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## **CHINA EVERBRIGHT WATER LIMITED**

**中國光大水務有限公司**

*(Incorporated in Bermuda with limited liability)*

(Hong Kong Stock Code: 1857)

(Singapore Stock Code: U9E)

### **ANNOUNCEMENT**

### **INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2025**

#### **HIGHLIGHTS**

- Revenue decreased by 2% to HK\$3,279,565,000 (1H FY2024: HK\$3,352,595,000)
- EBITDA slightly decreased by 0.2% to HK\$1,194,117,000 (1H FY2024: HK\$1,196,486,000)
- Profit before tax increased by 2% to HK\$832,211,000 (1H FY2024: HK\$815,307,000)
- Profit attributable to equity holders of the Company decreased by 3% to HK\$563,760,000 (1H FY2024: HK\$581,146,000)
- Interim dividend of HK6.09 cents (equivalent to 0.99 Sing cent) per ordinary share (1H FY2024: HK6.09 cents (equivalent to 1.05 Sing cents) per ordinary share)

#### **INTERIM RESULTS**

The board (the “Board”) of directors (the “Directors”) of China Everbright Water Limited (the “Company”) announces the unaudited interim results of the Company and its subsidiaries (collectively, the “Group”) for the six months ended 30 June 2025 (“1H FY2025” or the “Review Period”), together with the comparative figures for the six months ended 30 June 2024 (“1H FY2024”). The interim financial results have been reviewed by the audit committee of the Company (the “Audit Committee”). The interim financial report is unaudited, but has been reviewed by KPMG LLP (in Singapore) and KPMG (in Hong Kong) respectively, in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”, issued by the International Auditing and Assurance Standards Board.

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2025

	Notes	1HFY2025 (Unaudited) HK\$'000	1HFY2024 (Unaudited) HK\$'000	Increase/ (decrease) %
<b>REVENUE</b>	4	<b>3,279,565</b>	3,352,595	(2%)
Direct costs and operating expenses		<u>(1,910,330)</u>	<u>(2,083,362)</u>	(8%)
<b>Gross profit</b>		<b>1,369,235</b>	1,269,233	8%
Other income and gains, net	5	<b>21,622</b>	42,983	(50%)
Administrative and other operating expenses		<b>(307,076)</b>	(227,372)	35%
Finance income	6	<b>4,651</b>	8,316	(44%)
Finance costs	6	<b>(253,446)</b>	(277,462)	(9%)
Share of losses of associates		<b>(2,775)</b>	(1,080)	157%
Share of profit of a joint venture		<u>–</u>	<u>689</u>	(100%)
<b>PROFIT BEFORE TAX</b>	7	<b>832,211</b>	815,307	2%
Income tax expense	8	<u><b>(206,887)</b></u>	<u>(187,739)</u>	10%
<b>PROFIT FOR THE PERIOD</b>		<u><b>625,324</b></u>	<u>627,568</u>	(0.4%)
<b>OTHER COMPREHENSIVE INCOME/(LOSS)</b>				
Other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods:				
Exchange differences arising on translation of functional currency to the presentation currency		<u><b>408,463</b></u>	<u>(157,099)</u>	NM
<b>OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD, NET OF INCOME TAX</b>		<u><b>408,463</b></u>	<u>(157,099)</u>	NM
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<u><b>1,033,787</b></u>	<u>470,469</u>	120%

NM – Not meaningful

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME** *(continued)**For the six months ended 30 June 2025*

	<b>1HFY2025</b> <b>(Unaudited)</b> <i>Notes</i> <b>HK\$'000</b>	<b>1HFY2024</b> <b>(Unaudited)</b> <i>HK\$'000</i>	<b>Increase/ (decrease)</b> <b>%</b>
<b>PROFIT ATTRIBUTABLE TO:</b>			
Equity holders of the Company	<b>563,760</b>	581,146	(3%)
Non-controlling interests	<b>61,564</b>	46,422	33%
	<b>625,324</b>	627,568	(0.4%)
<b>TOTAL COMPREHENSIVE INCOME</b>			
<b>ATTRIBUTABLE TO:</b>			
Equity holders of the Company	<b>946,220</b>	435,910	117%
Non-controlling interests	<b>87,567</b>	34,559	153%
	<b>1,033,787</b>	470,469	120%
<b>EARNINGS PER SHARE ATTRIBUTABLE</b>			
<b>TO EQUITY HOLDERS OF THE COMPANY</b> 10			
– Basic and diluted	<b>HK19.71 cents</b>	HK20.31 cents	(3%)

