光大環境
EVERBRIGHT ENVIRONMENT

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
INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2026

HIGHLIGHTS

- Revenue decreased by 1% to HK$14,181,322,000 (2025: HK$14,303,933,000)
- EBITDA increased by 4% to HK$6,306,650,000 (2025: HK$6,047,957,000)
- Profit before tax increased by 10% to HK$4,073,911,000 (2025: HK$3,702,974,000)
- Profit attributable to equity holders of the Company increased by 10% to HK$2,431,237,000 (2025: HK$2,206,751,000)
- Interim dividend of HK16.0 cents per share (2025: HK15.0 cents per share)

INTERIM RESULTS

The board (the "Board") of directors (the "Directors") of China Everbright Environment Group Limited (the "Company" or "Everbright Environment") announces the unaudited interim results of the Company and its subsidiaries (collectively the "Group") for the six months ended 30 June 2026. The interim financial results are unaudited, but have been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, "*Review of interim financial information performed by the independent auditor of the entity*", issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), whose report on review of interim financial information is included in the interim report to be published.

Note: "Hong Kong" or "Hong Kong, China" means the Hong Kong Special Administrative Region of the People's Republic of China (the "PRC")

CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2026 – unaudited

		For the six months ended 30 June	
		2026	2025
	Notes	***HK$'000***	*HK$'000*
REVENUE	*4*	**14,181,322**	14,303,933
Direct costs and operating expenses		**(8,074,188)**	(7,972,970)
Gross profit		**6,107,134**	6,330,963
Other revenue		**794,847**	700,298
Other income and losses, net		**(420,647)**	(403,298)
Administrative expenses		**(1,314,706)**	(1,670,840)
PROFIT FROM OPERATING ACTIVITIES		**5,166,628**	4,957,123
Finance costs	*6*	**(1,092,833)**	(1,249,303)
Share of profits/(losses) of joint ventures		**475**	(2,720)
Share of losses of associates		**(359)**	(2,126)
PROFIT BEFORE TAX	*5*	**4,073,911**	3,702,974
Income tax	*7*	**(1,021,895)**	(922,822)
PROFIT FOR THE PERIOD		**3,052,016**	2,780,152
ATTRIBUTABLE TO:			
Equity holders of the Company		**2,431,237**	2,206,751
Holders of perpetual capital instruments		**153,884**	131,459
Non-controlling interests		**466,895**	441,942
		3,052,016	2,780,152
EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	*9*		
– Basic and diluted		**HK39.58 cents**	HK35.92 cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2026 – unaudited

	For the six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
PROFIT FOR THE PERIOD	**3,052,016**	2,780,152
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	**3,822,458**	1,918,650
Debt instruments at fair value through other comprehensive income:		
Changes in fair value, net of tax	**115,605**	(90,460)
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods	**3,938,063**	1,828,190
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	**3,938,063**	1,828,190
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**6,990,079**	4,608,342
ATTRIBUTABLE TO:		
Equity holders of the Company	**5,592,267**	3,718,487
Holders of perpetual capital instruments	**153,884**	131,459
Non-controlling interests	**1,243,928**	758,396
	6,990,079	4,608,342

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2026 – unaudited

	Notes	30 June 2026 HK$'000	31 December 2025 HK$'000
NON-CURRENT ASSETS			
Investment properties		**198,753**	192,703
Property, plant and equipment		**7,539,783**	7,364,745
Right-of-use assets		**587,750**	599,449
		8,326,286	8,156,897
Goodwill		**1,492,433**	1,419,442
Intangible assets		**31,941,391**	30,806,358
Interests in joint ventures		**937,711**	898,016
Interests in associates		**324,184**	368,389
Contract assets	*10*	**96,864,939**	93,569,824
Finance lease receivables		**10,772**	10,696
Other financial assets		**142,788**	131,005
Other receivables, deposits and prepayments	*11*	**1,450,675**	1,501,788
Deferred tax assets		**1,944,687**	1,820,967
Total non-current assets		**143,435,866**	138,683,382
CURRENT ASSETS			
Inventories		**1,049,918**	923,514
Contract assets	*10*	**12,368,579**	11,364,254
Finance lease receivables		**950**	877
Debtors, other receivables, deposits and prepayments	*11*	**31,230,833**	27,615,644
Tax recoverable		**108,918**	31,316
Pledged bank deposits		**178,356**	164,662
Deposits with banks with maturity period over three months		**34,763**	25,078
Cash and cash equivalents		**9,705,127**	10,334,415
Total current assets		**54,677,444**	50,459,760

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(continued)*

30 June 2026 – unaudited

	Notes	30 June 2026 HK$'000	31 December 2025 HK$'000
CURRENT LIABILITIES			
Creditors, other payables and accrued expenses	*12*	**16,670,197**	16,461,217
Interest-bearing borrowings			
– Secured		**6,077,747**	4,644,740
– Unsecured		**24,935,195**	25,294,838
		31,012,942	29,939,578
Tax payable		**982,637**	764,894
Total current liabilities		**48,665,776**	47,165,689
NET CURRENT ASSETS		**6,011,668**	3,294,071
TOTAL ASSETS LESS CURRENT LIABILITIES		**149,447,534**	141,977,453
NON-CURRENT LIABILITIES			
Other payables	*12*	**747,211**	740,004
Interest-bearing borrowings			
– Secured		**29,569,564**	31,868,552
– Unsecured		**29,931,752**	26,740,383
		59,501,316	58,608,935
Deferred tax liabilities		**11,017,527**	10,414,937
Total non-current liabilities		**71,266,054**	69,763,876
NET ASSETS		**78,181,480**	72,213,577
EQUITY			
Equity attributable to equity holders of the Company			
Share capital		**17,329,537**	17,329,537
Reserves		**39,710,405**	34,890,278
		57,039,942	52,219,815
Non-controlling interests		**13,316,645**	12,131,803
Perpetual capital instruments		**7,824,893**	7,861,959
TOTAL EQUITY		**78,181,480**	72,213,577

NOTES:

1. BASIS OF PREPARATION

The unaudited interim financial information for the six months ended 30 June 2026 has been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "*Interim Financial Reporting*" issued by the HKICPA and the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The accounting policies and basis of preparation adopted in the preparation of the unaudited interim financial information are consistent with those adopted in the annual financial statements for the year ended 31 December 2025 except for the adoption of the new and revised HKFRS Accounting Standards issued by the HKICPA, which became effective for the first time for the current period's financial information, as further detailed in note 2 below. The unaudited interim financial information is presented in Hong Kong dollars and all values are rounded to the nearest thousand except when otherwise indicated.

The financial information contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2025 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with HKFRS Accounting Standards.

The financial information relating to the year ended 31 December 2025 that is included in this unaudited interim financial information as comparative information does not constitute the Company's statutory annual consolidated financial statements for that year but is derived from those financial statements. Further information relating to those statutory financial statements required to be disclosed in accordance with section 436 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) ("Hong Kong Companies Ordinance") is as follows:

The Company has delivered the financial statements for the year ended 31 December 2025 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance.

The Company's auditor has reported on the financial statements for the year ended 31 December 2025. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; 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 HKICPA has issued a number of amendments to HKFRS Accounting Standards that are first effective for the current accounting period. None of the developments have had a material effect on the Group's financial statements.

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 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, biogas power generation, sludge treatment and disposal projects, construction and decoration waste treatment project, development of environmental protection industrial parks, and provision of services, including integrated urban services, waste sorting, resource utilisation and recycling, environmental technical consultancy, engineering design, and general engineering contracting, 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, raw water protection, 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.

– 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.

3. OPERATING SEGMENT INFORMATION *(continued)*

– 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 senior executive management for the purposes of resource allocation and assessment of segment performance for the period is set out below.

