internal and external clients; 48 sets of furnaces and leachate treatment systems were delivered; and 66 instances of unmanned coking services were completed. The sector also signed 210 contracts in relation to external after-sale services, with a total contract value of approximately RMB88 million. In 2025, equipment manufacturing provided 199 after-sales service projects for internal and external clients.

V. ENVIROTECH

As the Group's platform for R&D, innovation, and the commercialisation of research results, envirotech focuses on frontier industries and core technologies, fully empowering the Group's businesses and providing robust technological support for the Group's "Second-Stage Entrepreneurship".

In respect of technological innovation, during the year under review, envirotech advanced in an orderly manner around the Group's "3+1" priority directions: developing a unique charcoal production process plan and a key performance indicator system, and forming a 100 tonnes/day waste charcoal production process; developing a fly ash recirculation treatment process with independent intellectual property rights; completing the straw natural gas explosion + enzymatic hydrolysis research trails; and completing the independent R&D and full-set manufacturing of 10 tonnes/day micro-scale waste grate furnace.

In respect of research results commercialisation, a number of self-developed technologies were put into applications during the year under review, such as automatic combustion control (ACC), flue gas purification automatic control (AFC), Polymer Non-Catalytic Reducing Process (PNCR), automatic weighbridge system, and integrated desulfurisation denitrification solutions. These results were commercialised and promoted, laying a key foundation for subsequent large-scale applications. A number of R&D results were also applied in areas such as waste water denitrification technology, anaerobic ammonium oxidation technology, and intelligent control products, in an orderly manner.

In addition, envirotech actively participated in developing industry standards during the year under review, including driving the formulation of 2 national standards, undertaking 1 national key R&D project, and, as part of the core team, driving the formulation of multiple association standards, thereby continuously enhancing its industry influence.

EVENT AFTER THE REPORTING PERIOD

On 4 February 2026, the Company completed the issuance of the 2026 MTNs (series 1) in the PRC with a principal amount of RMB2 billion and an interest rate of 2.15% per annum for a maturity period of 3+N (3) years (and shall mature upon redemption by the Company in accordance with the issuance terms). The proceeds from the issuance, after deduction of the underwriting fees, will be used in full for the repayment of the Company's medium term notes within the PRC.

BUSINESS PROSPECTS

Looking ahead, the Group aims to achieve a high-quality start to the “15th Five-Year Plan” as its core objective, firmly enhance its three major development strategies, and promote deep synergy across the three major business areas, namely solid waste, water-related business, and clean energy, and five business sectors, turning the strategic planning blueprint into sustainable growth momentum and solid operating results. On the technology front, the Group will focus on the innovation targets set by the plan, prioritising key technologies such as fly ash resource utilisation and high-value utilisation of biomass, comprehensively upgrading the intelligent operations platform and data governance to drive management quality and efficiency through technological breakthroughs. On the internationalisation front, the Group will implement the global layout outlined in the plan, deepen focus in major regions such as Central Asia and Southeast Asia, and accelerate the transition from project investment to the export of technology, equipment and standards, promoting scale and localisation of its international business. On the ecosystem front, the Group will follow the plan, strengthen synergy effect across the industry chain, strive to develop benchmark comprehensive solutions such as “Zero-carbon Parks” and virtual power plants, and continue to cultivate a symbiotic and win-win ecosystem with government authorities, partners and communities.

Year 2026 is characterised as a year of deepening of the strategic focus and opening a new phase of development. The Group will simultaneously strengthen risk control and operating resilience, devote full effort to receivables collection, and safeguard the bottom line of safe production, thereby providing a solid guarantee for strategy implementation. Looking ahead, the Group will remain anchored to its vision of “Building a World-Class Environmental Enterprise with Chinese Characteristics”, stay committed to its founding mission, leverage the “15th Five-Year Plan” as a driver, and strive for breakthroughs on the journey of a “Second-Stage Entrepreneurship”. By pursuing further success on a new path for high-quality development, the Group aims to create long-term value and sustainable returns for Shareholders and all other stakeholders, and contribute to the building of a Beautiful China.

