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## **CHINA EVERBRIGHT ENVIRONMENT GROUP LIMITED**

**中國光大環境(集團)有限公司**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 257)**

### **ANNOUNCEMENT**

### **INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2021**

#### **HIGHLIGHTS**

- Revenue increased by 44% to HK\$26,495,324,000 (2020: HK\$18,377,460,000)
- EBITDA increased by 29% to HK\$8,197,532,000 (2020: HK\$6,369,203,000)
- Profit before tax increased by 27% to HK\$5,983,990,000 (2020: HK\$4,695,835,000)
- Profit attributable to equity holders of the Company increased by 28% to HK\$3,887,378,000 (2020: HK\$3,028,747,000)
- Interim dividend of HK19.0 cents per share (2020: HK14.0 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 2021. The interim financial results are unaudited, but have been reviewed by Ernst & Young (“EY”), 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, whose report on review of interim financial information is included in the interim report to be sent to the shareholders of the Company (the “Shareholders”). The interim financial results have also been reviewed by the Company’s Audit Committee (the “Audit Committee”).

## CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2021

		<b>For the six months ended 30 June</b>	
		2021	2020
		(Unaudited)	(Unaudited)
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>REVENUE</b>	4	<b>26,495,324</b>	18,377,460
Direct costs and operating expenses		<u>(17,994,592)</u>	<u>(11,888,239)</u>
Gross profit		<b>8,500,732</b>	6,489,221
Other revenue		<b>412,678</b>	345,173
Other income and gains/(losses), net		<b>(171,940)</b>	(48,365)
Administrative expenses		<u>(1,388,868)</u>	<u>(1,069,769)</u>
<b>PROFIT FROM OPERATING ACTIVITIES</b>		<b>7,352,602</b>	5,716,260
Finance costs	6	<b>(1,436,973)</b>	(1,132,042)
Share of profits of joint ventures		<b>46,050</b>	106,668
Share of profits of associates		<u>22,311</u>	<u>4,949</u>
<b>PROFIT BEFORE TAX</b>	5	<b>5,983,990</b>	4,695,835
Income tax	7	<u>(1,379,777)</u>	<u>(1,065,690)</u>
<b>PROFIT FOR THE PERIOD</b>		<u><b>4,604,213</b></u>	<u>3,630,145</u>
<b>ATTRIBUTABLE TO:</b>			
Equity holders of the Company		<b>3,887,378</b>	3,028,747
Non-controlling interests		<u>716,835</u>	<u>601,398</u>
		<u><b>4,604,213</b></u>	<u>3,630,145</u>
<b>EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY</b>	9		
– Basic and diluted		<u><b>HK63.28 cents</b></u>	<u>HK49.30 cents</u>

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2021

	For the six months ended 30 June	
	2021	2020
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
<b>PROFIT FOR THE PERIOD</b>	<b>4,604,213</b>	<b>3,630,145</b>
<b>OTHER COMPREHENSIVE INCOME/(LOSS)</b>		
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:		
Exchange differences:		
Exchange differences on translation of foreign operations	<u>1,934,608</u>	<u>(927,584)</u>
Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods	<u>1,934,608</u>	<u>(927,584)</u>
Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods:		
Other financial assets measured at fair value through other comprehensive income:		
Changes in fair value	<u>5,213</u>	<u>(2,044)</u>
Net other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods	<u>5,213</u>	<u>(2,044)</u>
<b>OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD, NET OF TAX</b>	<b><u>1,939,821</u></b>	<b><u>(929,628)</u></b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b><u>6,544,034</u></b>	<b><u>2,700,517</u></b>
<b>ATTRIBUTABLE TO:</b>		
Equity holders of the Company	<u>5,480,073</u>	<u>2,244,037</u>
Non-controlling interests	<u>1,063,961</u>	<u>456,480</u>
	<b><u>6,544,034</u></b>	<b><u>2,700,517</u></b>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2021

		30 June 2021 (Unaudited) HK\$'000	31 December 2020 (Audited) HK\$'000
	<i>Notes</i>		
<b>NON-CURRENT ASSETS</b>			
Investment properties		180,252	176,860
Property, plant and equipment		8,043,234	6,114,910
Right-of-use assets		994,184	822,265
		<u>9,217,670</u>	<u>7,114,035</u>
Goodwill		2,242,940	2,016,817
Intangible assets		27,237,482	24,926,597
Interests in joint ventures		1,112,881	1,011,847
Interests in associates		533,836	495,616
Contract assets	10	92,559,827	79,619,686
Finance lease receivables		16,120	16,100
Other financial assets		248,625	716,807
Other receivables, deposits and prepayments	11	4,500,397	3,587,975
Deferred tax assets		305,527	246,945
		<u>137,975,305</u>	<u>119,752,425</u>
<b>Total non-current assets</b>			
<b>CURRENT ASSETS</b>			
Inventories		1,446,170	1,059,140
Contract assets	10	13,223,019	12,467,366
Finance lease receivables		355	337
Other financial assets		219,839	–
Debtors, other receivables, deposits and prepayments	11	16,275,612	13,201,126
Tax recoverable		1,784	668
Pledged bank deposits		554,143	837,770
Deposits with banks with maturity period over three months		23,037	7,585
Cash and cash equivalents		14,794,177	10,860,693
		<u>46,538,136</u>	<u>38,434,685</u>
<b>Total current assets</b>			

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

30 June 2021

		<b>30 June</b>	31 December
		<b>2021</b>	2020
		<b>(Unaudited)</b>	(Audited)
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>CURRENT LIABILITIES</b>			
Creditors, other payables and accrued expenses	12	<b>22,070,176</b>	18,193,656
Interest-bearing borrowings			
– Secured		<b>3,170,319</b>	2,989,868
– Unsecured		<b>9,818,921</b>	7,509,306
		<b>12,989,240</b>	10,499,174
Tax payable		<b>268,519</b>	212,959
<b>Total current liabilities</b>		<b>35,327,935</b>	28,905,789
<b>NET CURRENT ASSETS</b>		<b>11,210,201</b>	9,528,896
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>149,185,506</b>	129,281,321
<b>NON-CURRENT LIABILITIES</b>			
Other payables	12	<b>1,129,369</b>	917,536
Interest-bearing borrowings			
– Secured		<b>37,615,914</b>	31,420,236
– Unsecured		<b>39,765,501</b>	33,059,500
		<b>77,381,415</b>	64,479,736
Deferred tax liabilities		<b>9,364,690</b>	8,339,445
<b>Total non-current liabilities</b>		<b>87,875,474</b>	73,736,717
<b>NET ASSETS</b>		<b>61,310,032</b>	55,544,604
<b>EQUITY</b>			
Equity attributable to equity holders of the Company			
Share capital		<b>17,329,537</b>	17,329,537
Reserves		<b>32,229,309</b>	27,732,520
		<b>49,558,846</b>	45,062,057
Non-controlling interests		<b>11,751,186</b>	10,482,547
<b>TOTAL EQUITY</b>		<b>61,310,032</b>	55,544,604

Notes:

## 1. BASIS OF PREPARATION

The unaudited interim financial information for the six months ended 30 June 2021 has been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “*Interim Financial Reporting*” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities 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 2020 except for the changes in accounting policies made thereafter in adopting the revised Hong Kong Financial Reporting Standards (“HKFRSs”) 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 2020 annual financial statements. The condensed consolidated interim financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2020.

The financial information relating to the year ended 31 December 2020 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 Hong Kong Companies Ordinance is as follows:

The Company has delivered the financial statements for the year ended 31 December 2020 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 2020. 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 AND DISCLOSURES

The Group has adopted the following revised HKFRSs for the first time for the current period's unaudited interim financial information:

Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	<i>Interest Rate Benchmark Reform – Phase 2</i>
Amendment to HKFRS 16	<i>Covid-19-Related Rent Concessions</i>

The adoption of the above revised HKFRSs had no significant effect on the results and financial position for the current or prior accounting periods which have been prepared and presented.

The Group has not early adopted any standard or amendment that has been issued but is not yet effective.

## 3. OPERATING SEGMENT INFORMATION

The Group manages its business by divisions, which are organised by business lines. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented four reportable segments.

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

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

- 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, provision of waste sorting, renewable resources utilisation, sanitation operation services, sales of energy-saving street lamps, and energy management contract projects 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, deferred tax assets and current assets with the exception of intercompany receivables and other corporate assets. Segment liabilities include current taxation, 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) Information about profit or loss, assets and liabilities

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the period is set out below.

*For the six months ended 30 June*

	Environmental energy project construction and operation		Greentech project construction and operation		Environmental water project construction and operation		Others		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000
<b>Segment revenue:</b>										
Revenue from external customers	18,613,894	11,672,778	4,318,203	4,245,687	3,112,935	2,120,086	450,292	338,909	26,495,324	18,377,460
Inter-segment revenue	-	-	539	188	-	-	1,032,675	1,153,669	1,033,214	1,153,857
Reportable segment revenue	<u>18,613,894</u>	<u>11,672,778</u>	<u>4,318,742</u>	<u>4,245,875</u>	<u>3,112,935</u>	<u>2,120,086</u>	<u>1,482,967</u>	<u>1,492,578</u>	<u>27,528,538</u>	<u>19,531,317</u>
<i>Reconciliation:</i>										
Elimination of inter-segment revenue									<u>(1,033,214)</u>	<u>(1,153,857)</u>
Reportable segment revenue derived from the Group's external customers									<u>26,495,324</u>	<u>18,377,460</u>
<b>Segment results:</b>										
Reportable segment profit (Adjusted EBITDA)	<u>5,520,997</u>	<u>4,084,822</u>	<u>1,636,791</u>	<u>1,595,103</u>	<u>1,085,657</u>	<u>810,659</u>	<u>349,818</u>	<u>334,729</u>	<u>8,593,263</u>	<u>6,825,313</u>
Elimination of inter-segment profits									<u>(334,846)</u>	<u>(367,208)</u>
Reportable segment profit derived from the Group's external customers									<u>8,258,417</u>	<u>6,458,105</u>
Finance costs									<u>(1,436,973)</u>	<u>(1,132,042)</u>
Depreciation and amortisation, including unallocated portion									<u>(776,569)</u>	<u>(541,326)</u>
Unallocated head office and corporate income									<u>2,693</u>	<u>7,367</u>
Unallocated head office and corporate expenses									<u>(63,578)</u>	<u>(96,269)</u>
Consolidated profit before tax									<u>5,983,990</u>	<u>4,695,835</u>
<b>Other segment information:</b>										
Depreciation and amortisation	296,770	182,059	358,498	275,135	59,932	46,684	41,520	29,070	756,720	532,948
Impairment of debtors, net	121,109	35,145	-	-	21,808	8,959	-	-	142,917	44,104
Impairment of other receivables	-	-	-	-	5,459	3,435	-	-	5,459	3,435
Impairment of contract assets	5,983	-	-	-	2,275	-	-	-	8,258	-
Additions to investment properties, property, plant and equipment and right-of-use assets during the period	234,008	93,283	880,804	562,208	13,149	11,584	105,410	26,632	1,233,371	693,707
Additions to intangible assets and non-current portion of prepayments during the period	1,732,453	1,517,756	757,552	1,157,564	138,102	75,183	20,065	14,796	2,648,172	2,765,299
Additions to non-current portion of contract assets during the period	<u>12,577,310</u>	<u>7,672,902</u>	<u>705,205</u>	<u>1,056,263</u>	<u>1,846,679</u>	<u>1,385,235</u>	<u>-</u>	<u>-</u>	<u>15,129,194</u>	<u>10,114,400</u>