For the six months ended 30 June

	Environmental energy project construction and operation		Environmental water project construction and operation		Greentech project construction and operation		Others		Total	
	2026	2025	**2026**	2025	**2026**	2025	**2026**	2025	**2026**	2025
	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	**8,067,379**	7,474,299	**2,391,586**	3,273,854	**3,491,015**	3,399,409	**231,342**	156,371	**14,181,322**	14,303,933
Inter-segment revenue	**7,019**	18,562	**70**	5,711	**552**	713	**136,932**	226,531	**144,573**	251,517
Reportable segment revenue	**8,074,398**	7,492,861	**2,391,656**	3,279,565	**3,491,567**	3,400,122	**368,274**	382,902	**14,325,895**	14,555,450
Reconciliation:										
Elimination of inter-segment revenue									**(144,573)**	(251,517)
Reportable segment revenue derived from the Group's external customers									**14,181,322**	14,303,933

3. OPERATING SEGMENT INFORMATION *(continued)*

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

For the six months ended 30 June

	Environmental energy project construction and operation		Environmental water project construction and operation		Greentech project construction and operation		Others		Total	
	2026	2025	**2026**	2025	**2026**	2025	**2026**	2025	**2026**	2025
	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)	**4,373,438**	4,237,222	**1,082,359**	1,192,208	**1,043,508**	987,264	**(32,652)**	52,852	**6,466,653**	6,469,546
Elimination of inter-segment profits									**(27,344)**	(44,960)
Reportable segment profit derived from the Group's external customers									**6,439,309**	6,424,586
Finance costs									**(1,092,833)**	(1,249,303)
Depreciation and amortisation, including unallocated portion									**(1,139,906)**	(1,095,680)
Unallocated head office and corporate income									**16,294**	19,907
Unallocated head office and corporate expenses									**(148,953)**	(396,536)
Consolidated profit before tax									**4,073,911**	3,702,974

3. OPERATING SEGMENT INFORMATION *(continued)*

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

For the six months ended 30 June

	Environmental energy project construction and operation		Environmental water project construction and operation		Greentech project construction and operation		Others		Total	
	2026	2025	**2026**	2025	**2026**	2025	**2026**	2025	**2026**	2025
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Other segment information:										
Depreciation and amortisation	**541,203**	506,459	**125,887**	108,460	**440,588**	435,635	**25,559**	40,622	**1,133,237**	1,091,176
Expected credit losses on debtors, net	**86,684**	113,671	**92,460**	73,031	**12,885**	6,721	**77,460**	–	**269,489**	193,423
Reversal of expected credit losses on other receivables, net	**–**	–	**(2,128)**	(21,684)	**–**	–	**–**	–	**(2,128)**	(21,684)
Recognition/(reversal) of expected credit losses on contract assets, net	**18,682**	31,432	**1,654**	(1,061)	**1,834**	6,279	**–**	–	**22,170**	36,650
Impairment of goodwill	**–**	–	**–**	–	**–**	65,816	**–**	–	**–**	65,816
Impairment of property, plant and equipment	**–**	–	**–**	–	**86,800**	112,563	**–**	–	**86,800**	112,563
Impairment of interest in an associate	**–**	–	**–**	–	**62,983**	–	**–**	–	**62,983**	–
Additions to property, plant and equipment and right-of-use assets during the period	**85,563**	67,675	**37,024**	20,785	**87,884**	192,252	**13,157**	11,565	**223,628**	292,277
Additions to intangible assets and non-current portion of prepayments during the period	**326,144**	202,479	**56,171**	445,521	**10,010**	47,701	**82**	1,671	**392,407**	697,372
Additions to non-current portion of contract assets during the period	**2,214,212**	2,028,716	**659,316**	1,302,110	**166,346**	164,023	**–**	–	**3,039,874**	3,494,849

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	
	At 30 June 2026	At 31 December 2025	**At 30 June 2026**	At 31 December 2025	**At 30 June 2026**	At 31 December 2025	**At 30 June 2026**	At 31 December 2025	**At 30 June 2026**	At 31 December 2025
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Reportable segment assets	**113,548,563**	107,199,602	**39,797,143**	37,951,283	**35,515,939**	34,554,721	**2,600,507**	2,614,415	**191,462,152**	182,320,021
Unallocated head office and corporate assets									**6,651,158**	6,823,121
Consolidated total assets									**198,113,310**	189,143,142
Reportable segment liabilities	**51,392,689**	49,977,318	**23,834,882**	23,216,504	**21,705,586**	21,723,496	**1,769,316**	1,818,151	**98,702,473**	96,735,469
Unallocated head office and corporate liabilities									**21,229,357**	20,194,096
Consolidated total liabilities									**119,931,830**	116,929,565

(ii) Information about a major customer

For the six months ended 30 June 2026, the Group has transactions with one (six months ended 30 June 2025: Nil) local government authority in the PRC from which the revenue individually exceeded 10% of the Group's total revenue. The aggregate revenue from this customer during the period ended 30 June 2026 amounted to HK$1,532,320,000.

4. REVENUE

An analysis of revenue is as follows:

	For the six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
Revenue from contracts with customers		
Revenue from environmental energy project construction services	**624,965**	538,839
Revenue from environmental water project construction services	**216,060**	1,238,151
Revenue from greentech project construction services	**6,731**	46,488
Revenue from environmental energy project operation services	**5,599,716**	5,141,935
Revenue from environmental water project operation services	**1,611,438**	1,476,891
Revenue from greentech project operation services	**3,317,938**	3,188,898
Others	**231,342**	156,371
Total revenue from contracts with customers	**11,608,190**	11,787,573
Finance income from service concession arrangements	**2,573,132**	2,516,360
Total revenue	**14,181,322**	14,303,933

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$10,920,017,000 (six months ended 30 June 2025: HK$12,614,382,000) for the six months ended 30 June 2026. The revenues are 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. PROFIT BEFORE TAX

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

	For the six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
Depreciation		
– property, plant and equipment	**310,419**	328,746
– right-of-use assets	**33,133**	36,605
Amortisation of intangible assets	**796,354**	730,329
Gain on disposal of other financial assets		
– unlisted equity investment	**–**	(107)
Interest income	**(18,197)**	(29,190)
Government grants*	**(65,702)**	(33,142)
Value-added tax refund**	**(430,814)**	(353,651)
Expected credit losses on debtors, net	**269,489**	193,423
Reversal of expected credit losses on other receivables, net	**(2,128)**	(21,684)
Expected credit losses on contract assets, net	**22,170**	36,650
Impairment of goodwill	**–**	65,816
Impairment of property, plant and equipment***	**86,800**	112,563
Impairment of interest in an associate***	**62,983**	–
Fair value (gains)/losses, net:		
Other financial assets – unlisted equity investment	**–**	(455)
Other financial assets – unlisted investments	**(7,021)**	3,889
Employee benefit expense:		
Wages, salaries, allowances and benefits in kind	**1,768,554**	1,511,947
Retirement scheme contributions	**176,429**	164,672
Total	**1,944,983**	1,676,619
Foreign exchange differences, net	**(570)**	428,008

5. PROFIT BEFORE TAX *(continued)*

* Government grants were granted during the six months ended 30 June 2026 mainly to subsidise certain environmental energy, environmental water 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 six months ended 30 June 2026 in relation to certain environmental energy, environmental water and greentech project 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.

*** During the six months ended 30 June 2026, adverse market conditions and poor operating performance indicated that impairment existed in parts of the Group's hazardous and solid waste treatment projects. The Group assessed the recoverable amounts of the relevant assets and cash generating units on the basis of value in use and wrote down their carrying amounts accordingly. Aggregate impairment losses of HK$149,783,000 were recognised in profit or loss comprising HK$62,983,000 representing a full impairment loss on the Group's interest in an associate, Anqing Jinghuan Green Environment Solid Waste Comprehensive Disposal Co., Ltd., following continuous operating losses incurred by the associate in the current period and in previous years, as a result of which the recoverable amount of the investment was assessed to be nil; and HK$86,800,000 in respect of the property, plant and equipment of a hazardous and solid waste treatment project, for which the recoverable amount was determined based on value in use (six months ended 30 June 2025: impairment loss on property, plant and equipment of HK$112,563,000 was recognised in the Group's profit or loss).

6. FINANCE COSTS

	For the six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
Interest on bank and other loans	**710,623**	853,396
Interest on corporate bond, asset-backed securities and medium-term notes ("MTN")	**358,767**	369,730
Interest on lease liabilities	**2,099**	2,548
Asset-backed notes arrangement fees	**22,760**	23,891
Less: Interest expenses capitalised into construction in progress*	**(1,416)**	(262)
Total	**1,092,833**	1,249,303

* The borrowing costs have been capitalised at rates ranging from 2.30% to 2.85% (six months ended 30 June 2025: 2.13% to 3.50%) per annum during the six months ended 30 June 2026.

7. INCOME TAX

(a) Taxation in the consolidated income statement represents:

No provision for Hong Kong Profits Tax has been made as the Group did not generate any assessable profits arising in Hong Kong for the six months ended 30 June 2026 (six months ended 30 June 2025: nil).

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

7. INCOME TAX *(continued)*

(a) Taxation in the consolidated income statement represents: *(continued)*

	For the six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
Current – Elsewhere:		
Charge for the period	**1,033,083**	888,854
Under-provision in prior periods	**969**	8,916
Deferred	**(12,157)**	25,052
Total tax expense for the period	**1,021,895**	922,822

(b) Pillar Two income tax

The Company is part of a multinational enterprise group which is subject to the Global Anti-Base Erosion Model Rules ("Pillar Two model rules") published by the Organisation for Economic Co-operation and Development. The Group is liable to Pillar Two income taxes under the Hong Kong Inland Revenue (Amendment) (Minimum Tax for Multinational Enterprise Groups) Ordinance 2025 for its earnings in the Hong Kong and certain other jurisdictions where a domestic minimum top-up tax has not been implemented, including the Chinese Mainland.