# STATEMENTS OF FINANCIAL POSITION

As at 30 June 2025

		Group		Company	
		30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000	30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
	Notes				
<b>NON-CURRENT ASSETS</b>					
Property, plant and equipment		995,512	989,156	–	–
Right-of-use assets		87,963	82,310	–	–
Investment properties		11,144	10,918	–	–
		<u>1,094,619</u>	<u>1,082,384</u>	<u>–</u>	<u>–</u>
Intangible assets		2,728,189	2,318,584	–	–
Goodwill		1,369,946	1,342,426	–	–
Interests in subsidiaries		–	–	10,440,485	10,322,881
Interests in associates		3,213	3,540	–	–
Interest in a joint venture		1,903	1,903	–	–
Other receivables	11	291,761	255,498	–	–
Contract assets	12	21,552,548	20,883,947	–	–
Deferred tax assets		79,750	42,954	–	–
		<u>27,121,929</u>	<u>25,931,236</u>	<u>10,440,485</u>	<u>10,322,881</u>
<b>CURRENT ASSETS</b>					
Inventories		102,444	57,159	–	–
Trade and other receivables	11	6,833,736	5,846,666	10,450,201	9,381,972
Contract assets	12	2,255,047	2,173,568	–	–
Current tax recoverable		29,914	–	–	–
Other financial assets	13	–	32,928	–	–
Cash and cash equivalents	14	1,869,776	1,847,805	105,370	122,815
		<u>11,090,917</u>	<u>9,958,126</u>	<u>10,555,571</u>	<u>9,504,787</u>
Total current assets					

# STATEMENTS OF FINANCIAL POSITION *(continued)*

As at 30 June 2025

	<i>Notes</i>	Group		Company	
		30 June	31 December	30 June	31 December
		2025	2024	2025	2024
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>CURRENT LIABILITIES</b>					
Trade and other payables	15	3,712,051	3,283,728	142,579	166,888
Borrowings		3,729,409	4,181,329	2,946,745	3,002,204
Current tax liabilities		97,027	53,013	–	–
Lease liabilities		6,225	3,341	–	–
Total current liabilities		7,544,712	7,521,411	3,089,324	3,169,092
<b>NET CURRENT ASSETS</b>		3,546,205	2,436,715	7,466,247	6,335,695
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		30,668,134	28,367,951	17,906,732	16,658,576
<b>NON-CURRENT LIABILITIES</b>					
Other payables	15	59,762	61,406	–	–
Borrowings		13,526,971	12,208,281	7,251,043	5,833,775
Deferred tax liabilities		2,255,490	2,105,199	–	–
Lease liabilities		4,322	1,387	–	–
Total non-current liabilities		15,846,545	14,376,273	7,251,043	5,833,775
<b>NET ASSETS</b>		14,821,589	13,991,678	10,655,689	10,824,801
<b>EQUITY</b>					
<b>Equity attributable to equity holders of the Company</b>					
Share capital	16	2,860,877	2,860,877	2,860,877	2,860,877
Reserves		9,753,640	8,974,243	7,039,126	7,156,942
		12,614,517	11,835,120	9,900,003	10,017,819
Perpetual capital instruments		755,686	806,982	755,686	806,982
Non-controlling interests		1,451,386	1,349,576	–	–
<b>TOTAL EQUITY</b>		14,821,589	13,991,678	10,655,689	10,824,801