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

#### (i) Information about profit or loss, assets and liabilities *(continued)*

	Environmental energy project construction and operation		Greentech project construction and operation		Environmental water project construction and operation		Others		Total	
	At 30 June 2021 (Unaudited) HK\$'000	At 31 December 2020 (Audited) HK\$'000	At 30 June 2021 (Unaudited) HK\$'000	At 31 December 2020 (Audited) HK\$'000	At 30 June 2021 (Unaudited) HK\$'000	At 31 December 2020 (Audited) HK\$'000	At 30 June 2021 (Unaudited) HK\$'000	At 31 December 2020 (Audited) HK\$'000	At 30 June 2021 (Unaudited) HK\$'000	At 31 December 2020 (Audited) HK\$'000
Reportable segment assets	<u>102,456,179</u>	<u>86,929,136</u>	<u>38,497,863</u>	<u>35,244,764</u>	<u>30,272,853</u>	<u>26,593,869</u>	<u>4,381,026</u>	<u>4,361,908</u>	<u>175,607,921</u>	<u>153,129,677</u>
Unallocated head office and corporate assets									<u>8,905,520</u>	<u>5,057,433</u>
Consolidated total assets									<u>184,513,441</u>	<u>158,187,110</u>
Reportable segment liabilities	<u>51,565,900</u>	<u>40,922,430</u>	<u>24,715,327</u>	<u>22,393,118</u>	<u>18,104,422</u>	<u>15,510,291</u>	<u>3,037,755</u>	<u>2,806,506</u>	<u>97,423,404</u>	<u>81,632,345</u>
Unallocated head office and corporate liabilities									<u>25,780,005</u>	<u>21,010,161</u>
Consolidated total liabilities									<u>123,203,409</u>	<u>102,642,506</u>

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

For the six months ended 30 June 2021 and 2020, the revenue from the Group's largest customer amounted to less than 10% of the Group's total revenues.

#### 4. REVENUE

An analysis of revenue is as follows:

	<b>For the six months ended 30 June</b>	
	<b>2021</b>	<b>2020</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Revenue from contracts with customers</b>		
Revenue from environmental energy project construction services	<b>13,139,142</b>	7,817,908
Revenue from greentech project construction services	<b>1,117,502</b>	1,735,471
Revenue from environmental water project construction services	<b>1,417,596</b>	854,948
Revenue from environmental energy project operation services	<b>3,711,837</b>	2,558,226
Revenue from greentech project operation services	<b>3,018,959</b>	2,388,147
Revenue from environmental water project operation services	<b>1,150,697</b>	808,167
Revenue from equipment construction and installation services and sales	<b>388,887</b>	242,401
Others	<b>61,405</b>	96,508
	<hr/>	<hr/>
Total revenue from contracts with customers	<b>24,006,025</b>	16,501,776
Finance income from service concession arrangements	<b>2,489,299</b>	1,875,684
	<hr/>	<hr/>
Total revenue	<b><u>26,495,324</u></b>	<b><u>18,377,460</u></b>

The aggregated revenues from environmental energy project construction and operation services, greentech project construction and operation services, environmental water project construction and operation services and finance income derived from the local government authorities in the PRC amounted to HK\$25,311,524,000 (six months ended 30 June 2020: HK\$16,765,982,000) for the six months ended 30 June 2021. The revenues are included in “Environmental energy project construction and operation”, “Greentech project construction and operation” and “Environmental water project construction and operation” segments as disclosed in note 3 to this unaudited interim financial information.

## 5. PROFIT BEFORE TAX

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

	<b>For the six months ended 30 June</b>	
	<b>2021</b>	2020
	<b>(Unaudited)</b>	(Unaudited)
	<b>HK\$'000</b>	<b>HK\$'000</b>
Depreciation		
– property, plant and equipment	<b>249,745</b>	180,120
– right-of-use assets	<b>31,901</b>	26,182
Amortisation – intangible assets	<b>494,923</b>	335,024
Dividend income	<b>(155)</b>	(2,104)
Interest income	<b>(65,467)</b>	(36,116)
Government grants*	<b>(121,240)</b>	(86,104)
Value-added tax refund**	<b>(88,671)</b>	(137,524)
Impairment of debtors, net	<b>142,917</b>	44,104
Impairment of other receivables	<b>5,459</b>	3,435
Impairment of contract assets	<b>8,258</b>	–
Fair value losses/(gains), net:		
Other financial assets – unlisted equity investment	<b>(475)</b>	(429)
Other financial assets – unlisted investments	<b>17,363</b>	(6,260)
Contingent consideration receivable	–	7,692
Employee benefit expense:		
Wages, salaries, allowances and benefits in kind	<b>1,249,665</b>	920,009
Retirement scheme contributions	<b>234,038</b>	170,373
	<b><u>1,483,703</u></b>	<b><u>1,090,382</u></b>

\* Government grants of HK\$121,240,000 (six months ended 30 June 2020: HK\$86,104,000) were granted during the six months ended 30 June 2021 mainly to subsidise certain environmental energy, greentech and environmental water 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 of HK\$88,671,000 (six months ended 30 June 2020: HK\$137,524,000) was received/receivable during the six months ended 30 June 2021 in relation to certain environmental energy, greentech and environmental water 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.

## 6. FINANCE COSTS

	<b>For the six months ended 30 June</b>	
	<b>2021</b>	<b>2020</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Interest on bank and other loans	<b>1,246,611</b>	1,057,314
Interest on corporate bond, asset-backed securities and medium-term notes	<b>122,149</b>	62,553
Interest on lease liabilities	<b>1,939</b>	2,231
Asset-backed notes arrangement fee	<b>94,328</b>	–
Others	<b>2,812</b>	15,792
Less: Interest expenses capitalised into construction in progress*	<b>(30,866)</b>	(5,848)
	<b><u>1,436,973</u></b>	<b><u>1,132,042</u></b>

\* The borrowing costs have been capitalised at rates ranging from 3.89% to 4.70% (six months ended 30 June 2020: 4.08% to 4.90%) per annum during the six months ended 30 June 2021.

## 7. INCOME TAX

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong for the six months ended 30 June 2021 (six months ended 30 June 2020: 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.

	<b>For the six months ended 30 June</b>	
	<b>2021</b>	<b>2020</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Current – Elsewhere:		
Charge for the period	<b>606,785</b>	429,081
Underprovision/(overprovision) in prior periods	<b>5,528</b>	(12,197)
Deferred	<b>767,464</b>	648,806
	<b><u>1,379,777</u></b>	<b><u>1,065,690</u></b>
Total tax expense for the period		

## 8. DIVIDENDS

	<b>For the six months ended 30 June</b>	
	<b>2021</b>	<b>2020</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Dividend attributable to the period:		
Interim – HK19.0 cents (six months ended 30 June 2020: HK14.0 cents) per ordinary share	<u>1,167,165</u>	<u>860,017</u>
Final dividend in respect of the previous financial year paid during the period: – HK16.0 cents (six months ended 30 June 2020: HK13.0 cents) per ordinary share	<u>982,876</u>	<u>798,587</u>

## 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 2021 is based on the profit for the period attributable to equity holders of the Company of HK\$3,887,378,000 (six months ended 30 June 2020: HK\$3,028,747,000) and 6,142,975,292 (six months ended 30 June 2020: 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 2021 and 2020.

## 10. CONTRACT ASSETS

		At 30 June 2021 (Unaudited) HK\$'000	At 31 December 2020 (Audited) HK\$'000
	<i>Notes</i>		
<b>Non-current</b>			
Service concession assets	(a)	92,629,996	79,680,846
Less: Impairment		<u>(70,169)</u>	<u>(61,160)</u>
		<b>92,559,827</b>	<b>79,619,686</b>
<b>Current</b>			
Service concession assets	(a)	7,957,949	6,969,899
Unbilled renewable energy tariff subsidy	(b)	4,725,238	4,815,183
Other contract assets	(c)	550,110	691,569
Less: Impairment		<u>(10,278)</u>	<u>(9,285)</u>
		<b>13,223,019</b>	<b>12,467,366</b>
Total		<b><u>105,782,846</u></b>	<b><u>92,087,052</u></b>
Contract assets arising from performance under construction contracts in connection with service concession arrangements, which are included in "intangible assets"		<b><u>2,791,037</u></b>	<b><u>4,906,015</u></b>

### Notes:

- (a) Included in "Service concession assets" are amounts of HK\$545,894,000 (31 December 2020: HK\$549,290,000) and HK\$796,359,000 (31 December 2020: HK\$789,747,000) which are related to the construction service under Build-Operate-Transfer ("BOT"), Build-Operate-Own ("BOO") and Transfer-Operate-Transfer ("TOT") arrangements rendered by the Group to a non-controlling shareholder of a non wholly-owned subsidiary and a related company of a non wholly-owned subsidiary, respectively.

"Service concession assets" arose from the Group's revenue from construction under BOT, BOO and TOT arrangements and bear interest at rates ranging from 4.90% to 7.83% (31 December 2020: 4.90% to 7.83%) per annum. Among the total of HK\$100,587,945,000 (31 December 2020: HK\$86,650,745,000), HK\$87,214,964,000 (31 December 2020: HK\$63,744,486,000) relates to BOT, BOO and TOT arrangements with operations commenced.

## 10. CONTRACT ASSETS (continued)

Notes: (continued)

(a) (continued)

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 (note 11).

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 2021 comprised contract assets of HK\$366,172,000 (31 December 2020: HK\$312,203,000) arising from performance under environmental remediation service contracts, HK\$174,584,000 (31 December 2020: HK\$237,126,000) arising from performance under construction management service contracts, and HK\$9,354,000 (31 December 2020: HK\$142,240,000) arising from performance under operation service contracts.