The Group has assessed its potential exposure based on the information available regarding the financial performance of the Group in the current year. As such, it may not be entirely representative of future circumstances. Based on the assessment, the Pillar Two effective tax rates in most of the jurisdictions in which it operates are above 15%. There are a limited number of jurisdictions where the Pillar Two effective tax rate is slightly below 15%. The Group does not expect a material exposure to Pillar Two income taxes.

8. DIVIDENDS

	For the six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
Dividend attributable to the period:		
Interim – HK16.0 cents (six months ended 30 June 2025: HK15.0 cents) per ordinary share	**982,876**	921,446
Final dividend in respect of the previous financial year, was approved and recognised during the period – HK12.0 cents (six months ended 30 June 2025: paid HK9.0 cents) per ordinary share	**737,157**	552,868

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

The calculation of basic earnings per share amount for the six months ended 30 June 2026 is based on the profit for the period attributable to equity holders of the Company of HK$2,431,237,000 (six months ended 30 June 2025: HK$2,206,751,000) and 6,142,975,292 (six months ended 30 June 2025: 6,142,975,292) ordinary shares in issue during the period.

The Group had no potentially dilutive ordinary shares in issue during the six months ended 30 June 2026 and 2025.

10. CONTRACT ASSETS

	Notes	At 30 June 2026 HK$'000	At 31 December 2025 HK$'000
Service concession assets	*(a)*	**106,052,451**	102,211,475
Unbilled renewable energy tariff subsidy	*(b)*	**2,741,051**	2,297,414
Other contract assets	*(c)*	**627,403**	581,778
		109,420,905	105,090,667
Less: Loss allowance		**(187,387)**	(156,589)
		109,233,518	104,934,078
Less: Non-current portion			
– Service concession assets, net of loss allowance		**(96,715,672)**	(93,413,503)
– Other contract assets, net of loss allowance		**(149,267)**	(156,321)
		(96,864,939)	(93,569,824)
Current portion		**12,368,579**	11,364,254
Contract assets arising from performance under construction contracts in connection with service concession arrangements, which are included in "Intangible assets"		**472,965**	1,148,107

Notes:

(a) Included in "Service concession assets" are amounts of HK$103,740,000 (31 December 2025: HK$128,631,000) 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.

10. 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% (31 December 2025: 3.50% to 7.83%) per annum. Among the total of HK$106,052,451,000 (31 December 2025: HK$102,211,475,000), HK$98,598,326,000 (31 December 2025: HK$96,096,400,000) 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 30 June 2026 comprised contract assets of HK$437,666,000 (31 December 2025: HK$418,358,000) arising from performance under environmental remediation service contracts and HK$189,737,000 (31 December 2025: HK$163,420,000) 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.

11. DEBTORS, OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	At	At
	30 June	31 December
	2026	2025
	HK$'000	*HK$'000*
Debtors, net of loss allowance	**27,502,238**	24,152,344
Other receivables, deposits and prepayments, net of loss allowance	**5,179,270**	4,965,088
	32,681,508	29,117,432
Less: Non-current portion		
– Other receivables, deposits and prepayments, net of loss allowance	**(1,450,675)**	(1,501,788)
Current portion	**31,230,833**	27,615,644

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:

	At	At
	30 June	31 December
	2026	2025
	HK$'000	*HK$'000*
Within 1 month	**3,512,883**	3,572,598
More than 1 month but within 2 months	**1,142,677**	1,155,991
More than 2 months but within 4 months	**1,784,756**	1,970,660
More than 4 months but within 7 months	**2,686,862**	2,268,966
More than 7 months but within 13 months	**4,630,134**	3,552,882
More than 13 months	**13,744,926**	11,631,247
Total	**27,502,238**	24,152,344

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

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

Included in "Debtors, other receivables, deposits and prepayments" are debtors of HK$10,035,322,000 (31 December 2025: HK$9,133,201,000), 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$167,260,000 (31 December 2025: HK$107,226,000).

Included in "Debtors, other receivables, deposits and prepayments" of the Group are debtors of which HK$29,245,000 (31 December 2025: HK$28,586,000), HK$15,763,000 (31 December 2025: HK$15,420,000), HK$48,551,000 (31 December 2025: HK$28,910,000), and HK$15,765,000 (31 December 2025: HK$17,037,000) 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 was an advance made to local government authority in relation to service concession arrangement amounting to HK$8,177,000 which was unsecured, interest-bearing at the rates announced by the People's Bank of China, and has been fully settled during the six months ended 30 June 2026.

Included in "Other receivables, deposits and prepayments" under current assets at 30 June 2026 are advances of HK$8,101,000 (31 December 2025: HK$7,699,000) to the Group's associate, which are unsecured, repayable on demand and interest-bearing at a rate of 3.35% (31 December 2025: 3.35%) per annum, and other receivables of HK$8,127,000 (31 December 2025: HK$4,819,000) 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 30 June 2026 are loans to the Group's joint ventures of HK$27,197,000 (31 December 2025: HK$25,848,000), 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$19,763,000 (31 December 2025: HK$20,826,000) and other receivables due from the Group's non-controlling shareholders of non wholly-owned subsidiaries of HK$151,715,000 (31 December 2025: HK$32,593,000), which are unsecured, interest-free and repayable within one year.

12. CREDITORS, OTHER PAYABLES AND ACCRUED EXPENSES

	At 30 June 2026 ***HK$'000***	At 31 December 2025 *HK$'000*
Creditors	**11,199,038**	11,373,219
Other payables, accrued expenses and deferred income – government grants	**6,218,370**	5,828,002
Total	**17,417,408**	17,201,221
Less: Non-current portion – Other payables, accrued expenses and deferred income – government grants	**(747,211)**	(740,004)
Current portion	**16,670,197**	16,461,217

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:

	At 30 June 2026 ***HK$'000***	At 31 December 2025 *HK$'000*
Within 6 months	**7,331,180**	7,689,452
Over 6 months	**3,867,858**	3,683,767
Total	**11,199,038**	11,373,219

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

Included in creditors are construction payables of HK$6,372,524,000 (31 December 2025: HK$6,785,687,000) 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$948,174,000 (31 December 2025: HK$872,937,000). Included in "Creditors, other payables and accrued expenses" are creditors of HK$21,651,000 (31 December 2025: HK$27,006,000), HK$8,000 (31 December 2025: HK$3,395,000) and HK$342,297,000 (31 December 2025: HK$290,473,000) due to the Group's associates, joint ventures 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 associates, joint ventures or the non-controlling shareholders to their major customers.

Included in "Other payables, accrued expenses and deferred income – government grants" as at 30 June 2026 are other payables of HK$2,864,000 (31 December 2025: HK$2,521,000) and HK$82,291,000 (31 December 2025: HK$74,141,000) due to the Group's associates 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" as at 30 June 2026 are other payables of HK$196,310,000 (31 December 2025: HK$186,573,000) 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" as at 30 June 2026 are other payables of HK$1,815,000 (31 December 2025: HK$1,254,000) and HK$174,000 due to the non-controlling shareholder of non wholly-owned subsidiaries, which are unsecured, interest-bearing at fixed rate of 3.2% per annum and repayable in 2028 and 2029, respectively.

Included in "Other payables, accrued expenses and deferred income – government grants" at 30 June 2026 is an other payable of HK$4,363,000 (31 December 2025: HK$5,593,000) due to the non-controlling shareholder of a non wholly-owned subsidiary, which is unsecured, interest-free and repayable within one year.

13. EVENTS AFTER THE REPORTING PERIOD

On 9 July 2026, China Everbright Greentech Limited ("CEGL") completed the issuance of the MTN in the national inter-bank bond market of the PRC with a principal amount of RMB1.0 billion, an interest rate of 1.61% per annum and a maturity period of 2 years. The proceeds from the issuance of the MTN were used for the repayment of the CEGL's interest-bearing debts, replenishment of their working capital and/or investment in and construction of the CEGL's environmental protection projects and for other business development purposes.

On 10 July 2026, China Everbright Water Limited ("CEWL") completed the issuance of the MTN in the national inter-bank bond market of the PRC with a principal amount of RMB1.5 billion, an interest rate of 1.80% per annum for the first three years and a maturity period of 5 years (with an interest rate adjustment option to be exercised by CEWL and a resale option to be exercised by the noteholders at the end of the third interest-bearing year). The proceeds from the issuance of the MTN were used to repay the existing bonds of CEWL.