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

	Attributable to equity holders of the Company										
	Foreign			Contributed			Perpetual			Non-	
	Share	Share	translation	Statutory	surplus	Other	Retained	Total	capital	controlling	Total
	capital	premium	reserve	reserve	reserve	reserves	earnings	instruments	interests	equity	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Group</b>											
At 1 January 2025	2,860,877	1,599,765	(1,625,513)	899,590	1,229,302	8,203	6,862,896	11,835,120	806,982	1,349,576	13,991,678
Profit for the period	-	-	-	-	-	-	563,760	563,760	-	61,564	625,324
<b>Other comprehensive income for the period:</b>											
Foreign currency translation differences	-	-	382,460	-	-	-	-	382,460	-	26,003	408,463
<b>Total comprehensive income for the period</b>	-	-	382,460	-	-	-	563,760	946,220	-	87,567	1,033,787
Transfer to statutory reserve	-	-	-	920	-	-	(920)	-	-	-	-
<b>Transactions with owners in their capacity as owners:</b>											
2024 final dividend declared	-	-	-	-	-	-	(166,823)	(166,823)	-	-	(166,823)
Issuance of perpetual capital instruments	-	-	-	-	-	-	-	-	755,686	-	755,686
Redemption of perpetual capital instruments	-	-	-	-	-	-	-	-	(806,982)	-	(806,982)
Capital contributions received by non wholly-owned subsidiaries from non-controlling shareholders	-	-	-	-	-	-	-	-	-	14,243	14,243
At 30 June 2025	<u>2,860,877</u>	<u>1,599,765</u>	<u>(1,243,053)</u>	<u>900,510</u>	<u>1,229,302</u>	<u>8,203</u>	<u>7,258,913</u>	<u>12,614,517</u>	<u>755,686</u>	<u>1,451,386</u>	<u>14,821,589</u>

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY *(continued)*

For the six months ended 30 June 2025

	Attributable to equity holders of the Company										
	Share capital	Share premium	Foreign currency translation reserve	Statutory reserve	Contributed surplus reserve	Other reserves	Retained earnings	Total	Perpetual capital instruments	Non-controlling interests	Total equity
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Group</b>											
At 1 January 2024	2,860,877	1,599,765	(1,375,419)	776,715	1,229,302	8,203	6,306,678	11,406,121	806,982	1,239,239	13,452,342
Profit for the period	-	-	-	-	-	-	581,146	581,146	-	46,422	627,568
<b>Other comprehensive loss for the period:</b>											
Foreign currency translation differences	-	-	(145,236)	-	-	-	-	(145,236)	-	(11,863)	(157,099)
<b>Total comprehensive income for the period</b>	-	-	(145,236)	-	-	-	581,146	435,910	-	34,559	470,469
<b>Transactions with owners in their capacity as owners:</b>											
2023 final dividend declared	-	-	-	-	-	-	(165,424)	(165,424)	-	-	(165,424)
Capital contributions received by non wholly-owned subsidiaries from non-controlling shareholders	-	-	-	-	-	-	-	-	-	35,185	35,185
At 30 June 2024	<u>2,860,877</u>	<u>1,599,765</u>	<u>(1,520,655)</u>	<u>776,715</u>	<u>1,229,302</u>	<u>8,203</u>	<u>6,722,400</u>	<u>11,676,607</u>	<u>806,982</u>	<u>1,308,983</u>	<u>13,792,572</u>

# STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

	Attributable to equity holders of the Company								
	Share capital	Share premium	Foreign currency translation reserve	Contributed surplus reserve	Other reserves	Retained earnings	Total	Perpetual capital instruments	Total equity
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Company									
At 1 January 2025	2,860,877	389,715	(1,472,613)	7,639,082	64,953	535,805	10,017,819	806,982	10,824,801
Loss for the period	-	-	-	-	-	(80,778)	(80,778)	-	(80,778)
Other comprehensive income for the period:									
Foreign currency translation differences	-	-	129,785	-	-	-	129,785	-	129,785
Total comprehensive income for the period	-	-	129,785	-	-	(80,778)	49,007	-	49,007
Transactions with owners in their capacity as owners:									
2024 final dividend declared	-	-	-	-	-	(166,823)	(166,823)	-	(166,823)
Issuance of perpetual capital instruments	-	-	-	-	-	-	-	755,686	755,686
Redemption of perpetual capital instruments	-	-	-	-	-	-	-	(806,982)	(806,982)
At 30 June 2025	2,860,877	389,715	(1,342,828)	7,639,082	64,953	288,204	9,900,003	755,686	10,655,689