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

The movements in the loss allowance for impairment of contract assets are as follows:

	<i>HK\$'000</i>
As at 1 January 2020	–
Impairment losses	66,867
Exchange realignment	3,578
	<hr/>
As at 31 December 2020 and 1 January 2021	70,445
Impairment losses (note 5)	8,258
Exchange realignment	1,744
	<hr/>
As at 30 June 2021 (unaudited)	<u>80,447</u>



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

	At 30 June 2021 (Unaudited) <i>HK\$'000</i>	At 31 December 2020 (Audited) <i>HK\$'000</i>
<b>Non-current</b>		
Other receivables, deposits and prepayments	<u>4,500,397</u>	<u>3,587,975</u>
<b>Current</b>		
Debtors	<u>10,139,959</u>	6,466,852
Less: Impairment	<u>(429,892)</u>	<u>(274,248)</u>
	<u>9,710,067</u>	6,192,604
Other receivables, deposits and prepayments	<u>6,574,673</u>	7,012,043
Less: Impairment – other receivables	<u>(9,128)</u>	<u>(3,521)</u>
	<u>6,565,545</u>	<u>7,008,522</u>
	<u>16,275,612</u>	<u>13,201,126</u>
<b>Total</b>	<u><b>20,776,009</b></u>	<u><b>16,789,101</b></u>

The movements in the loss allowance for impairment of debtors are as follows:

	<i>HK\$'000</i>
As at 1 January 2020	137,443
Impairment losses, net	120,876
Exchange realignment	<u>15,929</u>
As at 31 December 2020 and 1 January 2021	274,248
Impairment losses, net ( <i>note 5</i> )	142,917
Exchange realignment	<u>12,727</u>
As at 30 June 2021 (unaudited)	<u><b>429,892</b></u>

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

The movements in the loss allowance for impairment of other receivables are as follows:

	<i>HK\$'000</i>
As at 1 January 2020	–
Impairment losses	3,342
Exchange realignment	<u>179</u>
As at 31 December 2020 and 1 January 2021	3,521
Impairment losses <i>(note 5)</i>	5,459
Exchange realignment	<u>148</u>
As at 30 June 2021 (unaudited)	<u><u>9,128</u></u>

Included in “Debtors, other receivables, deposits and prepayments” are debtors, that were not individually nor collectively considered to be impaired, with the following ageing analysis as at the end of the reporting period:

	At <b>30 June</b> <b>2021</b> <b>(Unaudited)</b> <i>HK\$'000</i>	At 31 December 2020 <b>(Audited)</b> <i>HK\$'000</i>
Current	<u><b>5,541,233</b></u>	<u>4,520,595</u>
Within 1 month past due	<b>807,826</b>	332,404
More than 1 month but within 3 months past due	<b>386,293</b>	309,733
More than 3 months but within 6 months past due	<b>1,659,443</b>	309,700
More than 6 months but within 12 months past due	<b>803,591</b>	437,638
More than 12 months past due	<u><b>511,681</b></u>	<u>282,534</u>
Amounts past due	<u><b>4,168,834</b></u>	<u>1,672,009</u>
	<u><b>9,710,067</b></u>	<u>6,192,604</u>

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

The ageing analysis of debtors, based on the date of invoice (or date of revenue recognition, if earlier) and net of loss allowance, as at the end of the reporting period is as follows:

	At 30 June 2021 (Unaudited) HK\$'000	At 31 December 2020 (Audited) HK\$'000
Within 1 month	3,830,995	3,020,631
More than 1 month but within 2 months	797,643	502,200
More than 2 months but within 4 months	571,735	522,961
More than 4 months but within 7 months	1,854,568	441,831
More than 7 months but within 13 months	1,070,494	672,977
More than 13 months	1,584,632	1,032,004
	<u>9,710,067</u>	<u>6,192,604</u>

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

Included in “Debtors, other receivables, deposits and prepayments” of the Group are debtors of HK\$9,710,067,000 (31 December 2020: HK\$6,192,604,000), of which HK\$36,341,000 (31 December 2020: HK\$16,940,000), HK\$16,462,000 (31 December 2020: HK\$33,895,000), HK\$13,856,000 (31 December 2020: HK\$25,068,000) and HK\$10,423,000 (31 December 2020: HK\$13,596,000) are due from the Group’s joint ventures, associates, a non-controlling shareholder of a non wholly-owned subsidiary and a related company of a non wholly-owned subsidiary, respectively. Debtors mainly represent revenue from the provision of operation services for environmental energy projects, greentech projects, environmental water projects and the provision of environmental protection project equipment construction and installation services and sales of related equipment and the billed amounts of the service concession assets.

Included in “Debtors, other receivables, deposits and prepayments” at 30 June 2021 are advances made to local government authorities in relation to service concession arrangements amounting to HK\$33,622,000 (31 December 2020: HK\$46,155,000) which are unsecured, interest-bearing at rates ranging from the rates announced by the People’s Bank of China to 110% of the rates announced by the People’s Bank of China, and will be settled by instalments from 2021 to 2026.

Included in “Other receivables, deposits and prepayments” under non-current assets at 30 June 2021 is other receivable of HK\$26,240,000 (31 December 2020: HK\$25,021,000) due from the Group’s non-controlling shareholder of a non wholly-owned subsidiary, which is secured, interest-bearing at 110% of the rates announced by the People’s Bank of China and repayable by December 2022.

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

Included in “Debtors, other receivables, deposits and prepayments” under current assets at 30 June 2021 are advances of HK\$18,403,000 (31 December 2020: HK\$17,614,000) to the Group’s associate for daily operation, which are unsecured, repayable on demand and interest-bearing at a rate of 4.75% per annum.

Included in “Debtors, other receivables, deposits and prepayments” under current assets at 30 June 2021 are loan to the Group’s joint ventures of HK\$6,061,000 (31 December 2020: HK\$17,768,000), which is unsecured, interest-bearing at 125% of loan prime rate announced by the People’s Bank of China and repayable in 2021, and advance and other receivables to the Group’s joint ventures of HK\$25,441,000 (31 December 2020: HK\$194,995,000), which are unsecured, interest-free and repayable within one year.

All of the current portion of the above balances are expected to be recovered or recognised as expenses within one year.

## 12. CREDITORS, OTHER PAYABLES AND ACCRUED EXPENSES

	At 30 June 2021 (Unaudited) <i>HK\$’000</i>	At 31 December 2020 (Audited) <i>HK\$’000</i>
Creditors	<b>17,576,992</b>	13,935,970
Other payables, accrued expenses and deferred income – government grants	<b><u>5,622,553</u></b>	<u>5,175,222</u>
	<b>23,199,545</b>	19,111,192
Less: Non-current portion – other payables, accrued expenses and deferred income – government grants	<b><u>(1,129,369)</u></b>	<u>(917,536)</u>
Current portion	<b><u>22,070,176</u></b>	<u>18,193,656</u>

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

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 2021 (Unaudited) <i>HK\$'000</i>	At 31 December 2020 (Audited) <i>HK\$'000</i>
Within 6 months	<b>13,909,381</b>	11,978,444
Over 6 months	<b>3,667,611</b>	1,957,526
	<b><u>17,576,992</u></b>	<b><u>13,935,970</u></b>

Creditors totalling HK\$11,922,513,000 (31 December 2020: HK\$9,481,997,000) represent construction payables for the Group’s BOT, BOO and TOT arrangements. The construction payables are not yet due for payment.

Included in “Creditors, other payables and accrued expenses” are creditors of HK\$16,102,000 (31 December 2020: HK\$6,962,000) and HK\$7,769,000 (31 December 2020: HK\$1,355,000) due to the Group’s associate and a non-controlling shareholder of a non wholly-owned subsidiary, respectively, which are unsecured, interest-free and repayable on credit terms similar to those offered by the associate or the non-controlling shareholder to their major customers.

Included in “Other payables, accrued expenses and deferred income – government grants” at 30 June 2021 are other payables of HK\$21,736,000 (31 December 2020: HK\$21,241,000) and other payables and loans of HK\$19,989,000 (31 December 2020: HK\$17,025,000) due to the Group’s associate and non-controlling shareholders of non wholly-owned subsidiaries, respectively, which are unsecured, interest-free and repayable on demand. Included in “Other payables, accrued expenses and deferred income – government grants” at 30 June 2021 is other payable of HK\$1,303,000 (31 December 2020: HK\$1,273,000) due to a non-controlling shareholder of a non wholly-owned subsidiary, which is unsecured, interest-free and repayable within one year. Included in “Other payables, accrued expenses and deferred income – government grants” at 30 June 2021 is other payable of HK\$222,032,000 (31 December 2020: Nil) due to a non-controlling shareholder of a non wholly-owned subsidiary, which is unsecured, interest-bearing at the rates announced by the People’s Bank of China and repayable within one year.

## **BUSINESS REVIEW AND PROSPECTS**

### **OPERATING RESULTS**

#### **Business Overview**

During the first half of 2021, the rapid rollout of vaccines reduced the drag on the global economy in the turbulent world of the COVID-19 pandemic (the “Pandemic”). However, the negative impact of the Pandemic resurgence is far from over, and it continues to play a vital role in the global economic recovery. While the global recovery is proving bumpy, the Chinese economy continues to improve steadily and has been returning to normal in the first year of China’s 14th Five-Year Plan period.

As the 14th Five-Year Plan proceeds, China is accelerating the creation of a new development model. On the back of high-quality development, the country has embarked on a new journey to become a modern socialist country in all respects. As highlighted in the 14th Five-Year Plan, promoting green development, achieving high-quality economic development and environmental protection in tandem, have been listed as the key priorities, an additional signal that the Chinese government is strengthening ecological conservation and environmental protection. Meanwhile, as countries around the world have further focused on carbon emissions reduction, China’s commitment to “Peak Carbon Dioxide Emissions” and “Achieve Carbon Neutrality” has stimulated global efforts to reduce carbon footprint, as well as demonstrated China’s commitment to and accountability for coping with climate change. This helps create a more clear and stable policy environment, nurtures the long-term development of areas such as environmental management, clean energy and resource recycling. As a result, relevant industries and the overall economy would further adhere to the low-carbon development model.

As a one-stop integrated environmental management service provider, Everbright Environment considers its focus on providing quality and stable environmental services, as well as keeping confidence in its strategies amid a complex and changing environment, so as to working with all sectors to survive the current unprecedented period. During the period under review, facing new situations, challenges and opportunities, the Group closely followed the “Four Three Three” strategic deployment<sup>1</sup> of China Everbright Group Ltd. (“China Everbright Group”), and set a “Three Carbons” development target. By upholding “Value Creation” as the core, implementing the “Three Five Eight Seven” development strategies, and focusing on management advancement, the Group bravely stepped out of its comfort zone and steadily carried out transformation. It continued to increase the depth and breadth of its industrial chains, strengthen the comprehensiveness and diversity of its businesses, improve the intelligence and digitalisation levels for management, and enhance technological innovation as core competitiveness. As a result, the Group achieved growth in both business scale and operational efficiency, which has further built up its overall competitiveness and solidified its industry-leading position.

### **The “Three Carbons” Development Target**

To become a carbon-negative company	To develop zero-carbon plants	To pursue low-carbon lifestyle
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### **The “Three Five Eight Seven” Development Strategy**

<b>Three areas</b>	<b>Five capabilities</b>	<b>Eight business sectors</b>		<b>Seven aspects as safeguards</b>	
Environment	Market expansion	Environmental energy	Eco-recycling	Finance	Human resources
Resources	Project construction	Greentech	Greenenergy	Bidding and procurement	Efficiency
Energy	Project operation	Environmental water	Envirotech	Budget	Corporate culture
	Equipment manufacturing	Equipment manufacturing	Environmental planning	Safety and environmental management	
	Technological innovation				

<sup>1</sup> China Everbright Group’s “Four Three Three” strategic deployment: To create “Four World-leading”, “Three First-class”, “Three Distinctive” Everbright companies in five to ten years.