BUSINESS REVIEW AND PROSPECTS

OPERATING RESULTS

Business Overview

In the first half of 2026, amid a complex and challenging internal and external environment, the Group remained firmly aligned with its three major development directions, namely technology as a driving force, an internationalisation pathway, and an industrial ecological system ("Three Major Development Directions"). It pressed ahead under pressure and strengthened governance through ongoing improvement. It consolidated its foundations while tackling key challenges and achieved breakthroughs through dedicated execution. Overall, the Group maintained stable and positive development momentum and made solid progress in advancing high-quality development. All business sectors worked in concert, delivering steady improvements in business quality and efficiency, achieving positive breakthroughs in market expansion, accelerating technological innovation and digital-intelligent transformation, ensuring stable production safety performance, and continuously enhancing brand influence. Building on the successful conclusion of the "14th Five-Year Plan", the Group has substantially completed the formulation of its "15th Five-Year Plan", further defining its goal of "Becoming a World-Class Environmental Enterprise with Chinese Characteristics" and laying out a clearer direction, a more practical development pathway and stronger confidence for the next stage of development.

Major operating indicators in the first half of 2026 are summarised below:

	For the six months ended 30 June 2026	For the six months ended 30 June 2025	Percentage change
	HK$'000	*HK$'000*	
Revenue	**14,181,322**	14,303,933	-1%
EBITDA	**6,306,650**	6,047,957	4%
Profit attributable to equity holders of the Company	**2,431,237**	2,206,751	10%
Basic earnings per share *(HK cents)*	**39.58**	35.92	10%

During the period under review, the Group recorded a total revenue of HK$14,181,322,000, of which revenue from operation services amounted to HK$10,755,467,000, representing an increase of 8% as compared with the first half of 2025, while revenue from construction services was HK$852,723,000, representing a decrease of 54% as compared with the first half of 2025. Revenue from operation services, construction services and finance income accounted for 76%, 6% and 18% of the total revenue, respectively. The proportion of revenue from operation services sustained its upward trend, further reinforcing the transformation of the Group's revenue structure.

The Group upholds the principle of sharing its operating results with shareholders of the Company (the "Shareholders"). To reward the Shareholders for their trust and support, and having regard to the Group's business development and strategic planning, the Board declared an interim dividend of HK16.0 cents per share for the six months ended 30 June 2026 (2025: HK15.0 cents per share). The dividend payout ratio was 40%, representing a decrease of 2 percentage points as compared with the first half of 2025.

As of 30 June 2026, the Group had established a business presence across 24 provinces, autonomous regions, municipalities and a special administrative region in China, covering 228 cities, counties and districts. Its overseas markets extended to 20 countries, including Germany, Poland, Vietnam, and Uzbekistan. The Group had invested in and secured a total of 603 environmental protection projects, with an aggregate investment of approximately RMB164.506 billion. It also undertook various asset-light businesses and services, including environmental remediation, waste sorting, design consulting, equipment supply, and technical services. The Group's environmental energy and greentech sectors had secured a total of 196 waste-to-energy ("WTE") projects, with a designed daily household waste processing capacity of 163,050 tonnes (including capacity under the operation and management ("O&M") model).

As of 30 June 2026, the designed treatment and supply capacities of projects of the Group's major business categories 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*	7,639,650 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 megawatt ("MW")
Energy storage capacity	22.20 MW

* *Including capacity under the O&M model*

In respect of market expansion, during the period under review, the Group remained focused on the Three Major Development Strategies, achieving a number of substantive breakthroughs in market expansion. In the Chinese market, it won the bidding for environmental protection projects in provinces including Qinghai, further expanding its provincial footprint. The development of key equipment such as the small and micro household waste incineration grate furnace ("Small and Micro Grate Furnace") accelerated, providing replicable solutions for solid waste treatment in remote areas such as plateau regions. The Group's overseas expansion progressed steadily. Leveraging its asset-light models such as equipment supply and design consulting, it expanded into markets including Singapore, the Philippines and Seychelles. Progress was also made in developing markets such as Vietnam and Indonesia, with the internationalisation strategy advancing on multiple fronts. The Group continued to consolidate its traditional strengths by securing Jiangsu Huaiyin Dongcheng Waste Water Treatment ("WWT") Project Phase III ("Huaiyin Project Phase III"). Meanwhile, the Group pursued diversified growth across multiple asset-light business streams, including heat and steam supply, O&M, equipment supply, design consulting, and technical services, securing a number of contracts relating to solid waste treatment, water treatment and environmental protection equipment services. Furthermore, the management of the Company actively engaged national ministries and commissions, local governments and leading industry enterprises, fostering synergy and weaving a new landscape of strategic collaboration, thereby laying a solid foundation for further market development.

In the first half of 2026, the Group invested in and secured 1 new project with an investment of approximately RMB90 million, and signed various new contracts for asset-light businesses with a total contract value of approximately RMB1.044 billion. The newly secured projects and services covered areas including WTE, heat and steam supply, WWT, equipment supply and technical services. The newly secured projects added a designed WWT capacity of 20,000 m^3/day.

In respect of operations management, during the period under review, the Group deepened its refined operations, driving both quality-and-efficiency improvements and targeted support in tandem, with operational quality and efficiency steadily improving. In the environmental energy sector, waste intake volume, on-grid electricity generation, and heat and steam supply increased by 2%, 2% and 11%, respectively, as compared with the first half of 2025, while 1 WTE project received regulatory approval to increase the waste treatment fee. In the environmental water sector, WWT volume and reusable water treatment volume increased by 6% and 3%, respectively, as compared with the first half of 2025, while 2 WWT plants received regulatory approval for tariff hikes. In the greentech sector, waste intake volume, biomass raw material processing volume and heat and steam supply volume increased by 2%, 4% and 19%, respectively, as compared with the first half of 2025. Meanwhile, adhering to the principles of "differentiated measures, targeted support, addressing both symptoms and root causes, and long-term control", the Group solidly advanced dedicated initiatives to improve the performance of low-quality and low-efficiency projects, helping to enhance their operation revenue levels.

In respect of project construction, during the period under review, the Group had 12 projects commenced operation and 4 projects completed construction, and delivered 4 environmental remediation services upon completion. Additionally, 10 projects commenced construction, and 5 environmental remediation services entered the implementation phase.

In respect of technology research and development ("R&D"), during the period under review, the Group continued to deepen reform of its technology R&D system and digital-intelligent transformation, with technological innovation increasingly empowering the Group's transformation efforts. In terms of R&D management, it completed the organisational restructuring of envirotech sector, revised its core operating rules and R&D management systems, and established cross-sector task forces focusing on key areas including fly ash resource utilisation and high-value utilisation of biomass, significantly strengthening its collaborative strength in tackling key technology R&D challenges. In terms of key technological development, the Group launched more than ten company-level and business sector-level research projects and advanced key initiatives such as fly ash resource utilisation and fly ash re-injection in an orderly manner. Its Small and Micro Grate Furnace technology was appraised as internationally leading, with multiple units deployed and put into operation. The pace of transforming technological achievements into commercial applications continued to accelerate. In terms of digital-intelligent transformation, the customer relationship management (CRM) system and the integrated business-finance platform were fully launched. The Group also formulated its first overall construction plan for artificial intelligence ("AI"), deploying AI applications across office operations, procurement and finance. Meanwhile, construction of the five flagship technology demonstration projects progressed steadily, underpinning a gradual enhancement of the Group's digital capabilities.

As of 30 June 2026, the granted intellectual property rights held and major technical essays published by the Group are listed below:

	First half of 2026	**As at 30 June 2026 (cumulative)**
Granted intellectual property rights	58	**2,398**
Invention patents	30	**403**
Utility model patents	27	**1,598**
Software copyrights	1	**342**
Appearance patents	–	**55**
Major technical essays	4	**110**

During the period under review, the Group captured market opportunities and cumulatively issued RMB6.0 billion of the MTN, maintaining its overall funding costs at a relatively low level. It also effectively curbed interest expenses by lowering its loan balance, while continuing to bolster its overseas credit facilities and offshore debt management. In the first half of 2026, the Group received approximately RMB60 million in various government subsidies. As at 30 June 2026, the Group had cash on hand of HK$9.918 billion, with a reasonable level of debt and a healthy financial position.