FINANCIAL REVIEW

Financial Results

In 2025, the Group's consolidated revenue amounted to HK\$27,520,509,000, a decrease of 9% from HK\$30,258,009,000 in 2024. Consolidated gross profit was HK\$11,085,458,000, a decrease of 4% compared to 2024. The Group's consolidated gross margin was approximately 40.3%, an increase of 2.2 percentage points over 2024. The EBITDA amounted to HK\$10,272,556,000, an increase of 2% from HK\$10,074,731,000 in 2024. Profit attributable to equity holders of the Company for 2025 was HK\$3,925,162,000, an increase of 16% compared to 2024. Basic earnings per share for 2025 was HK63.90 cents, HK8.92 cents more than the amount of HK54.98 cents in 2024. The decrease of revenue was primarily due to the decrease in construction service revenue recorded during the year, mainly resulting from a drop in the number of new projects in the industry. The increase in profit was mainly attributable to the effective reduction in finance costs during the year and the decrease in impairment losses as compared with 2024.

Financial Position

As of 31 December 2025, the Group's total assets approximately amounted to HK\$189,143,142,000 with net assets amounting to HK\$72,213,577,000. Net asset value per share attributable to equity holders of the Company was HK\$8.501 per share, representing an increase of 8% to HK\$7.848 per share as at the end of 2024. As of 31 December 2025, the gearing ratio (total liabilities over total assets) of the Group was 62%, a decrease of 2 percentage points as compared with that of 64% as at the end of 2024.

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 2025, the Group had cash and bank balances of HK\$10,524,155,000, representing an increase of HK\$2,482,159,000 as compared to HK\$8,041,996,000 at the end of 2024. Most of the Group's cash and bank balance, representing approximately 96%, 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 2025, the Group had outstanding borrowings of HK\$88,548,513,000, representing a decrease of HK\$3,120,926,000 as compared to HK\$91,669,439,000 at the end of 2024. The borrowings included secured interest-bearing borrowings of HK\$36,513,292,000 and unsecured interest-bearing borrowings of HK\$52,035,221,000. The borrowings are mainly denominated in Renminbi, representing approximately 99% of the total borrowings, and the remainder is denominated in Hong Kong dollars. Most of the borrowings are at floating rates. As of 31 December 2025, the Group had banking facilities of HK\$94,379,847,000, of which HK\$34,277,696,000 have not been utilised. The banking facilities are of 1 to 22 years terms.

Foreign Exchange Risks

The Company's financial statements are denominated in Hong Kong dollars with Renminbi as its functional currency. Since the Group's operations are predominantly based in China, representing over 96% of its total investments and revenue, its relevant assets, borrowings and major transactions are mainly denominated in Renminbi, resulting in a relatively low level of foreign exchange risk. In addition, the Company closely manages foreign exchange risk by pursuing an optimal allocation of borrowings in different currencies, setting appropriate levels of borrowing in non-base currencies, and adopting proper financial instruments.

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 2025, the aggregate net book value of assets and equity interests in subsidiaries pledged amounted to approximately HK\$98,025,093,000.

Commitments

As of 31 December 2025, the Group had outstanding purchase commitments of HK\$549,348,000 in connection with the construction contracts.

Contingent Liabilities

As of 31 December 2025, 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 2025 for the provision of the guarantees was HK\$242,767,000.

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 convenes meetings of the CEO Office (the Company established the CEO Office and cancelled the management decision committee of the Company in July 2025) 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 prevention and mitigation efforts. During the year under review, the Group continued to refine its risk management framework, in response to changes in the external environment and internal management conditions, updated the list of risk factors, 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 and also strengthened unannounced safety inspections. 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 WTE, 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 adjusting departmental structure, establishing professional hierarchy system, providing training for all staff and setting up various professional teams. During the year under review, the Group formulated new departments namely Asset Preservation Management Department and Marketing Development Department and revised the structure of the Information and Network Safety Leaders Team. The Group has successively held seminars and trainings on production safety, cybersecurity, policies' briefing, technological innovation, integrity and self-discipline, ESG, tendering management, the "15th Five-year Plan" 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. Meanwhile, in order to strengthen the sense of belonging of employees, the outward bound training and special activities of Women's Day were held. The Group has arranged a series of selection namely "Top 10 touching staffs", "Top 10 problem solving cases", "Top 10 innovation" to motivate outstanding staff and establish good corporate culture.

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 2025, the Group had approximately 15,400 employees. Details of the total employee benefit expense for the year under review are set out in the 2025 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 check-up, medical insurance, a mandatory provident fund scheme and annuity policy to employees in Hong Kong and mainland.