# STATEMENT OF CHANGES IN EQUITY (continued)

For the six months ended 30 June 2025

	Attributable to equity holders of the Company								
	Share capital	Share premium	Foreign currency translation reserve	Contributed surplus reserve	Other reserves	Retained earnings	Total	Perpetual capital instruments	Total equity
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Company									
At 1 January 2024	2,860,877	389,715	(1,338,525)	7,639,082	64,953	379,366	9,995,468	806,982	10,802,450
Profit for the period	–	–	–	–	–	171,114	171,114	–	171,114
Other comprehensive loss for the period:									
Foreign currency translation differences	–	–	(76,547)	–	–	–	(76,547)	–	(76,547)
Total comprehensive income for the period	–	–	(76,547)	–	–	171,114	94,567	–	94,567
Transactions with owners in their capacity as owners:									
2023 final dividend declared	–	–	–	–	–	(165,424)	(165,424)	–	(165,424)
At 30 June 2024	2,860,877	389,715	(1,415,072)	7,639,082	64,953	385,056	9,924,611	806,982	10,731,593

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025

		1HFY2025 (Unaudited) HK\$'000	1HFY2024 (Unaudited) HK\$'000
	Notes		
<b>Cash flows from operating activities</b>			
Profit before tax		832,211	815,307
<b>Adjustments for:</b>			
Depreciation of property, plant and equipment	7	29,098	24,686
Depreciation of right-of-use assets	7	5,516	5,757
Amortisation of intangible assets	7	73,846	73,274
Loss on disposals of property, plant and equipment	7	47	33
Loss on write-off of intangible assets	7	72	–
Finance costs	6	253,446	277,462
Finance income	6	(4,651)	(8,316)
Share of losses of associates		2,775	1,080
Share of profit of a joint venture		–	(689)
Fair value changes of other financial assets, net	5	(455)	(7,492)
Gain from disposal of other financial assets	5	(107)	–
Allowance for expected credit losses on trade receivables, net	7	73,031	34,715
(Write-back of allowance)/allowance for expected credit losses on other receivables, net	7	(21,684)	2,418
(Write-back of allowance)/allowance for expected credit losses on contract assets, net	7	(1,061)	913
Effect of foreign exchange rates changes, net		62,550	(16,163)
<b>Operating cash flows before working capital changes</b>		1,304,634	1,202,985
<b>Changes in working capital:</b>			
(Increase)/decrease in inventories		(43,087)	14,750
Increase in contract assets		(267,970)	(914,534)
Increase in trade and other receivables		(885,118)	(557,308)
Increase/(decrease) in trade and other payables		154,183	(26,318)
<b>Cash generated from/(used in) operations</b>		262,642	(280,425)
People's Republic of China ("PRC") income tax paid		(130,932)	(141,831)
<b>Net cash flows generated from/(used in) operating activities</b>		131,710	(422,256)

# CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

For the six months ended 30 June 2025

	Notes	1HFY2025 (Unaudited) HK\$'000	1HFY2024 (Unaudited) HK\$'000
<b>Cash flows from investing activities</b>			
Purchase of items of property, plant and equipment		(15,363)	(38,945)
Proceeds from disposals of property, plant and equipment		35	488
Payment for additions of intangible assets		(201,942)	–
Decrease/(increase) in amounts due from associates		5,405	(4,422)
Proceeds from redemption and disposal of other financial assets		33,668	48,855
Interest received		4,651	8,316
		<u>(173,546)</u>	<u>14,292</u>
<b>Net cash flows (used in)/generated from investing activities</b>			
		<u>(173,546)</u>	<u>14,292</u>
<b>Cash flows from financing activities</b>			
Capital contributions from non-controlling shareholders of subsidiaries		14,243	35,185
Proceeds from the issuance of perpetual capital instruments		757,960	–
Proceeds from the issuance of medium-term notes (“MTN”)		2,677,800	1,631,700
Proceeds from the issuance of asset-backed securities (“ABS”)		–	2,065,300
New bank loans		562,515	2,194,872
Payments for expenses related to issuance of perpetual capital instruments, MTN and ABS		(10,319)	(9,758)
Repayments of corporate bonds		–	(761,460)
Redemption of perpetual capital instruments		(806,982)	–
Repayments of MTN		(1,072,200)	(1,087,800)
Repayments of ABS		(99,749)	(48,803)
Repayments of bank loans		(1,550,291)	(3,141,799)
Interest paid		(253,647)	(296,017)
Principal elements of lease payments		(3,956)	(3,926)
Interest elements of lease payments	6	(146)	(202)
Decrease/(increase) in restricted bank balances		14,748	(2,530)
Increase in amounts due to fellow subsidiaries		–	698
Dividend paid to shareholders of the Company (the “Shareholders”)		(164,310)	(167,626)
Distribution paid to holders of perpetual capital instruments		(24,777)	(25,047)
		<u>40,889</u>	<u>382,787</u>
<b>Net cash flows generated from financing activities</b>			
		<u>40,889</u>	<u>382,787</u>
<b>Net decrease in cash and cash equivalents</b>			
		(947)	(25,177)
Cash and cash equivalents at the beginning of the period		1,828,428	1,861,907
Effect of exchange rate fluctuations on cash and cash equivalents, net		37,540	(23,514)
		<u>1,865,021</u>	<u>1,813,216</u>
<b>Cash and cash equivalents at the end of the period</b>	14	<u>1,865,021</u>	<u>1,813,216</u>

## 1. BASIS OF PREPARATION

The unaudited interim financial information for the six months ended 30 June 2025 has been prepared in accordance with the International Accounting Standard (“IAS”) 34 “*Interim Financial Reporting*” issued by the International Accounting Standards Board (“IASB”).

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 2024, except for the changes in accounting policies made thereafter in adopting the new and amended IFRS Accounting Standards (“IFRSs”) issued by the IASB, which became effective for the first time for the current period’s unaudited interim financial information, as further detailed below. The unaudited interim financial information is presented in Hong Kong dollars (“HK\$”) and all values are rounded to the nearest thousand except when otherwise indicated.

The financial information herein contains condensed consolidated financial statements and selected explanatory notes. The notes include explanations of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2024 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 2024.

The financial information relating to the year ended 31 December 2024 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.

The Group has adopted the following amended IFRSs for the first time for the current period’s unaudited interim financial information:

Amendments to IAS 21

*Lack of Exchangeability*

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

## 2. ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS

The Group has not applied the following new and amended IFRSs, that have been issued but are not yet effective, in this financial information.

Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7	<i>Annual Improvements to IFRS Accounting Standards – Volume 11<sup>1</sup></i>
Amendments to IFRS 9 and IFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments<sup>1</sup></i>
Amendments to IFRS 9 and IFRS 7	<i>Contracts Referencing Nature-dependent Electricity<sup>1</sup></i>
IFRS 18	<i>Presentation and Disclosure in Financial Statements<sup>2</sup></i>
IFRS 19	<i>Subsidiaries without Public Accountability: Disclosures<sup>2</sup></i>
Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture<sup>3</sup></i>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2026

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2027

<sup>3</sup> No mandatory effective date yet but available for adoption

## 3. OPERATING SEGMENT INFORMATION

Operating segments are identified based on the internal reports about components of the Group that are regularly reviewed by the Company's management (the "Management") and the Board for the purpose of resource allocation and performance assessment.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. The Group operates in a single business segment which is the water environment management business. No operating segments have been aggregated to form the following reportable operating segment.