In the first half of 2026, the major financing arrangements of the Group are summarised below:

Issue date	Financing arrangements and use of proceeds	Issue size *(RMB)*
February 2026	The Company completed the issuance of the 2026 MTN (series 1) in the PRC, with the proceeds intended for the repayment of the Company's MTN within the PRC.	2 billion
April 2026	The Company's wholly-owned subsidiary, Everbright Environmental Protection (China) Limited ("EEP China"), completed the issuance of the 2026 green MTN (series 1) in the PRC, with the proceeds intended for green and low-carbon WTE projects under EEP China.	1 billion
April 2026	The Company's listed subsidiary China Everbright Greentech Limited ("Everbright Greentech") completed the issuance of the first tranche of green MTN in 2026 in the PRC, with the proceeds intended for the repayment of interest-bearing debts of Everbright Greentech, replenishment of working capital and/or investment in and construction of environmental protection projects, and for other business development purposes.	1 billion
April 2026	The Company completed the issuance of the 2026 green MTN (series 2) (carbon neutrality bond) in the PRC, with the proceeds intended for the redemption of the Company's domestic perpetual MTN within the PRC.	2 billion

In respect of environmental contribution, the Group actively pursued energy conservation, emission reduction, pollution prevention and carbon reduction, driving coordinated improvements in social, economic and environmental benefits. During the period under review, the Group's key environmental contributions are summarised below:

	Treatment volume	**Environmental contributions**
Household waste intake	29,253,000 tonnes	Generated approximately 14,328,785,000 kWh of electricity, which could support the annual electricity consumption needs of approximately 11,941,000 households, equivalent to saving approximately 5,732,000 tonnes of standard coal; and supplied approximately 4,424,000 tonnes of heat and steam, together displacing approximately 7,470,000 tonnes of CO_2 equivalent ("CO_2e") greenhouse gas ("GHG") emissions in total.
Hazardous and solid waste processed	229,000 tonnes	
Agricultural and forestry waste processed	3,897,000 tonnes	
Waste water treated	888,712,000 m^3	Reduced Chemical Oxygen Demand ("COD") emissions by 470,000 tonnes.
WTE plants' leachate treated	6,975,000 m^3	

Since the Group's first environmental protection project commenced operation in 2005, a summary of its major environmental contributions is summarised below:

	Treatment volume	**Environmental contributions**
Household waste intake	413,675,000 tonnes	Generated approximately 201,905,185,000 kWh of electricity, which could support the annual electricity consumption needs of approximately 168,255,000 households, equivalent to saving approximately 80,762,000 tonnes of standard coal; and supplied approximately 29,259,000 tonnes of heat and steam, together displacing approximately 151,191,000 tonnes of CO_2e GHG emissions in total.
Hazardous and solid waste processed	3,453,000 tonnes	
Agricultural and forestry waste processed	61,701,000 tonnes	
waste water treated	20,944,274,000 m^3	Reduced COD emissions by 8,874,000 tonnes.
WTE plants' leachate treated	95,086,000 m^3	

On social responsibility, during the period under review, the Group consistently integrated its own development into the advancement of urban ecological civilisation. Three cities in which the Group has maintained a long-term service presence, namely Suzhou in Jiangsu Province, Hangzhou in Zhejiang Province and Sanya in Hainan Province, were successfully selected in the inaugural 20 Cities Towards Zero Waste, an initiative announced by the United Nations. The Group's Qihe WTE Project in Shandong Province and Xinzheng WTE Project in Henan Province were featured on the Xuexi Qiangguo multimedia platform. These two authoritative recognitions fully substantiate the Group's important role and brand influence in advancing "Zero-Waste City" development and green, low-carbon transition. At the same time, the Group continued to carry out environmental popularisation and public welfare initiatives through its projects. In the Chinese mainland, a series of public open day activities were organised in conjunction with key occasions such as World Water Day and World Environment Day, giving the public a first-hand understanding of the full process of turning waste into resources and waste water into clean water. In Hong Kong, China, the Green Wings Program of China Everbright Environment Charity Foundation continued to advance environmental education by organising study tours for teachers and students of primary and secondary schools in Hong Kong to the Group's environmental protection projects in the Chinese Mainland. The Group also jointly carried out coastal clean-ups and community outreach activities with corporate partners in Hong Kong. Through the combined efforts of government, enterprises and schools, as well as cross-regional exchanges, the Group spread green values across all sectors of society and fulfilled its corporate social responsibility.

During the first half of 2026, the Group remained actively engaged and continued to make dedicated efforts in business operations, sustainable development and social responsibility, earning a number of awards and honors both domestically and internationally. The Group's major awards and honors are summarised below:

Category	**Award/recognition**	**Awarding organisation(s)**
Management and governance	Asia's Best CEO	16th Asian Excellence Awards by *Corporate Governance Asia*
	The Company's listed subsidiary China Everbright Water Limited ("Everbright Water") was listed in the "Top 10 Influential Enterprises in China's Water Industry" (for the ninth consecutive year)	E20 Environment Platform
Technological innovation	"Key Technologies and Equipment for the Directional Thermochemical Conversion of Biomass" awarded the Second Prize of the 2025 National Science and Technology Progress Awards	Ministry of Science and Technology of the PRC
	The case of applying large language model to empower operations management was included in the Compilation of *Typical Applications of Digital Ecological Civilisation* released at the 9th Digital China Summit	National Development and Reform Commission, National Data Administration, Office of the Central Cyberspace Affairs Commission, Ministry of Industry and Information Technology of the PRC, and Fujian Provincial People's Government.

Category	Award/recognition	Awarding organisation(s)
Technological innovation (continued)	"Research on Efficient Dry Sodium Bicarbonate Flue Gas Deacidification Technology for Waste Incineration" won the Second Prize of the Science and Technology Progress Awards under All-China Environment Federation Science and Technology Awards	All-China Environment Federation
	"Key Technologies and Equipment for Low-Carbon Combustion of Multi-Source Combustible Solid Waste in Circulating Fluidised Beds" was awarded the First Prize of the 2025 Environmental Protection Equipment Technology Innovation Awards	China Association of Machinery Industry for Environmental Protection
	"Key Technologies and Applications for the Targeted Pyrolysis of Multi-Source Sludge-Like Waste" was awarded the First Prize of the Tianjin Technology Invention Awards	Tianjin Municipal People's Government
	"Precise Multi-Pollutant Control and Prevention Technologies and Applications Throughout the Entire Waste Incineration Process" was awarded the First Prize of the Hainan Provincial Science and Technology Progress Awards	Hainan Provincial Department of Science and Technology

Category	Award/recognition	Awarding organisation(s)
Technological innovation (continued)	"Key Technologies and Industrial Applications of Multi-Path Low-Carbon Resource Utilisation of Fly Ash from Waste Incineration" was awarded the Third Prize of the 2025 Jiangsu Provincial Outstanding Construction Science and Technology Achievement Awards	Jiangsu Provincial Department of Housing and Urban-Rural Development
	"Low-cost Disposal Technology for Decommissioned Wind Turbine Blades through Pyrolysis Coupled with WTE Generation" was awarded the Outstanding Project Award	BRICS Industrial Innovation Contest 2026
Operations management	The Group's Jiangxi Jiujiang WTE Project was accredited as a National "AAA-Rated Household Waste Incineration Plant", becoming the Group's 27th WTE project to receive this honor	China Association of Urban Environmental Sanitation
	The Group's Jiangsu Wuxi Xidong WTE Project was accredited as a "Grade I Enterprise for Standardised Power Safety Production"	China Electricity Council
	The Group's Henan Pingyu WTE Project was recognised as an "Advanced Intelligent Factory of Henan Province"	Department of Industry and Information Technology of Henan Province

Category	Award/recognition	Awarding organisation(s)
Sustainable development	A constituent of Dow Jones Best-in-Class Indices (formerly the Dow Jones Sustainability Indices) (for the tenth consecutive time)	S&P Global
	A constituent of Hang Seng Corporate Sustainability Benchmark Index (for the fifteenth consecutive time)	Hang Seng Indexes
	Included in the *Sustainability Yearbook* (for the ninth time)	S&P Global
	Included in the *Sustainability Yearbook (China Edition)* (for the fourth consecutive year)	S&P Global
	Sustainable Asia Award and Best Environmental Responsibility	16th Asian Excellence Awards by *Corporate Governance Asia*
Social responsibility	A popular science short video "The Metamorphosis of Waste: A Fun Look at the Full Process of WTE Generation" won the national first prize in the 2026 "I am a Beautiful China Narrator" competition	Ministry of Ecology and Environment of the PRC
	The Group's Jiangxi Ji'an WTE Project was recognised as the "Jiangxi Provincial Ecological Environment Emergency Training Base"	Department of Ecology and Environment of Jiangxi Province
	The Group's Henan Lankao WTE Project was recognised as an "On-site Teaching Base" of the Henan Jiao Yulu Cadre Academy	Henan Jiao Yulu Cadre Academy

I. Environmental Energy

Environmental energy is the Group's largest and highest-contributing core business sector. It encompasses WTE, food and kitchen waste treatment, leachate treatment, fly ash treatment, biogas power generation, sludge treatment and disposal, construction and decoration waste treatment, development of environmental protection industrial parks, integrated urban services, waste sorting, resource utilisation and recycling, as well as environmental technical consulting, engineering design, and general engineering contracting. During the period under review, environmental energy continued to focus on the solid waste business, refining its WTE business chain layout and consolidating its industry-leading position.