During the period under review, the Group thoroughly explored industry trends and its development path, by closely following China’s goals of “Peaking Carbon Dioxide Emissions” and “Achieving Carbon Neutrality” and in light of its “Three Carbons” development target. It conducted comprehensive exploration and deployment based on various approaches, including theoretical knowledge, technological research, development positioning and business development ideas. In terms of theoretical knowledge, the Group enhanced its expertise in relevant areas through themed lectures, seminars and study groups, as well as broadened the mindset and horizon of all staff. As for technological research, the Group improved the model to calculate the carbon emissions, building a theoretical basis to help define the Group’s corporate nature in terms of carbon emissions. In addition, it developed charts to estimate its greenhouse gas emissions by 2030 and 2060 respectively, which serve as scientific evidence for its future development and technological innovation plans. The Group also established a technology research and development (“R&D”) center dedicated to carbon neutrality, with a view to catching up with internationally-advanced technologies and building a professional platform for conducting relevant researches in the future. Regarding development positioning, the Group conducted a thorough study, analysis and exploration of carbon-themed business opportunities to facilitate its business transformation and innovation. In respect of business development ideas, the Group started preparing whitepapers and action plans that focus on “Peaking Carbon Dioxide Emissions” and “Achieving Carbon Neutrality”.

In terms of operating results, during the period under review, the Group’s traditional business sectors continued stable progress and new business sectors maintained positive momentum, with operating indicators such as revenue and profit attributable to equity holders of the Company recording significant growth. Amid the normalisation of pandemic prevention and control, the Group proceeded with project construction in a safe and orderly manner, continuing to drive the growth of construction service revenue; meanwhile, operation service revenue saw a significant increase due to various measures taken to expand revenue streams, reduce expenditure and improve efficiency, in addition to the increase in the number of operating projects. With regard to finance, the Group had smooth and diverse access to financing channels, with abundant capital and good results across all financial indicators.



Major operating indicators in the first half of 2021 are summarised in the table below:

	<b>For the six months ended 30 June 2021 HK\$'000</b>	For the six months ended 30 June 2020 HK\$'000	Percentage Change
Revenue	<b>26,495,324</b>	18,377,460	44%
EBITDA	<b>8,197,532</b>	6,369,203	29%
Profit attributable to equity holders of the Company	<b>3,887,378</b>	3,028,747	28%
Basic earnings per share (HK cents)	<b>63.28</b>	49.30	28%

During the period under review, the Group recorded a total revenue of HK\$26,045,032,000 from its environmental energy, greentech and environmental water sectors, of which revenue from construction services increased by 51% from the first half of 2020 to HK\$15,674,240,000, and revenue from operation services increased by 37% from the first half of 2020 to HK\$7,881,493,000. The revenue from construction services, operation services and finance income accounted for 60%, 30% and 10% of the total, respectively.

During the period under review, with an aim to better align with the development pace and timely replenish its working capital, the Group paid close attention to market dynamics, continued to explore and enhance diversified financial channels, optimised its capital structure, as well as reasonably managed financial costs, in order to further enhance financial security for the Group's future development. In addition, the Group actively collected accounts receivable, negotiated with banks to secure additional facility support, and obtained various subsidies worth RMB486 million in total granted by government authorities. As of 30 June 2021, the Group had cash on hand of HK\$15,371,357,000, with a reasonable gearing level and healthy financial position.

The Group's major financing arrangements in the first half of 2021 are summarised in the table below:

<b>Issue date</b>	<b>Financing activities and uses of proceeds</b>	<b>Issue size (RMB)</b>
June 2021	The Company successfully issued its first tranche of 2021 medium-term notes (bond connect) in the national inter-bank bond market in mainland China for the replenishment of daily working capital for the Company's subsidiaries and repayment of bank borrowings.	2 billion
April 2021	China Everbright Greentech Limited ("Everbright Greentech"), the Company's subsidiary, successfully issued its first asset-backed notes, with receivables relating to the national subsidies for renewable energy power prices as the underlying assets for the replenishment of general working capital of Everbright Greentech or repayment of borrowings.	589 million
January 2021	China Everbright Water Limited ("Everbright Water"), the Company's subsidiary, successfully issued its second tranche of medium-term notes in the national inter-bank bond market in mainland China for the replenishment of working capital of Everbright Water's subsidiaries.	1 billion

The Group remains dedicated to creating value for and sharing development returns with the Shareholders. To reward the Shareholders for their support and taking into account the Group's long-term development, the Board proposed to pay an interim dividend of HK19.0 cents per share for the six months ended 30 June 2021 to the Shareholders (2020: HK14.0 cents per share).

As of 30 June 2021, the Group had a business presence in over 200 locations across 24 provinces, municipalities, autonomous regions and special administrative region in China, with overseas business markets in Germany, Poland and Vietnam. The Group secured a total of 499 environmental protection projects, with an aggregate investment of approximately RMB146.311 billion; it also undertook 40 environmental remediation services, 21 engineering, procurement and construction (“EPC”) projects, 5 energy management contract (“EMC”) projects and 3 operation and management (“O&M”) projects. As the world’s largest waste-to-energy investor and operator, the Group had a total of 168 waste-to-energy projects under its environmental energy and greentech sectors, with an aggregated designed daily household waste processing capacity of 144,650 tonnes.

During the period under review, the Group continued to make steady progress despite the fierce market competition, adhered to the high-quality development of traditional businesses such as waste-to-energy, and at the same time made great efforts in developing new businesses such as sorting, collecting, transferring and transporting of waste, resource recycling, and energy-saving lighting, in a bid to strike a balance between asset-light and asset-heavy businesses and the business diversification. During the period under review, Everbright Greentech entered into a share capital increase agreement with Kellon Green Energy Limited (“Kellon Company”, now known as Everbright Kellon Green Energy Limited) in Hong Kong to acquire a 60% equity interest in Kellon Company, tapping into Hong Kong’s solar energy market and marking the Group’s entry into Hong Kong’s environmental protection industry. Separately, Everbright Water’s purchase of 65% equity interest in Tianjin Binhai New Area Huantang Sewage Treatment Co., Ltd. (“Huantang Company”) helped it to tap into Tianjin’s water market. This not only further solidifies the Group’s market deployment in the Beijing-Tianjin-Hebei Region, but also marks the Group’s first attempt under the mixed-ownership reform of China’s state-owned enterprises (“SOE Mixed-ownership Reform”). In the first half of 2021, the Group signed 40 new projects (including projects secured through acquisitions) and 2 supplementary agreements on the existing projects, commanding a total investment of approximately RMB7.031 billion. In addition, it undertook 1 waste sorting pilot service, 4 environmental remediation services, 7 EPC projects, 2 EMC projects and 1 equipment supply project, with an aggregate contract value of approximately RMB228 million.

The major designed treatment and supply capacities of the new projects secured in the first half of 2021 are summarised as below:

<b>Project category</b>	<b>Designed treatment/Supply capacity</b>
Household waste	7,450 tonnes/day
Food and kitchen waste	2,130 tonnes/day
Hazardous and solid waste	100,000 tonnes/annum
Steam supply	634,000 tonnes/annum
Water treatment*	270,000 m <sup>3</sup> /day

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

In terms of safety and environmental management, the Group, being an environmental protection enterprise, shoulders the responsibility of safe production and attaches great importance to safety and environmental management. During the period under review, the Group introduced the “One Two Four Six” safety and environmental management framework, which stands for one overall target, two critical areas, four integrated aspects and six key work priorities; benchmarked against international best practices in terms of safety and environmental management; further enhanced its safety and environmental management model that involves joint operations across different levels of management; optimised various safety and environmental management systems; and carried out special improvement tasks. All-related works progressed smoothly and reported good effects.

In terms of project construction, during the period under review, with the normalisation of the Pandemic prevention and control, the Group remained committed to carrying out construction works in an orderly manner, with a focus on safety, quality, cost and compliance and adherence to the seven principles of “productivity, efficiency, quality, cost-effectiveness, legitimacy, safety and integrity”. It also enhanced the dynamic management of construction progress. As a result, the Group saw an increase in construction service revenue. In the first half of 2021, 53 projects completed construction and commenced operation, and 4 projects completed construction. Meanwhile, 23 projects commenced construction, together with 5 environmental remediation services, 1 waste sorting project, 1 EMC project and 3 EPC projects that were completed and delivered.

In terms of operations management, during the period under review, the Group, with a focus on “cost reduction and efficiency enhancement” and “value creation”, continued to uphold high management standards on its operating projects, to ensure stable operation and compliance with relevant emission standards. It also proactively built up its capabilities in digitalisation and intelligent management, as well as enhanced the platform roles of its projects. Additionally, with effective pandemic prevention and control measures in place, the Group continued to open up its projects for public visits, enhancing the transparency of its project operation.

As a pioneer in the ecological environmental protection industry, the Group regards meticulous and efficient environmental management, along with timely and accurate environmental information disclosure, as necessities to fulfill its environmental protection obligations as a corporate citizen, as well as protecting the basic right of people to pursue a better living environment. During the period under review, the Group continued to open up its projects for public visits under the premise of effective pandemic prevention and control measures. As a result, such projects received more than 55,000 local and foreign visitors from all social circles. The Group also organised online open day activities to fulfill the public demands for project visits, given the normalisation of the pandemic prevention and control measures. It is worth mentioning that the Group’s Jiangsu Zhenjiang Sponge City Construction Public-Private Partnership (“PPP”) Project (“Zhenjiang Sponge City Project”) was shortlisted as Top 5 in the Building Back Better Infrastructure Award of the United Nations Economic Commission for Europe (“UNECE”) in April 2021. The project was also presented at UNECE’s fifth International PPP Forum as one of the best People-first PPP projects. This latest international recognition underlines the project’s achievements in urban waterlogging management and contributions to the PPP model and the development of sponge cities. On the other hand, the recognition demonstrates the Group’s proactive fulfillment of its social responsibility through business operations, which has created a better living environment for the local residents, bringing them convenience and a sense of fulfillment.

Achieving an all-win situation for the society, the environment and the economic benefits has always been an important goal of the Group. Therefore, the Group upholds the philosophy of protecting the environment with social responsibility, makes tireless efforts in areas including reducing pollution and carbon emission, as well as ecological conservation, and integrates relevant concepts and measures into its daily business operations.