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, market competition risk, policy changing risk, procurement compliance risk, operational stability risk and staff placement risk, the details of which are set out in the 2025 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 2025, 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.

During the year, the Group established a Sustainability Committee to further oversee and coordinate ESG governance matters. The Committee integrates ESG strategic planning, execution supervision and risk management, embedding ESG principles deeply into the Group's business operations. Through standardised decision-making processes and transparent disclosure, it can strengthen confidence among stakeholders. Concurrently, the Group reviewed and formally implemented the Environmental, Social and Governance (ESG) Management Measures (Trial), which systematically defines the objectives and tasks, management scope, organisational structure, division of responsibilities, training arrangements and evaluation mechanisms for ESG work. The Board and senior management review sustainability strategies of the Group on a regular basis, and revise the strategies when appropriate.

The Group's WTE 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 PRC 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 WTE 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 2025 sustainability report of the Company which is prepared in accordance with the Global Reporting Initiative Standards and the Stock Exchange's Environmental, Social and Governance Reporting Code. 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 2025 sustainability report will be available for download at the websites of the Company under "Sustainable Development > Sustainability Report" section (www.cebenvironment.com/susreportEn.html) and Hong Kong Exchanges and Clearing Limited ("HKEx") (www.hkexnews.hk).

CORPORATE GOVERNANCE

Compliance with the Corporate Governance Code

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

The Corporate Governance Code (the “CG Code”) set out in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (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 that were in force throughout the year ended 31 December 2025 except for the following deviation with the reason explained below: Code Provision F.1.3 of Part 2 of the CG Code stipulates that the chairman of the board should attend the annual general meeting. Mr. Wang Silian, the Chairman of the Board, was unable to attend the annual general meeting held on 29 May 2025 (the “2025 AGM”) due to his other important business commitments. Mr. Luan Zusheng, the Executive Director and Chief Executive Officer, was appointed to chair the 2025 AGM. 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 2025 annual report.

Model Code for Securities Transactions by Directors

The Group has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) set out in Appendix C3 to the Listing Rules as its own code of conduct for Directors’ transactions in securities of the Company. Having made specific enquiries to the Directors, all the then incumbent Directors confirmed that they had complied with the required standard of dealings as set out in the Model Code during the year ended 31 December 2025.

FINAL DIVIDEND

The Board has recommended payment of a final dividend of HK12.0 cents per share (2024: HK9.0 cents per share) for the year ended 31 December 2025, payable to the Shareholders whose names appear on the register of members of the Company (the “Register of Members”) on Monday, 8 June 2026. 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 Wednesday, 27 May 2026 (the “2026 AGM”), the final dividend will be paid to the Shareholders on or around Thursday, 2 July 2026.

ANNUAL GENERAL MEETING

The 2026 AGM will be held on Wednesday, 27 May 2026 and the notice of the 2026 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 2026 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 2026 AGM:
 - (a) Latest time to lodge transfer documents for registration 4:30 p.m. on Wednesday, 20 May 2026
 - (b) Closure of Register of Members Thursday, 21 May 2026 to Wednesday, 27 May 2026
(both dates inclusive)
 - (c) Record date Wednesday, 27 May 2026

- (ii) For determining entitlement to the final dividend:
 - (a) Latest time to lodge transfer documents for registration 4:30 p.m. on Wednesday, 3 June 2026
 - (b) Closure of Register of Members Thursday, 4 June 2026 to Monday, 8 June 2026
(both dates inclusive)
 - (c) Record date Monday, 8 June 2026

During the above closure periods, no transfer of shares will be registered. In order to be eligible to attend and vote at the 2026 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 (including sale of treasury shares of the Company, if any).

REVIEW OF ANNUAL FINANCIAL RESULTS

The Audit Committee has reviewed the annual financial results of the Company for the year ended 31 December 2025 for the Board's approval.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This announcement is published on the websites of the Company (<https://www.cebenvironment.com/announcementsEn.html>) and HKEx (www.hkexnews.hk). The 2025 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, 20 March 2026

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 Ms. Qu Li; and (iii) three Independent Non-executive Directors, namely Mr. Fan Yan Hok, Philip, Ms. Li Shuk Yin, Edwina and Professor Zhang Xiang, JP.