As of 30 June 2026, environmental energy had invested in and secured a total of 284 projects, with a total investment of approximately RMB101.378 billion. It also undertook 3 O&M projects, 2 Engineering, Procurement, Construction and Operation ("EPCO") projects, and other types of asset-light businesses. The designed capacities of these projects (including capacity under the O&M model) include, but are not limited to: an annual household waste processing capacity of 55,297,500 tonnes, annual on-grid electricity generation of 19,288,795,800 kWh, an annual food and kitchen waste processing capacity of 3,151,045 tonnes, and an annual heat and steam supply capacity of 1,910,832 tonnes.

As of 30 June 2026, the status of WTE projects under environmental energy is summarised as below:

Project status	**Number of projects**	**Designed processing capacity (tonnes/annum)**
In operation*	164	51,903,000
Under construction	5	2,701,000

* *Including project(s) involving O&M services*

As of 30 June 2026, 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*	111	11,591,417
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 project(s) involving O&M services*

In respect of market expansion, during the period under review, environmental energy continued to pursue opportunities within and outside China and achieved encouraging progress. In overseas markets, it secured a number of asset-light businesses, expanding to markets such as the Philippines and Seychelles; it also made landmark progress in expanding into markets such as Vietnam and Indonesia, actively advancing the deployment of its solid waste business across Southeast Asia. In the Chinese market, it promoted the coordinated development of multiple specialised business areas, including heat and steam supply, environmental sanitation operation and maintenance, and harmless treatment of organic waste gas, with solid incremental growth demonstrating the economies of scale and growth resilience of its asset-light business model. In the first half of 2026, environmental energy signed 52 new contracts for various asset-light services, with a total contract value of approximately RMB172 million.

In respect of operations management, during the period under review, environmental energy deepened its refined management efforts. The average power generation per tonne of incoming waste fed into the furnace at the WTE projects was 461 kWh; the comprehensive plant power consumption rate was approximately 14.7%, maintaining a similar level compared with the first half of 2025; with multiple core operational indicators improving significantly from the first half of 2025: waste intake volume was approximately 27,139,000 tonnes, representing an increase of approximately 2% as compared with the first half of 2025; on-grid electricity was approximately 9,025,781,000 kWh, representing an increase of 2% as compared with the first half of 2025; heat and steam supply was approximately 1,828,000 tonnes, representing an increase of 11% as compared with the first half of 2025; and food and kitchen waste processing volume was approximately 1,081,000 tonnes, representing an increase of 2% as compared with the first half of 2025. In addition, 1 WTE project received regulatory approval to increase waste treatment fees.

In respect of project construction, during the period under review, 8 projects commenced operation upon completion of construction works, with a total designed daily household waste processing capacity of 900 tonnes. 6 projects commenced construction.

During the period under review, the Group's environmental energy sector contributed an EBITDA of HK$4,373,438,000, representing an increase of 3% as compared with the first half of 2025. Environmental energy contributed a net profit attributable to the Group of HK$2,477,467,000, representing a decrease of 3% as compared with the first half of 2025. The decrease in profit was mainly attributable to the continuous improvement in key operational indicators during the period under review, which resulted in an increase in operating gross profit, however, this gain was offset by the increase of income tax due to expiration of tax incentives on operating projects.

Major operating data relating to environmental energy for the first half of 2026 is summarised as below:

	For the six months ended 30 June 2026	**For the six months ended 30 June 2025**	**Percentage change**
Waste intake volume *(tonnes)*	**27,139,000**	26,498,000	2%
Food and kitchen waste processing volume *(tonnes)*	**1,081,000**	1,060,000	2%
Heat and steam supply *(tonnes)*	**1,828,000**	1,653,000	11%
On-grid electricity *(MWh)*	**9,025,781**	8,859,563	2%

II. Environmental Water

As of 30 June 2026, the Group held a 72.87% stake in Everbright Water. As the Group's environmental water sector, Everbright Water is listed on the Mainboard of the Singapore Exchange Securities Trading Limited and the Main Board of the Stock Exchange. As a leading water environment management service provider in China, Everbright Water focuses on the "water-related" business areas. It has developed a full-fledged business coverage across raw water protection, water supply, municipal WWT, industrial WWT, reusable water, river-basin ecological restoration, and sludge treatment and disposal. It specialises in project investment, planning and design, technology R&D and related services, engineering and construction, operations management, and integrated diagnosis, among others.

As of 30 June 2026, Everbright Water had invested in and secured 173 projects, with a total investment of approximately RMB31.943 billion. It also undertook 17 O&M services and other asset-light businesses. The designed capacities of these projects (including capacity under the O&M model) are as follows: an annual WWT capacity of 2,359,743,250 m^3, an annual reusable water supply capacity of 118,479,000 m^3, an annual water supply capacity of 310,250,000 m^3, an annual sludge treatment capacity of 793,875 tonnes, and an annual livestock and poultry manure treatment capacity of 109,500 tonnes.

As of 30 June 2026, Everbright Water's water projects are summarised as below:

Project status	**Number of projects**	**Designed treatment capacity (m^3/annum)**
In operation*	169	2,581,517,250
Under construction	7	80,300,000

* *Including project(s) involving O&M services*

In respect of market expansion, during the period under review, Everbright Water adhered to the strategy of "synergistic development of asset-light and asset-heavy businesses", seized structural opportunities in the industry, and achieved steady business expansion. In terms of the advantageous core business, it secured Huaiyin Project Phase III, continuously consolidating the foundation of its core business. For emerging businesses, it closely tracked policy guidance and market demand, proactively deploying in segments such as advanced treatment of industrial waste water from the electronics industry and comprehensive treatment of agricultural non-point source pollution. It conducted preliminary market research and built technological pipelines, and continuously expanded the market coverage of its business. In terms of asset-light business, Everbright Water conducted technical verification and model refinement leveraging internal project scenarios, gradually developing a full-chain service capability covering technical solutions, core equipment, and operations management, and replicating and promoting the same to external markets. In the first half of 2026, Everbright Water invested in and secured 1 new project with an investment of approximately RMB90 million. It also signed multiple new contracts for asset-light businesses, with a total contract value of approximately RMB68 million, adding a designed daily water treatment capacity of 20,000 m^3.

In respect of operations management, during the period under review, Everbright Water strengthened the foundation of asset-heavy operations and pressed ahead with refined operations management. In terms of efficiency improvement, it established a "three-in-one" operational diagnostic mechanism integrating performance evaluation, process reliability monitoring, and digital-intelligent equipment monitoring. It also implemented targeted technological upgrades to address energy and material consumption issues in production and operation of projects, thereby fostering a steady increase in capacity utilisation rate of each project. With respect to cost reduction, Everbright Water implemented a variety of comprehensive measures, including process optimisation, substitution with low-carbon sources, intelligent project monitoring, and centralised procurement of bulk materials. It effectively offset the operational pressure arising from fluctuations in chemical prices, achieving a year-on-year reduction in unit cost of chemicals for WWT. In terms of revenue increase, 2 WWT plants of Everbright Water were approved to increase the WWT service fees, with the adjustments ranging from 8% to 35%.

In respect of project construction, during the period under review, 2 projects commenced operation upon completion of construction works, with a designed daily water treatment capacity of 20,000 m^3. 4 projects commenced construction, with a designed daily water treatment capacity of 30,000 m^3.

During the period under review, the environmental water sector contributed an EBITDA of HK$1,082,359,000 to the Group, representing a decrease of 9% as compared with the first half of 2025, and recorded a net profit attributable to the Group of HK$382,301,000, representing a decrease of 7% as compared with the first half of 2025. The decrease in profit was mainly attributable to the decrease in revenue from construction services during the period under review.

The major operating data relating to environmental water for the first half of 2026 is summarised as below:

	For the six months ended 30 June 2026	**For the six months ended 30 June 2025**	**Percentage change**
WWT volume *('000 m^3)*	**888,712**	835,143	6%
Raw water supply volume *('000 m^3)*	**46,416**	N/A	N/A
Reusable water volume *('000 m^3)*	**19,975**	19,324	3%

III. Greentech

As of 30 June 2026, the Group held a 69.70% stake in Everbright Greentech. As the Group's greentech sector, Everbright Greentech is a company listed on the Main Board of the Stock Exchange, focusing on integrated biomass utilisation, hazardous and solid waste treatment, environmental remediation, and new energy such as solar power and wind power.