The Group's major environmental contribution in the first half of 2021 is summarised as below:

	<b>Treatment capacity</b>	<b>Environmental contribution</b>
Household waste processed	20,354,000 tonnes	Generating green electricity of 10,546,963,000 kWh. This output could support the annual electricity consumption needs of 8,789,000 households, equivalent to saving 4,219,000 tonnes of standard coal, while reducing carbon dioxide (CO <sub>2</sub> ) emissions by 9,447,000 tonnes
Hazardous and solid waste processed	115,000 tonnes	
Agricultural and forestry waste processed	3,752,000 tonnes	
Waste water treated	803,357,000 m <sup>3</sup>	Reducing chemical oxygen demand ("COD") discharge of 386,000 tonnes
Waste-to-energy plants' leachate treated	4,150,000 m <sup>3</sup>	

Since the Group's first environmental protection project commenced operation in 2005, its aggregated major environmental contribution is summarised as below:

	<b>Aggregated treatment capacity</b>	<b>Aggregated environmental contribution</b>
Household waste processed	145,859,000 tonnes	Generating green electricity of 68,999,390,000 kWh. This output could support the annual electricity consumption needs of 57,500,000 households, equivalent to saving 27,600,000 tonnes of standard coal, while reducing CO <sub>2</sub> emissions by 67,909,000 tonnes
Hazardous and solid waste processed	1,186,000 tonnes	
Agricultural and forestry waste processed	22,391,000 tonnes	
Waste water treated	12,066,949,000 m <sup>3</sup>	Reducing COD discharge of 4,598,000 tonnes
Waste-to-energy plants' leachate treated	30,387,000 m <sup>3</sup>	

During the period under review, the Group continued to fully support and participate in various philanthropic activities in environmental education, energy-saving and carbon reduction, ecological conservation, and community care. Among which, the Group, through its Everbright Environment Charitable Foundation, supported the World Wide Fund Hong Kong to build the Solar Dome at the Island House in Yuen Chau Tsai, Taipo, Hong Kong, which has been put into operation. The facility will serve as a sustainability educational facility for Hong Kong students and other groups to promote the concepts and knowledge relating to renewable energy, sustainable development and ecological conservation. In addition, the Group signed a memorandum of understanding with the Asian Development Bank (“ADB”) ahead of the World Oceans Day in 2021, for a strategic cooperation towards the circular economy and the reduction of marine debris through strengthening of the solid waste management system in Asia to foster ocean health. At the project level, the Group’s project companies in multiple locations continued to actively respond to various environmental protection-themed festivals, such as “World Environment Day”, “World Water Day” and “China Water Week”, organising online and offline activities to promote knowledge relating to ecological environmental protection and sustainable development to local residents. By organising such activities, the Group strengthened local communities’ understanding of environmental protection and sustainable development issues, as well as solidified its connections and mutual support with local residents.

In the first half of 2021, the Group received many honors in recognition of its efforts in different aspects, including business operation, business model, sustainable development and social responsibilities. The major awards and honors are summarised as below:

<b>Category</b>	<b>Award/Honor</b>	<b>Issuance organisation</b>
Business operation	First place in the 2021 Top 50 Environmental Protection Enterprises in China (the third consecutive year)	China Environment Chamber of Commerce
Business model	Jiangsu Changzhou Waste-to-energy Project, Hainan Sanya Waste-to-energy Project and Hunan Yiyang Waste-to-energy Project listed in the first batch of exemplary green PPP case studies	The National Development and Reform Commission of the People’s Republic of China (“PRC”)
	Zhenjiang Sponge City Project shortlisted as Top 5 in the Building Back Better Infrastructure Award 2021 of the UNECE	UNECE

<b>Category</b>	<b>Award/Honor</b>	<b>Issuance organisation</b>
	Shandong Zibo Reusable Water Project named the recommended case study in reusable water	E20 Environmental Platform
	Shandong Zibo Zhangdian East Chemical Industry Park Industrial Waste Water Treatment Project named the recommended case study in industrial waste water treatment	E20 Environmental Platform
Sustainable development	Inclusion in the Sustainability Yearbook 2021 (the fourth time)	S&P Global
Social responsibilities	Over 30 environmental protection projects of the Group included in the fourth batch of environmental facilities and municipal wastewater and waste treatment facilities opening up to the public in China	The Ministry of Ecology and Environment of the PRC, and the Ministry of Housing and Urban-Rural Development of the PRC
	Social Responsibility Brand of the Year (the seventh consecutive year)	China Charity Festival
	Outstanding Enterprise in Fighting Against COVID-19	China Charity Festival

### *Business Review of 8 Business Sectors*

#### (i) Environmental Energy

As the Group's core business sector, with the largest scale and making up the biggest business portion, the environmental energy sector covers waste-to-energy, food and kitchen waste treatment, sludge treatment and disposal, leachate treatment, fly ash treatment, methane-to-energy, construction and decoration waste treatment, heat supply and the development of environmental protection industrial parks, etc. During the period under review, the Group's environmental energy sector remained at the leading position in the waste-to-energy industry.



As of 30 June 2021, environmental energy had invested in 217 projects, commanding a total investment of approximately RMB86.792 billion, and undertook 1 O&M project. These projects are designed to have an annual household waste processing capacity of 49,019,500 tonnes, which is expected to generate annual on-grid electricity of 16,482,010,800 kWh, an annual food and kitchen waste processing capacity of 2,131,600 tonnes, an annual sludge treatment capacity of 321,200 tonnes, and an annual medical waste processing capacity of 10,950 tonnes.

As of 30 June 2021, environmental energy's waste-to-energy projects are summarised as follows:

<b>Project status</b>	<b>Number of projects</b>	<b>Designed processing capacity (tonnes/annum)</b>
In operation*	116	36,518,250
Under construction	21	9,909,750

\* including O&M projects

In terms of market development, environmental energy adhered to the principle of “Three Priorities and One Clarification” to carry out high-quality development of its waste-to-energy business. In the meantime, it leveraged the Group’s “Five Points in One Line” process model for waste sorting, which includes sorting, transferring, selecting, recycling and incinerating waste, to further penetrate the upstream business of the waste-to-energy industry; as a result, it secured waste sorting and transfer projects in multiple provinces including Jiangsu and Shandong. Additionally, by focusing on the 3 major business areas as the business strategy, the Group developed synergistic business relating to the waste-to-energy, so as to extend its business value chain, with the newly-secured projects covering steam supply, food and kitchen waste treatment, sludge treatment and disposal, medical waste treatment, fly ash treatment, etc. In the first half of 2021, environmental energy secured 23 new projects (including a project secured through acquisition) for a total investment of approximately RMB4.771 billion. It also secured 1 EPC project, with a contract value of RMB28 million. The newly secured projects contributed a designed daily household waste processing capacity of 6,950 tonnes and a designed daily food and kitchen waste processing capacity of 1,530 tonnes. During the period under review, the Group signed a supplementary agreement relating to Heilongjiang Harbin Yuquan Waste-to-energy Project, with the related expenses of the project land usage in the original investment amount being borne and directly paid for by the local government. This will not be included in the Group’s capital budget, and therefore the project investment amount was decreased. The processing capacity and related equipment of the project remain unchanged.

In terms of project construction, during the period under review, environmental energy had 44 projects that completed construction and commenced operation, with a designed daily household waste processing capacity of 24,100 tonnes and a designed daily food and kitchen waste processing capacity of 1,415 tonnes. 12 projects commenced construction, with a designed daily household waste processing capacity of 6,050 tonnes, a designed daily food and kitchen waste processing capacity of 830 tonnes.

In relation to operations management, all projects under environmental energy strictly followed relevant emission standards, prioritised and optimised the safety and environmental management systems, implemented a regular project inspection mechanism, and promoted the development of an intelligent management platform, in an attempt to refine its management through internal improvements. In the first half of 2021, the average electricity generated per tonne of waste incinerated at environmental energy's waste-to-energy projects exceeded 466 kWh, with an integrated power consumption ratio of approximately 14%.

During the period under review, the Group's environmental energy sector contributed an EBITDA of HK\$5,520,997,000, an increase of 35% as compared with the first half of 2020. Environmental energy contributed a net profit attributable to the Group of HK\$3,217,605,000, an increase of 27% as compared with the first half of 2020. The increase in profit was mainly attributable to the growth in the number of construction projects, and the continuing increase in the aggregate processing capacity of the operating projects, driving an increase in construction service revenue and operation service revenue.

Major operating data relating to environmental energy during the first half of 2021 are summarised in the table below:

	<b>For the six months ended 30 June 2021</b>	For the six months ended 30 June 2020	Percentage Change
Waste processing volume (tonnes)	<b>18,690,000</b>	13,647,000	37%
Food and kitchen waste, sludge and other waste processing volume (tonnes)	<b>816,000</b>	591,000	38%
On-grid electricity (MWh)	<b>6,227,976</b>	4,372,440	42%

(ii) Greentech

As of 30 June 2021, the Group held a 69.7% stake in Everbright Greentech, which is listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). Everbright Greentech focuses on hazardous and solid waste treatment, environmental remediation, integrated biomass utilisation, solar energy and wind power, among others. It positions itself as a supplier for achieving intelligent energy dedicated to “Carbon Neutrality”, as well as a prominent industrial hazardous waste treatment investor and operator, in China.

As of 30 June 2021, Everbright Greentech had invested in 131 projects with a total investment of approximately RMB32.432 billion. These projects are designed to have an annual biomass raw material processing capacity of 8,089,800 tonnes, an annual household waste processing capacity of 3,777,750 tonnes, and an annual hazardous and solid waste processing capacity of 2,941,900 tonnes, which are expected to generate annual on-grid electricity of 6,825,844,700 kWh and an annual steam supply of 4,969,000 tonnes.

As of 30 June 2021, Everbright Greentech’s hazardous and solid waste treatment projects are summarised as follows:

<b>Project status</b>	<b>Number of projects</b>	<b>Designed processing capacity (tonnes/annum)</b>
In operation	25	698,400
Under construction	18	1,176,500

With respect to market development, during the period under review, Everbright Greentech acquired a 60% equity interest in Kellon Company by increasing its share capital to expand its solar energy business in Hong Kong, in response to China’s commitment to “Peaking Carbon Dioxide Emissions” and “Achieving Carbon Neutrality”. In the first half of 2021, Everbright Greentech secured 11 new projects and signed 2 supplementary agreements for existing projects, commanding a total investment of approximately RMB742 million. It also secured 4 environmental remediation services, with a total contract value of approximately RMB117 million. The new projects are designed to have an annual household waste processing capacity of 182,500 tonnes, an annual steam supply capacity of 450,000 tonnes and an annual hazardous and solid waste processing capacity of 100,000 tonnes.

In respect to project construction, during the period under review, Everbright Greentech had 7 projects that completed construction and commenced operation, in addition to 1 project that completed construction, contributing a designed annual household waste processing capacity of 620,500 tonnes, and a designed annual hazardous and solid waste processing capacity of 329,800 tonnes. 5 environmental remediation services were completed and delivered in the first half of 2021. In addition, 9 projects commenced construction, with a designed annual hazardous and solid waste processing capacity of 632,500 tonnes. 5 environmental remediation services started respective remediation work.

During the period under review, the Group's greentech sector contributed an EBITDA of HK\$1,636,791,000, an increase of 3% as compared with the first half of 2020. Greentech contributed a net profit attributable to the Group of HK\$505,375,000, a decrease of 16% compared with the first half of 2020. The profit decrease was mainly due to the increase in financial expenses following the issuance of asset-backed notes during the period under review.

Major operating data relating to greentech during the first half of 2021 are summarised in the table below:

	<b>For the six months ended 30 June 2021</b>	For the six months ended 30 June 2020	Percentage Change
Waste processing volume (tonnes)	<b>1,664,000</b>	1,077,000	53%
Biomass raw material processing volume (tonnes)	<b>3,752,000</b>	2,891,000	30%
Hazardous and solid waste processing volume (tonnes)	<b>115,000</b>	86,000	34%
Steam supply volume (tonnes)	<b>1,059,000</b>	588,000	80%
On-grid electricity (MWh)	<b>3,039,347</b>	2,650,532	15%

(iii) Environmental Water

As of 30 June 2021, the Group held a 72.87% stake in Everbright Water, which is listed on the Mainboard of the Singapore Exchange Securities Trading Limited and the Main Board of the Stock Exchange. As a leading water environment management service provider in China, Everbright Water has developed fully-fledged business coverage, which includes raw water protection, water supply, municipal waste water treatment, industrial waste water treatment, reusable water, river-basin ecological restoration and sludge treatment and disposal. It has also formed a full industry chain in the water business, including project investment, planning and design, technology R&D, engineering and construction and operations management, among others.