As of 30 June 2026, Everbright Greentech had invested in and secured 141 projects, with a total investment of approximately RMB30.563 billion. These projects are designed to have an annual biomass raw material processing capacity of 8,259,800 tonnes, an annual household waste and food and kitchen waste processing capacity of 4,237,650 tonnes, an annual hazardous and solid waste processing capacity of 2,214,870 tonnes, an annual on-grid electricity supply of 7,144,335,000 kWh, and an annual heat and steam supply capacity of 6,306,663 tonnes. Solar power and wind power projects have a total installed capacity of 276.91 MW, while energy storage projects have an energy storage capacity of 22.20 MW. In addition, Everbright Greentech undertook 11 environmental remediation services (excluding those that had been completed and delivered).

As of 30 June 2026, Everbright Greentech's solar power and wind power projects (including zero-carbon park projects) are summarised as below:

Project status	Number of project(s)	Designed installed capacity (MW)
In operation	37	256.91

In respect of market expansion, during the period under review, Everbright Greentech anchored on the core business of "clean energy" and strengthened the synergistic development of traditional advantage businesses and emerging businesses. In the first half of 2026, Everbright Greentech signed 3 new contracts for environmental remediation services, with a total contract value of approximately RMB58 million.

In respect of operations management, during the period under review, Everbright Greentech deepened refined operations management and steadily implemented measures to improve quality and enhance efficiency, while tapping into internal potential and achieving notable results in cost reduction and efficiency enhancement. Integrated biomass utilisation projects continued to consolidate their performance, with key operational indicators such as waste intake volume, biomass raw material processing volume, and heat and steam supply all trending upward, representing increases of 2%, 4% and 19%, respectively, as compared with the first half of 2025. The heat and steam supply business gained momentum, with steam sales volume and heat supply revenue recording significant growth. The hazardous and solid waste business continuously reduced operating cost by implementing tailored, case-by-case measures for each key project in need of focused support. As a result, several of these projects have turned losses into profits or substantially narrowed their deficits, reflecting steady improvements in operational quality and efficiency.

In respect of project construction, during the period under review, Everbright Greentech had 1 solar power project commenced operation upon completion of construction works, and 4 environmental remediation services were completed and delivered. In addition, 5 environmental remediation services commenced remediation works.

During the period under review, the Group's greentech sector contributed an EBITDA of HK$1,043,508,000, representing an increase of 6% as compared with the first half of 2025. Greentech contributed a net profit attributable to the Group of HK$122,252,000, representing a decrease of 12% as compared with the first half of 2025.

Major operating data relating to greentech for the first half of 2026 is summarised as below:

	For the six months ended 30 June 2026	**For the six months ended 30 June 2025**	**Percentage change**
Waste intake volume *(tonnes)*	**2,114,000**	2,074,000	2%
Biomass raw material processing volume *(tonnes)*	**3,897,000**	3,742,000	4%
Hazardous and solid waste processing volume *(tonnes)*	**229,000**	240,000	-5%
Heat and Steam supply volume *(tonnes)*	**2,595,000**	2,176,000	19%
On-grid electricity *(MWh)*	**3,305,000**	3,426,000	-4%

IV. Equipment Manufacturing

Operating through Everbright Environmental Technical Equipment (Changzhou) Limited as its platform, the Group's equipment manufacturing sector applies its proprietary core technologies and extensive expertise to deliver full lifecycle environmental equipment and technical services, further solidifying its industry-leading position.

In respect of market expansion, during the period under review, equipment manufacturing sustained strong momentum in market expansion. It focused on breaking into markets for Small and Micro Grate Furnaces and water-cooled grate furnaces, among others. It continued to achieve breakthroughs in the export of asset-light business models overseas, while actively exploring market opportunities in the resource utilisation of decommissioned lithium batteries, photovoltaic panels and wind turbine blades, thereby further enhancing business diversification.

In the first half of 2026, equipment manufacturing signed 5 contracts for external sales of complete equipment, with a total contract value of approximately RMB266 million, covering incinerators, flue gas purification equipment, leachate treatment systems and new products. On the equipment supply and after-sales service front, supply services were initiated for 137 projects; production was completed for 17 sets of grate furnaces for internal and external clients; and 37 sets/lines of complete equipment, including incineration systems and leachate treatment systems, were delivered. Equipment manufacturing also signed 77 contracts for external after-sales services and other services, with a total contract value of approximately RMB316 million. The sector also provided 142 after-sales service projects for internal and external clients.

During the period under review, equipment manufacturing made solid progress in tackling key research challenges. The technical solution for the demonstration project on "Fly Ash Reduction and Resource Utilisation" was completed; the "Biomass-to-Methanol" project entered the trial operation stage; and the "High-Proportion Sludge Co-Incineration" technology achieved stable operation. In terms of digital transformation, construction of the Equipment Cloud Service e-commerce platform accelerated, while management efficiency continued to improve following the launch of the Equipment Cloud Intelligence System.

V. Envirotech

As the core vehicle of the Group's technology-driven strategy, envirotech focuses at the frontier of the industry and breakthroughs in core technologies, fully empowering the Group's business development and providing solid technological support for the Group's "Second-Stage Entrepreneurship".

In respect of technological innovation, during the period under review, envirotech steadily advanced its "3+1" key R&D directions, covering fly ash resource utilisation, high-value utilisation of biomass, waste-to-carbon and Small and Micro Grate Furnace. Among these, the demonstration project for the first 10-tonne/day Small and Micro Grate Furnace was successfully put into trial operation at the Group's Zhenjiang WTE Project, with its core processes and equipment certified as reaching an internationally leading level. The fly ash resource utilisation initiative successfully established the "return-to-furnace" process route, while waste-to-carbon advanced exploration of its profitability model and preparation for demonstration project construction. New technologies, including innovative water-powered ash removal, resource utilisation of food waste water and intelligent security products, were successfully applied. In addition, the flagship technology demonstration projects, covering "Energy Saving and Efficiency Enhancement" and "Intelligentisation" were steadily implemented, supporting the Group in accelerating the cultivation of new quality productive forces for environmental protection.

EVENTS AFTER THE REPORTING PERIOD

On 9 July 2026, Everbright Greentech completed the issuance of the 2026 second tranche of green MTN (Carbon-neutral Bond) in the national inter-bank bond market of the PRC with a principal amount of RMB1.0 billion, an interest rate of 1.61% per annum for a maturity period of 2 years. The proceeds from the issuance of the MTN are being used for the repayment of Everbright Greentech's interest-bearing debts, replenishment of the working capital and/or investment in and construction of the environmental protection projects and for other business development purposes.

On 10 July 2026, Everbright Water completed the issuance of the 2026 first tranche of MTN in the national inter-bank bond market of the PRC with a principal amount of RMB1.5 billion, an interest rate of 1.80% per annum for a maturity period of 5 years (with an interest rate adjustment option to be exercised by Everbright Water and a resale option to be exercised by the noteholders at the end of the third interest-bearing year). The proceeds from the issuance of the MTN were used to repay the existing bonds of Everbright Water.

BUSINESS PROSPECTS

Looking ahead, the Group is currently in a period of renewal and recovery, gathering momentum and poised for growth, with its development foundations having been fundamentally reshaped and further strengthened. The second half of the year 2026 will be a period for tackling the Group's annual targets and key tasks, as well as a decisive period for securing a smooth start to the "15th Five-Year Plan" period. Anchored to its goal of "Becoming a World-Class Environmental Enterprise with Chinese Characteristics", the Group will remain committed to making progress while maintaining stability, tackling weaknesses and shoring up areas for improvement with determined effort, thereby ensuring steady and solid progress in high-quality development.

In terms of operational management, the Group will continue to deepen refined operations, strengthen cost control and capacity enhancement, and drive quality and efficiency improvements across all business sectors. In terms of market expansion, the Group will actively pursue key project opportunities within and outside China, optimise its customer portfolio and enrich its project pipeline and customer base. In terms of technological innovation, the Group will focus on key research projects to deliver measurable outcomes, deepen the deployment of "AI+" application scenarios and develop flagship technology demonstration projects with industry demonstration value. In terms of risk management, the Group will intensify efforts to recover receivables and reinforce the responsibility for production safety. In terms of value enhancement, the Group will strengthen market capitalisation management and continue to enhance its corporate governance standards. In terms of capital management, the Group will strengthen capital planning, establish effective cash pools within and outside China and reduce funding costs. In terms of talent development, the Group will strengthen its reserve of managerial talent and improve career development pathways for employees.