As of 30 June 2021, Everbright Water had invested in and held 143 water projects, commanding a total investment of approximately RMB25.747 billion. It also secured 4 EPC projects and 2 O&M projects. These projects are designed to have an annual waste water treatment capacity of 2,079,259,000 m<sup>3</sup>, an annual reusable water supply capacity of 88,184,000 m<sup>3</sup>, and an annual water supply capacity of 310,250,000 m<sup>3</sup>.

As of 30 June 2021, Everbright Water's water projects are summarised as follows:

<b>Project status</b>	<b>Number of projects</b>	<b>Designed treatment capacity (m<sup>3</sup>/annum)</b>
In operation*	116	1,966,328,000
Under construction	15	367,920,000

\* including O&M projects

In terms of market development, during the period under review, Everbright Water purchased a 65% equity interest in Huantang Company to enter Tianjin's water market and enhance the Group's market deployment in the Beijing-Tianjin-Hebei Region. The purchase of the majority equity interest not only set a precedent for the SOE Mixed-ownership Reform in Tianjin Municipality and the Binhai New Area, but was also Everbright Water's first attempt under the SOE Mixed-ownership Reform. In the first half of 2021, Everbright Water secured 5 new projects with a total investment of approximately RMB1.069 billion. The new projects are designed to have a daily waste water treatment capacity of 225,000 m<sup>3</sup> and a daily reusable water supply of 45,000 m<sup>3</sup>.

In terms of project construction, Everbright Water continued to carry out its project construction work in an orderly manner. During the period under review, 2 projects completed construction and commenced operation, and 3 projects completed construction, with a total designed daily water treatment capacity of 111,000 m<sup>3</sup>. 2 projects commenced construction, with a designed daily water treatment capacity of 40,000 m<sup>3</sup>.

In terms of operations management, during the period under review, a total of 4 waste water treatment plants of Everbright Water received regulatory approval for tariff hikes, ranging between 8% and 58%.

During the period under review, the Group's environmental water sector contributed an EBITDA of HK\$1,085,657,000, a 34% increase compared with the first half of 2020. Environmental water contributed a net profit attributable to the Group of HK\$423,366,000, a 44% increase compared with the first half of 2020. The increase in profit was mainly attributable to the rise in construction activities, the improvement of operation and the expansion of business, driving the increase in construction service revenue and operation service revenue.

Major operating data relating to environmental water during the first half of 2021 are summarised in the table below:

	<b>For the six months ended 30 June 2021</b>	For the six months ended 30 June 2020	Percentage Change
Waste water treatment volume ('000 m <sup>3</sup> )	<b>803,357</b>	746,818	8%

(iv) Equipment Manufacturing

As China's backbone environmental protection equipment R&D and manufacturing provider, the Group's equipment manufacturing sector leverages Everbright Environmental Technical Equipment (Changzhou) Limited as the main platform to carry out traditional and new business, as well as relevant work, in a steady and orderly manner. The sector has further solidified its leading position in the waste-to-energy equipment industry.

In terms of market expansion, during the period under review, equipment manufacturing signed 10 external sales contracts, and sold 11 sets of equipment to external markets, including 8 sets of grate furnaces, 2 sets of flue gas purification systems and 1 set of leachate treatment systems. In the first half of 2021, it secured a set of contracts relating to external equipment sales, worth a total contract value of approximately RMB177 million. In addition, equipment manufacturing set up the Everbright Electric Appliance Division. Starting from the water purifier series, the division independently undertook the whole operational process including design and R&D, market development, sales and after-sales services, representing the Group's encouraging progress in the consumer market.

In terms of equipment supply and services, during the period under review, equipment manufacturing commenced 45 service items, spanning across 16 provinces and municipalities in China. It provided 22 sets of grate furnaces to projects of the Group and external customers, which have a designed daily waste processing capacity of 11,700 tonnes. In addition, it sold 95 sets of equipment, covering grate furnaces, gas purification systems and leachate treatment systems.

In terms of after-sales services, during the period under review, equipment manufacturing signed 65 contracts in relation to external after-sales services, worth a total contract value of approximately RMB62.53 million. Throughout the first half of 2021, equipment manufacturing provided 116 after-sales service projects, including 73 internal ones and 43 external ones.

During the period under review, equipment manufacturing insisted on technological innovation, and accelerated the pace of industrial upgrading. Leveraging the Group's existing projects, it carried out a number of technical projects and research topics, covering grate furnace for medical waste incineration, selective catalytic reduction (SCR) denitrification technology, grate furnace control system, hydraulic pressure station and distributed control system (DCS) integration project. In addition, equipment manufacturing manufactured and completed the trial run of the first sample domestic higher heating value water-cooled grate furnace.

(v) Eco-Recycling

The Group's eco-recycling sector rides on the "Five Points in One Line" process model for waste sorting, with a focus on 3 main business areas, namely waste sorting and zero-waste cities, environmental sanitation integration and resource recycling. It has positioned itself as a first-class investor and operator in waste sorting and resource recycling across China.

During the period under review, eco-recycling adhered to the strategic plan of “One Body and Two Wings” and the “Five Points in One Line” process model to carry out market expansion work. The sector had been tracking several potential business opportunities in Beijing, Tianjin, Shandong, Jiangsu, Anhui, Guangdong, Yunnan and other places, involving recycling of construction and bulky waste, waste sorting and environmental sanitation integration, waste collecting, transferring and transporting, among others. Among which, the Group secured a contract for Jiangsu Changzhou Economic Zone Waste Sorting Pilot Service. With a service period of 3 years, the project has already commenced operation.

(vi) Greenergy

The Group’s greenergy sector adheres to the development philosophy of “Green, Healthy and Intelligent” lighting. It focuses on the R&D, manufacturing and sales of energy-saving healthy lighting products, as well as software and hardware products relating to the development of smart cities that are based on greenergy’s intelligent light poles. Greenergy aims to provide lighting services for different scenarios and purposes, including urban streets and tourism sites, in addition to solutions to the development of smart cities. The sector targets to become a leading integrated service provider specialised in energy-saving lighting and development of smart cities in China.

In terms of market expansion, during the period under review, greenergy signed the contracts, based on an EMC model, for Tianjin Jinghai Urban District Streetlight Retrofitting Project (“Tianjin Jinghai Project”) and Jiangsu Nanjing Jiangbei New Material Science and Technology Park Project (“Nanjing Jiangbei Project”). In addition, greenergy secured, based on an EPC model, 5 lighting projects in Shandong, Jiangsu, Shaanxi, Zhejiang and Guangdong. The sector also obtained 1 equipment supply project in Guangdong, with a total contract value of approximately RMB51.39 million. Greenergy signed 59 contracts for the internal and external direct sales of the Everbright New Sodium Lamps (the “Lamp”), with a contract value of approximately RMB4.43 million in total.

In terms of project construction, during the period under review, greenergy’s Tianjin Jinghai Project commenced construction, and Nanjing Jiangbei Project commenced and completed construction. Shandong Jinan Sungeng Street Streetlight Retrofitting Project, which was implemented based on an EPC model also completed construction. Additionally, 5 EPC projects secured by greenergy during the period under review commenced construction and the construction work proceeded smoothly.



During the period under review, greenergy actively promoted the R&D and optimisation of its lighting products, which laid a good foundation to improve the product portfolio and expand the business scope. The achievements included completion of the R&D of the Lamp products with low color temperature and full power models, which have obtained relevant verification reports from the National Quality Supervision Testing Center; and completion of the development of several study desktop lamps and craft lamps. In addition, greenergy’s Shenzhen branch has obtained the AAA Enterprise Credit Certification; while the Jinan branch has obtained the qualification for Municipal Construction General Contracting Works as well as Grade III Qualification for Urban and Road Lighting Project.

(vii) Envirotech

Being the Group’s technology R&D and innovation engine, the envirotech sector has been leveraging its “Four-in-One” technological innovation and R&D layout with platforms in Hong Kong, Shenzhen, Nanjing and Qingdao, to foster and accelerate the Group’s strategic transformation, structure optimisation and new business development. The sector aims to become a global platform dedicated to green technological innovation and conversion.

In terms of R&D layout, during the period under review, envirotech strived to cater for development of traditional business, new business and the future development needs, to promote R&D work. By responding to the needs of the Group’s other business sectors to facilitate their business development, envirotech completed many technical support services for system designs, covering grate furnace, flue gas purification, leachate treatment and control systems.

The Group’s major R&D progress and results in the first half of 2021 are summarised as follows:

<b>Business area</b>	<b>Research results/Topics</b>
Solid waste treatment	<ul style="list-style-type: none"> <li>• Completed performance testing on R&amp;D of and optimisation of technologies relating to high capacity wet de-acidification systems for waste incineration, with all indicators superior to relevant industry standards</li> </ul>
Flue gas treatment	<ul style="list-style-type: none"> <li>• Completion of over 10 project design cases on the optimisation of application of flue gas recirculation system</li> </ul>

<b>Business area</b>	<b>Research results/Topics</b>
Intelligent control	<ul style="list-style-type: none"> <li>Self-developed intelligent control research and application technologies for waste incineration, which had been applied in the Group's waste-to-energy projects in Boluo County of Guangdong and Lantian County of Shaanxi, with trial runs completed</li> </ul>
Biomass utilisation	<ul style="list-style-type: none"> <li>Completed trial run and performance test of activated carbon coupling technologies for biomass power generation plant, providing recycling solutions for biomass treatment</li> </ul>
Waste sorting	<ul style="list-style-type: none"> <li>Everbright Intelligent Renewable Resources Recycling System, developed under the intelligent waste sorting key technology research project, was put into commercial use and achieved satisfactory results in the trial run at the Group's waste sorting projects in Changzhou City of Jiangsu and Yingtian City of Hunan</li> <li>Completed the prototype manufacturing and trial run of the intelligent waste sorting bins, which were displayed at 2021 IE Expo China</li> </ul>
Smart city	<ul style="list-style-type: none"> <li>R&amp;D of smart city systems based on smart light poles had been carried out with emphasis on the smart city and smart gateway themes, with relevant R&amp;D results had been put into test in selected streets in Tianjin Municipality and Jiaozhou City of Shandong Province</li> </ul>

As of 30 June 2021, patents that were granted to the Group are summarised in the table below:

	<b>First half year of 2021</b>	As of 30 June 2021 (accumulated)
<b>Granted patents</b>	<b>91</b>	1,084
Invention patents	<b>9</b>	123
Utility patents	<b>62</b>	845
Software copyright licenses	<b>12</b>	103
Appearance patents	<b>8</b>	13
<b>Major scientific essays</b>	<b>3</b>	N/A

(viii) Environmental Planning

With the Group’s business transformation, the environmental planning sector leverages on Everbright Ecological and Environmental Planning and Design Institute (the “Institute”) as the main platform, with a focus on the fields of environmental protection and energy. It strives to build core technological capabilities, and expand the business scope and industry chain, so as to become a first-class planning and design institute in China.

While continuing to undertake the Group’s internal business, the Institute strengthened its effort to explore external business opportunities through various means, such as organisational optimisation and synergistic expansions. During the period under review, it signed a number of internal and external service contracts in the field of consulting and design, EPC and others, with a total contract value of RMB101 million.

In addition, during the period under review, the Institute made an active effort to obtain relevant qualifications. It has obtained the Grade A Qualification for Environmental Engineering Work for Solid Waste and Grade I Qualification for Professional Contracting of Environmental Protection Engineering Work and, progressing towards the goal of becoming a grade A design institute. Currently, the Institute has obtained a set of important qualifications relating to design and consulting, ecological construction, as well as environmental engineering in the fields of electricity, municipalities and the environment.

## **EVENTS AFTER THE REPORTING PERIOD**

- (i) On 27 July 2021, Everbright Greentech completed the issuance of the second tranche of medium-term notes in the national inter-bank bond market of mainland China with a principal amount of RMB1 billion and a maturity period of 3+2 years at a coupon rate of 3.50% per annum for the first 3 years. Further details were disclosed in Everbright Greentech's announcement dated 29 July 2021.
  
- (ii) On 9 August 2021, Everbright Water completed the issuance of the first tranche of RMB-denominated Super & Short-term Commercial Papers in the national inter-bank bond market of mainland China with a principal amount of RMB800 million, an interest rate of 2.40% per annum and a maturity period of 120 days from the above issue date. Further details were disclosed in Everbright Water's announcement dated 10 August 2021.

## **BUSINESS PROSPECTS**

Given the rapid transformation of the unprecedented changes in the world in a century, the global economy has been striving to go back to normal, despite the uneven recovery of different regions. As China has entered into the first year of its 14th Five-Year Plan and Dual Circulation Strategy periods, it has increasingly focused on high-quality development after it was positioned to lead the recovery from the Pandemic and help bring its economy back to normal by upgrading its economic growth structure, which has contributed to improved growth forecast.

After the Pandemic that has lasted for more than one year, people around the world feel more deeply that we are in a community of common destiny and tend to pay more heed to sustainable development issues such as climate change and take more actions in response. “Achieving Carbon Neutrality” has been elevated to a new dimension and a new height of the global development. As China is committed to “Peaking Carbon Dioxide Emissions” by 2030 and “Achieving Carbon Neutrality” by 2060, which has triggered a profound systematic transformation, accelerating transition towards renewable energy in terms of the domestic energy structure, transition towards energy saving in terms of the industrial structure, and transition towards a green and low-carbon approach for economic development, creating new opportunities and challenges for relevant industries and companies. Meanwhile, ecological and environmental protection guidelines and policies such as the Urban Waste Sorting and Treatment Facility Development Scheme for the 14th Five-Year Plan Period and the Urban Wastewater Treatment and Recycling Program for the 14th Five-Year Plan Period will continue to underscore the government’s commitment and determination to address environmental issues, develop ecological conservation and achieve sustainable development, regulating relevant industries and companies as well as leading them towards high-quality growth. Environmental enterprises are expected to deeply get involved in the country’s green, low-carbon and circular development process, through active exploration in new industry segments, such as enhancement of ecological value and improvement of environmental resources. This trend is expected to bring about a new development cycle for the relevant companies.

When confronted by mountains, one finds a way through; when blocked by a river, one finds a bridge to the other side. As a leading player in the ecological and environmental area, as well as a participant in the development of the circular economy and zero-waste cities, the Group will adhere to the corporate mission of being “Devoted to Ecology and Environment for a Beautiful China” and the corporate pursuit of “Creating Better Investment Value and Undertaking More Social Responsibility”. It will focus on value creation in accordance with the “Three Carbons” development target and implement the “Three Five Eight Seven” strategy, while having a deeper understanding of business development and stimulating endogenous dynamics to enhance efforts to follow and analyse top-level policies, industry trends and policies and market trends, so as to identify directions and emphasis for strategic transformation: to leverage technological innovation as the driving force, to develop core competitiveness; to develop both asset-light and asset-heavy businesses; to integrate planning and design as soft power with technological innovation as hard power; to explore co-development of veinous and artery industrial parks; to carry out concurrent development of municipal and consumer businesses; to expand domestic and overseas markets; to further dig out management potential, to continuously cut cost and boost efficiency; and to strengthen financial and capital management, to safeguard steady development of the Group. On the back of the strategic guidance and full support of China Everbright Group and the Board, the Group believes that it will be able to proactively seize a new round of industry opportunities arising from the country’s pledge of “Peaking Carbon Dioxide Emissions” and “Achieving Carbon Neutrality”. It will be able to work with the management team and staff to forge ahead together, face up to challenges, solidify the Group’s existing strength, and seek innovation, in order to become a world-leading ecological and environmental group. The Group also aims to take a higher stance and longer view to serve the national strategies and contribute the “Everbright” strength!

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **FINANCIAL POSITION**

As at 30 June 2021, the Group’s total assets amounted to approximately HK\$184,513,441,000 with net assets amounting to HK\$61,310,032,000. Net asset value per share attributable to equity holders of the Company was HK\$8.068 per share, representing an increase of 10% as compared to HK\$7.336 per share as at the end of 2020. As at 30 June 2021, gearing ratio (calculated by total liabilities over total assets) of the Group was 67%, representing an increase of 2 percentage points as compared with that of 65% as at the end of 2020.

## **FINANCIAL RESOURCES**

The Group adopts a prudent approach on cash and financial management to ensure proper risk control and low cost of funds. It finances its operations primarily with internally generated cash flow and loan facilities from banks. As at 30 June 2021, the Group had cash and bank balances of HK\$15,371,357,000, representing an increase of HK\$3,665,309,000 as compared to HK\$11,706,048,000 at the end of 2020. Most of the Group's cash and bank balance, representing approximately 98%, was denominated in Hong Kong dollars and Renminbi.

## **BORROWINGS**

The Group is dedicated to enhancing the ways of financing and improving banking facilities to reserve funding to support the development of the environmental protection business. As at 30 June 2021, the Group had outstanding interest-bearing borrowings of HK\$90,370,655,000, representing an increase of HK\$15,391,745,000 as compared to HK\$74,978,910,000 as at the end of 2020. The borrowings included secured interest-bearing borrowings of HK\$40,786,233,000 and unsecured interest-bearing borrowings of HK\$49,584,422,000. The borrowings are mainly denominated in Renminbi, representing approximately 66% of the total, and the remainder is denominated in Hong Kong dollars, US dollars and Polish zloty. Most of the borrowings are at floating rates. As at 30 June 2021, the Group had banking facilities of HK\$117,151,551,000, of which HK\$38,467,971,000 have not been utilised. The banking facilities are of 1 to 19-year terms.

## **FOREIGN EXCHANGE RISKS**

The Company's financial statements are denominated in Hong Kong dollars, which is the functional currency of the Company. The Group's investments made outside Hong Kong (including mainland China) may incur foreign exchange risks. The Group's operations are predominantly based in mainland China, which makes up over 99% of its total investments and revenue. The Group's assets, borrowings and major transactions are mainly denominated in Renminbi, and as such, it forms a natural hedging effect. With this in mind, the Group also pursues an optimal allocation of borrowings in different currencies while setting appropriate levels of borrowing in non-base currencies, and adopting proper financial instruments to closely manage foreign exchange risks.

## **PLEDGE OF ASSETS**

Certain banking facilities 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 2021, the aggregate net book value of pledged assets and equity interests in subsidiaries amounted to approximately HK\$96,358,833,000.

## **COMMITMENTS**

As at 30 June 2021, the Group had purchase commitments of HK\$7,273,990,000 outstanding in connection with the construction contracts.

## **CONTINGENT LIABILITIES**

As at 30 June 2021, 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 2021 for the provision of the guarantee was HK\$399,923,000.

## **INTERNAL MANAGEMENT**

The Group adheres to the management principle of "People-oriented, Pragmatism, Creativity and Systematic Management", and has built a comprehensive management structure to maximise efficiency. The Group's management holds Management Decision Committee meetings on a monthly basis to review current operations and management, with a view to ensuring the sustainable development of the Company. The responsibilities of each functional department and business sector of the Group are clear with various comprehensive management systems. Internal control procedures are sound and have been implemented effectively. The Company's Internal Audit Department performs its internal monitoring functions to ensure that each functional department and business sector would strictly comply with the relevant internal control requirements.



During the period under review, the Pandemic remained rapidly evolving. The Group had taken pandemic prevention and control as the main focus of its daily operation and continued to maintain various Pandemic preventive measures in place. Staff was constantly reminded to observe good personal hygiene and monitor their health conditions. The Group also actively cooperated with local governments in implementing pandemic prevention and control measures, including encourage staff, upon evaluation, with appropriate personal health conditions to receive vaccination. The management and department heads convened special meetings from time to time to discuss work in relation to the prevention and control of the Pandemic, which safeguarded the health and safety of staff and ensured the normal production of every project.

The Group is committed to building a comprehensive risk management culture. It implements the risk management model of “Integration of Policy, Procedure and System with Risk-oriented” to comprehensively strengthen risk management and risk 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 “maintaining safe and stable operations while ensuring compliance with relevant emission standards” and strictly complied with the relevant national laws and regulations. In terms of safety, environment and occupational health, it proactively carried out routine inspections. Apart from incorporating “Safe Production Month” into its operation, the Group paid close attention to safety management and carried out safety risk assessments to ensure all projects, whether under construction or in operation, strictly comply with all safety policies. These steps secured the stable operation of environmental protection projects including waste-to-energy, integrated biomass utilisation, waste water treatment projects, etc, while enhancing economic benefits. Besides, the Group continued to move forward 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 in more efforts in construction safety management to ensure professional and safe construction.

## **HUMAN RESOURCES**

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

During the period under review, in response to the Pandemic, training of the Group was adjusted to live and video training programmes. Training courses in relation to safety and environmental management, “Peaking Carbon Dioxide Emissions” and “Achieving Carbon Neutrality”, procurement management, and corporate culture were held to enhance management’s and staff’s general competence.

To enhance the management’s general competence as well as enable them to understand the operation of different business sectors and regions more comprehensively, the Group conducted internal selection and recruitment for management staff in new business sectors. Besides, through internal transfer and re-assignment, management of regional management centres could learn and grow in new business sectors and regions.

To continue to improve training management, the Group issued the Policy of Lecturer and Syllabus Management.

As at 30 June 2021, the Group had approximately 11,750 employees. Details of the total employee benefit expense for the period under review are set out in notes to consolidated financial statements in the 2021 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 insurance and a mandatory provident fund scheme to employees in Hong Kong.

## **PRINCIPAL RISKS AND UNCERTAINTIES**

During the period under review, the Group continuously implemented relevant work of the risk management system to effectively control the principal risks faced by the Group, which included policy changing risk, environmental compliance and safety management risk, accounts receivable risk, construction project management risk, staff assignment risk, new business investment and market competitive risk and procurement compliance risk, the details of which will be set out in the 2021 interim report.