The Group will remain united in purpose, answer with dedicated action and deliver with tangible results, striving to accelerate the pace of high-quality development, create long-term value for the Shareholders and all stakeholders, and contribute to building a Beautiful China.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL POSITION

As at 30 June 2026, the Group's total assets amounted to approximately HK$198,113,310,000 with net assets amounting to HK$78,181,480,000. Net asset value per share attributable to equity holders of the Company was HK$9.285 per share, representing an increase of 9% as compared to HK$8.501 per share as at the end of 2025. As at 30 June 2026, gearing ratio (calculated by total liabilities over total assets) of the Group was 61%, representing a decrease of 1 percentage point as compared with that of 62% as at the end of 2025.

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, loan facilities from banks and proceeds from the issuance of medium-term notes. As at 30 June 2026, the Group had cash and bank balances of HK$9,918,246,000, representing a decrease of 6% as compared to HK$10,524,155,000 at the end of 2025. Most of the Group's cash and bank balance, representing approximately 95%, 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 at 30 June 2026, the Group had outstanding interest-bearing borrowings of HK$90,514,258,000, representing an increase of 2% as compared to HK$88,548,513,000 as at the end of 2025. The borrowings included secured interest-bearing borrowings of HK$35,647,311,000 and unsecured interest-bearing borrowings of HK$54,866,947,000. The Group's borrowings are substantially all denominated in Renminbi. Most of the Group's borrowings are at floating rates. As at 30 June 2026, the Group had banking facilities of HK$90,998,819,000, of which HK$31,405,940,000 have not been utilised. The banking facilities are of 1 to 25-year 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 Chinese Mainland, representing over 94% 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 and lease liabilities 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 at 30 June 2026, the aggregate net book value of pledged assets and equity interests in subsidiaries amounted to approximately HK$99,756,085,000.

COMMITMENTS

As at 30 June 2026, the Group had purchase commitments of HK$1,507,412,000 outstanding in connection with the construction contracts.

CONTINGENT LIABILITIES

As at 30 June 2026, the Company granted financial guarantee to its subsidiaries. The Board considers it is not probable that a claim will be made against the Company under the guarantee. The maximum liability of the Company as at 30 June 2026 for the provision of the guarantee was HK$247,642,000.

INTERNAL MANAGEMENT

The Group has built and continuously improved the management structure to achieve maximum efficiency. The Group's management holds meetings of the Chief Executive Officer's Office regularly to review current operations and management, with a view to promoting the corporate sustainable development. 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 and implementing an effective risk management model, in order to comprehensively strengthen its risk management and control. During the period under review, the Group updated the list of risk factors according to the progress of the implementation of risk management system, with a view to continuously enhancing the systematisation and normalisation level of risk management.

During the period under review, the Group continued to uphold the fundamental principle of the safety and environmental management, namely "maintaining safe and stable operations while ensuring compliance with relevant emission standards" and strictly complied with the relevant national laws and regulations. In terms of safety, environment and occupational health, it proactively carried out routine inspections. Apart from incorporating "The Three-Year Campaign for Fundamental Safety Production Improvement", "The Ten Safety Production Prohibitions" and others into its operation, the Group paid close attention to safety management and carried out hidden hazards identification and rectification in relation to safety risk to ensure all projects, whether under construction or in operation, strictly complied with all production safety policies. These steps secured the stable operation of environmental protection projects including 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 safe and professional 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.

After adopting the policies including the employee hierarchy system, remuneration reform, performance appraisal and rating system, promotion points system last year, the Group applied these new systems in bonus distribution and staff promotion arrangement in the first half of the year. This ensures that the outstanding staffs are rewarded and promoted, and hence growing together with the company.

The group actively responds to the national call to establish and practice a correct understanding of governance performance. Based on the Group's overall goals of 'Second-Stage Entrepreneurship' and 'Three Major Development Directions' as well as actual business environment, the Group has revised and improved related talent recruitment and development systems. This includes the 'Trial Method for Market-Oriented Talent Recruitment Management' and 'Talent Pool Management Policy', which aims at enhancing market-oriented selection methods, creating a competitive advantage for our talent resources, and building a tiered talent pipeline of 'immediate availability, mid-term development, and long-term attention.' This ensures the talent pool accurately meets business needs and effectively drives the implementation of the '15th Five-Year' talent development strategy.

Combining online and offline approaches, our group has successively held meetings and seminars on production safety, cybersecurity, policies' briefing and integrity and self-discipline. These allow staff at all levels to continuously learn, improving their overall skills and quality, and better realizing their potential. To strengthen employee sense of belonging, the Group continuously improves the canteen's standard, held sports activities and competitions, Labor Day Recognition events and Women's Day activities. These measures help relieve work stress, promote positive attitude, and better prepare all employees for tackling various new challenges.

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 30 June 2026, the Group had approximately 15,400 employees. Details of the total employee benefit expense for the period under review are set out in the 2026 interim 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, China and Chinese Mainland.

PRINCIPAL RISKS AND UNCERTAINTIES

During the period under review, the Group continued to advance its risk management initiatives and conducted thorough identification and assessment of the principal risks it faces, including accounts receivable risk, environmental compliance and safety management risk, strategic and market risk, operational stability risk, procurement compliance risk, policy changing risk and foreign exchange risk. Based on the specific manifestations of each principal risk, the Company formulated and implemented targeted control measures to ensure that overall risks remained under control. Further details will be set out in the 2026 interim 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 the first half of 2026, the Group continued to implement relevant management policies, covering structure and responsibilities, accident management, flood control, risk classification, hidden danger investigation, safety and environment training, information reporting, rating of the safety and environmental management levels of the operating projects and construction projects, fire safety management, related parties' management, occupational health, public opening, etc.

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

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

The Group's 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 public platform for the disclosure of automatic monitoring data of municipal solid waste incineration power plants 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.

CORPORATE GOVERNANCE

Compliance with the CG 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, including but not limited to customers, suppliers, employees and the general public. The Board and the 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 Listing Rules has been duly adopted by the Board as the code on corporate governance practices of the Company.

The Company complied with all applicable Code Provisions as set out in the CG Code throughout the six months ended 30 June 2026. Subsequent to the reporting period, with effect from 17 July 2026, the Company has deviated from Code Provision C.2.1 of Part 2 of the CG Code following the resignation of Mr. Luan Zusheng as an executive Director ("Executive Director") and the chief executive officer (the "CEO") of the Company, and the assumption of the duties of Acting CEO by Mr. Wang Silian, currently the Executive Director and the Chairman of the Board. Mr. Wang is familiar with the business of the Group and possesses extensive management experience and exceptional professional expertise. His assumption of the duties of Acting CEO will maintain the efficiency of the Group's decision-making and operations, thereby ensuring the continued implementation of the Group's overall strategies. The Board believes that the balance of responsibilities and authority under the current arrangement will not be impaired and that the Company will continue to make and implement decisions in a timely and effective manner. Nevertheless, the Company will review the current arrangement from time to time and will consider separating the roles and duties of the Chairman of the Board and the CEO at an appropriate time to better comply with the relevant provision of the CG Code. Details are set out in the announcement of the Company dated 17 July 2026.

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.

Details of the Company's corporate governance practices are set out in 2025 annual report of the Company published in April 2026.

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 Directors confirmed that they had complied with the required standard of dealings as set out in the Model Code throughout their tenure during the six months ended 30 June 2026.

INTERIM DIVIDEND

The Board has declared payment of an interim dividend of HK16.0 cents per share (2025: HK15.0 cents per share) for the six months ended 30 June 2026, payable to the Shareholders whose names appear on the register of members of the Company (the "Register of Members") on Friday, 25 September 2026 (the "Record Date"). The interim dividend will be paid to the Shareholders on or around Tuesday, 20 October 2026.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of ascertaining the Shareholders' entitlement to the interim dividend, the Register of Members will be closed from Wednesday, 23 September 2026 to Friday, 25 September 2026, both days inclusive, during which period no transfer of shares will be registered. Shareholders, whose names appear on the Register of Members on the Record Date, i.e. Friday, 25 September 2026, will be entitled to the interim dividend. In order to qualify for the interim 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 no later than 4:30 p.m. on Tuesday, 22 September 2026.

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

During the six months ended 30 June 2026, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company.

REVIEW OF INTERIM FINANCIAL RESULTS

The Audit Committee of the Company has reviewed the interim financial results of the Company for the six months ended 30 June 2026 for the Board's approval.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This announcement is published on the websites of the Company (www.cebenvironment.com/announcementsEn.html) and Hong Kong Exchanges and Clearing Limited ("HKEx") (www.hkexnews.hk). The 2026 interim 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 SAR of China, 28 August 2026

As at the date of this announcement, the Board comprises: (i) an Executive Director, namely Mr. Wang Silian (Chairman of the Board); (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 Mr. Fok Kai Man.