## **ENVIRONMENTAL AND SOCIAL MANAGEMENT**

The Group pays close attention to the operational impacts brought to the environment and society. The Environmental and Social Management System (“ESMS”) has been established in accordance with the Safeguard Policy Statement of the ADB and other best practices worldwide. The ESMS covers the entire project cycle from the early-stage planning and design to the final-stage operation and contains requirements in the fields of environmental and social impact screening and categorisation, resettlement, indigenous peoples, environmental impact assessment, information disclosure, public participation, gender equality, due diligence and review, and monitoring and reporting. The system ensures the Group’s operational activities comply with the international environmental and social safeguard principles and requirements.

The Group has fully implemented the environmental, safety, health and social responsibility (“ESHS”) management system since 2016 to further improve the implementation of supervision system in business operation. The system comprises management standards to provide procedural guidelines on significant ESHS issue identification, auditing, incident investigation and reporting, occupational injury treatment, and contractor ESHS management. The implementation of the system has not only promoted sustainable development within the Group, but also extended its safety culture and relevant policies to the whole supply chain.

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

The Group’s waste-to-energy projects are designed and operated fully in compliance with the Standard for Pollution Control on the Municipal Solid Waste Incineration (GB18485-2014), 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), 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 online flue gas disclosure of daily average emissions rates of all the Group's operating waste-to-energy projects. The Group also devoted to improving the information sharing platforms which connects with the Group's Hong Kong headquarters and Shenzhen management office for real-time capture of projects' operational information to ensure compliant operation, and to timely report the performance of the Group's projects to the stakeholders.

## **THE IMPACT OF THE PANDEMIC**

Amid the regular Pandemic prevention and control, the Group has given full consideration to all the pandemic-related risks as well as prevention and control measures in its daily operation. With the joint efforts of the management and all employees, infection case in the workplace was maintained at zero. During the period under review, the Group's project construction and operation all returned to normal and the results continued to improve.

In mid to late July 2021, the Pandemic resurged in various provinces and cities in China. The Group re-affirmed its requirements for all business units to make arrangements for internal staff and personnel of contractors to properly implement pandemic prevention and responsive measures based on the requirements of local governments and actual work conditions. Such measures include minimising the flow of people, reserving sufficient materials for production, daily lives and pandemic prevention, paying attention to employees' health conditions, providing sufficient protection for the employees, and ensuring safe and stable production of projects as well as compliance with relevant emission standards.

## **CORPORATE GOVERNANCE**

### **Compliance with the CG Code**

The Group strives to maintain a high standard of corporate governance as it believes good corporate governance practices are increasingly important for maintaining and promoting the confidence of the Shareholders. They are crucial for the development of the Group's business and protection of the Shareholders' interests. The Group upholds the management principle of "People-oriented, Pragmatism, Creativity and Systematic Management", and through a set of rules and regulations, has continuously strengthened internal control and risk management systems. Furthermore, by full and timely public disclosure of information, the Group has maintained transparency and accountability which also enhanced its corporate values.

The Corporate Governance Code and Corporate Governance Report (the “CG Code”) set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) have been duly adopted by the Board as the code on corporate governance practices of the Company.

The Company complied with all Code Provisions as set out in the CG Code throughout the six-month period ended 30 June 2021 with the exception of Code Provision A.2.1 due to the overlapping roles of the Chairman of the Board and the Chief Executive Officer of the Company (the “CEO”) performed by Mr. Wang Tianyi (“Mr. Wang”) during the period from 25 September 2020 to 31 May 2021. The Board believed that the balance of power and authority for the then arrangement was not impaired and the then arrangement enabled the Company to make and implement decisions promptly and efficiently. With effect from 1 June 2021, Mr. Luan Zusheng was appointed as the CEO in place of Mr. Wang (“Change of CEO”), and Mr. Wang remains as the Chairman of the Board. Mr. Wang no longer performed the roles of the Chairman of the Board and the CEO concurrently. This arrangement brought the Company back to conformity with the Code Provision A.2.1 of the CG Code. Please refer to the Company’s announcement published on 27 May 2021 for more information on the Change of CEO.

The Company will continue to commit itself to enhance its corporate governance appropriate to the conduct and growth of its business, and from time to time, to reviewing its corporate governance practices to ensure the same comply with the CG Code and align with the latest developments.

Please refer to the Company’s 2020 annual report published in April 2021 for more information on our corporate governance practices.

## **The Board**

The Board currently comprises 5 executive Directors and 4 independent non-executive Directors (“INED(s)”). List of Directors and their Role and Function is available on the websites of the Company and Hong Kong Exchanges and Clearing Limited (“HKEx”). The number of INEDs represents not less than one-third of the Board as required under the Listing Rules, one of whom possesses appropriate professional qualifications or accounting or related financial management expertise. INEDs provide the Group with diversified experience and professionalism. They bring independent views, advice and judgements on issues relating to the strategy and development, business operation and performance, risk control, conflict of interests, etc., to ensure the Shareholders’ interests are taken into consideration.

## **Board Committees**

As an integral part of good corporate governance, the Board has established the following 5 Board committees with specific written terms of reference which deal clearly with their respective authority and duties:

### **1. Audit Committee**

The Audit Committee currently comprising 3 INEDs, namely Mr. Mar Selwyn (Chairman), Mr. Fan Yan Hok, Philip and Mr. Zhai Haitao. Its primary responsibilities include but not limited to review the Group's financial reporting process, risk management and internal control systems, internal and external audit and such other financial and accounting matters of the Group, and to oversee the relationship between the Company and EY, the external auditor of the Company, etc. The terms of reference of the Audit Committee are available on the websites of the Company and HKEx.

### **2. Risk Management Committee**

The Risk Management Committee of the Company (the "Risk Management Committee") currently comprises 3 INEDs, namely Mr. Fan Yan Hok, Philip (Chairman), Mr. Mar Selwyn, Mr. Suo Xuquan, Mr. Luan Zusheng, the executive Director and the CEO, Mr. Wong Kam Chung, Raymond, the executive Director, the Vice President and the Chief Financial Officer, Mr. Hu Yanguo, the executive Director and the Vice President, and Ms. Guo Ying, the General Manager of Internal Audit Department and Risk Management Department of the Company. Its primary responsibilities include but not limited to provide oversight of the Company's risk management programs, and to review the effectiveness of the management's processes for identifying, assessing, mitigating and monitoring enterprise-wide risks. The terms of reference of the Risk Management Committee had been established in writing.

### **3. Nomination Committee**

The Nomination Committee of the Company (the “Nomination Committee”) currently comprises Mr. Wang Tianyi (Chairman), the executive Director and the Chairman of the Board, and all the 4 INEDs, namely Mr. Fan Yan Hok, Philip, Mr. Mar Selwyn, Mr. Zhai Haitao and Mr. Suo Xuquan. Its primary responsibilities include but not limited to review annually the structure, size and composition (including the skills, knowledge and experience) of the Board, to review and report the Board diversity to the Board, to assess the independence of the INEDs, to make recommendations to the Board, by taking into account the Board Diversity Policy and the Nomination Policy on appointment or re-appointment or re-designation of Directors and to assess the qualifications and competencies of the candidates, so as to ensure that all nominations are fair and transparent, and to make recommendations to the Board on the appointment or re-appointment of the senior management. The terms of reference of the Nomination Committee are available on the websites of the Company and HKEx.

### **4. Remuneration Committee**

The Remuneration Committee of the Company (the “Remuneration Committee”) currently comprises Mr. Zhai Haitao (Chairman), the INED, Mr. Wang Tianyi, the executive Director and the Chairman of the Board, and 3 other INEDs, namely Mr. Fan Yan Hok, Philip, Mr. Mar Selwyn and Mr. Suo Xuquan. Its primary responsibilities include but not limited to determine, with delegated responsibilities by the Board, the remuneration packages of the individual executive Directors and senior management. The terms of reference of the Remuneration Committee are available on the websites of the Company and HKEx.

### **5. Disclosure Committee**

The Disclosure Committee of the Company (the “Disclosure Committee”) currently comprises Mr. Luan Zusheng, the executive Director and the CEO (Chairman), Mr. Wong Kam Chung, Raymond, the executive Director, the Vice President and the Chief Financial Officer, Mr. Hu Yanguo, the executive Director and the Vice President, and Mr. Qian Xiaodong, the executive Director and the Vice President, as well as Mr. An Xuesong, the Vice President, and Ms. Poon Yuen Ling, the Company Secretary. The Board has delegated the day-to-day execution of its continuous disclosure obligations to the Disclosure Committee to ensure the compliance of the Company with its disclosure obligations. The terms of reference of the Disclosure Committee had been established in writing.

Other than the 5 Board committees above, the Company has established the Management Decision Committee which is responsible for the day-to-day administration, operation and management of the business and affairs of the Group. Its primary responsibilities include but not limited to review the Group's major decisions, major personnel appointment and removal, major project arrangements, as well as the arrangements of large capital amount, and to review and formulate the Group's development strategies and goals, long-term business development plans, directions, policies and guidelines, etc. The Management Decision Committee also takes charge of reviewing the investment projects of the Group, after being recommended by the Project Advisory Committee. For project risk management and project technological risk management, the Group has set up a Project Advisory Committee to monitor and assess risks regularly, boost related management standards and evaluate investment projects as well as assess the technologies used in different investment projects. For project financial control, the Group insists on stringent budget management, and has set up a Budget Management Centre that focuses on monitoring construction budgets. In addition, the Group has also set up Internal Audit Department and Risk Management Department to perform internal audits, and risk management and control functions respectively to bolster the Group's management standards.

#### **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 10 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-month period ended 30 June 2021.

#### **INTERIM DIVIDEND**

The Board has declared payment of an interim dividend of HK19.0 cents per share (2020: HK14.0 cents per share) for the six months ended 30 June 2021, payable to the Shareholders whose names appear on the register of members of the Company (the "Register of Members") on Friday, 10 September 2021. The interim dividend will be paid to the Shareholders on or around Monday, 4 October 2021.



## **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 Tuesday, 7 September 2021 to Friday, 10 September 2021, 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, 10 September 2021, 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 Tengis Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than 4:30 p.m. on Monday, 6 September 2021.

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

During the six-month period ended 30 June 2021, 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 INFORMATION**

The Audit Committee has reviewed the interim financial information of the Company for the six months ended 30 June 2021 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/en/ir/announcements.php](http://www.cebenvironment.com/en/ir/announcements.php)) and HKEx ([www.hkexnews.hk](http://www.hkexnews.hk)). The 2021 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 Tianyi**  
*Chairman of the Board*

Hong Kong, 12 August 2021

*As at the date of this announcement, the Board comprises: (i) five Executive Directors, namely Mr. Wang Tianyi (Chairman of the Board), Mr. Luan Zusheng (Chief Executive Officer), Mr. Wong Kam Chung, Raymond (Vice President and Chief Financial Officer), Mr. Hu Yanguo (Vice President) and Mr. Qian Xiaodong (Vice President); and (ii) four Independent Non-executive Directors, namely Mr. Fan Yan Hok, Philip, Mr. Mar Selwyn, Mr. Zhai Haitao and Mr. Suo Xuquan.*