### **Business segment**

The Group had only one operating segment for the six months ended 30 June 2025 (1HFY2024: one), namely the water environment management business, the details of which are set out below:

- Water environment management – Engagement in municipal waste water treatment, industrial waste water treatment, water supply, reusable water, sludge treatment and disposal, sponge city construction, river-basin ecological restoration, livestock and poultry manure resources utilisation, research and development ("R&D") of water environment technologies and engineering construction.

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

#### Geographical information

##### *(a) Revenue from external customers*

	1HFY2025 (Unaudited) HK\$'000	1HFY2024 (Unaudited) HK\$'000
Mainland China	3,276,626	3,339,163
Germany	2,939	13,432
	<u>3,279,565</u>	<u>3,352,595</u>

The revenue information of continuing operations above is based on the location at which the services were provided.

##### *(b) Non-current assets*

	At 30 June 2025 (Unaudited) HK\$'000	At 31 December 2024 (Audited) HK\$'000
Mainland China	27,032,477	25,884,707
Hong Kong	3,805	959
Singapore	3,869	583
Germany	125	130
Mauritius	1,903	1,903
	<u>27,042,179</u>	<u>25,888,282</u>

The non-current assets of continuing operations are presented based on the geographical location of the assets and exclude deferred tax assets ("specified non-current assets"). For property, plant and equipment, right-of-use assets, and investment properties, the location is determined by the physical location of the asset. For intangible assets, goodwill, contract assets, and other receivables, the location is based on the operations to which they are allocated. For interests in associates and a joint venture, the location is determined by the operations in which the investments are held.

#### Major customers by revenue

	Notes	1HFY2025 (Unaudited) HK\$'000	1HFY2024 (Unaudited) HK\$'000
Customer 1	(a)	580,742	587,870
Customer 2	(a)	<u>391,323</u>	<u>390,493</u>

*Notes:*

(a) The customers are local government authorities.

#### 4. REVENUE

	1HFY2025 (Unaudited) HK\$'000	1HFY2024 (Unaudited) HK\$'000
<b>Revenue from contracts with customers</b>		
Construction service revenue from service concession arrangements	1,164,178	1,355,412
Operation income from service concession arrangements	1,476,891	1,301,259
Sales of machineries and technical service income	79,684	131,597
	<u>2,720,753</u>	<u>2,788,268</u>
<b>Revenue from other sources</b>		
Finance income from service concession arrangements	558,812	564,327
	<u>3,279,565</u>	<u>3,352,595</u>
<b>Timing of revenue recognition:</b>		
At a point in time	71,016	119,149
Over time	2,649,737	2,669,119
	<u>2,720,753</u>	<u>2,788,268</u>
Finance income from service concession arrangements	558,812	564,327
	<u>3,279,565</u>	<u>3,352,595</u>

The aggregated amount of construction service revenue, finance income and operation income from service concession arrangements are derived from the local government authorities in the PRC for the six months ended 30 June 2025 amounted to HK\$3,121,222,000 (1HFY2024: HK\$3,178,057,000).

#### 5. OTHER INCOME AND GAINS, NET

	Notes	1HFY2025 (Unaudited) HK\$'000	1HFY2024 (Unaudited) HK\$'000
Government grants	(a)	9,640	16,202
Value-added tax ("VAT") refunds	(b)	4,910	–
Gain on disposal of other financial assets – unlisted equity investment		107	–
Fair value gains, net:			
– Other financial assets – unlisted investments		–	7,036
– Other financial assets – unlisted equity investment		455	456
Sundry income		6,510	19,289
		<u>21,622</u>	<u>42,983</u>

Notes:

- (a) Government grants of HK\$9,640,000 (1HFY2024: HK\$16,202,000) were granted during the six months ended 30 June 2025 to subsidise certain waste water treatment plants of the Group in the PRC. The receipt of such grants is unconditional. There is no assurance that the Group will continue to receive such grants in the future.
- (b) VAT refunds of HK\$4,910,000 (1HFY2024: nil) were received during the six months ended 30 June 2025 in relation to certain of the Group's waste water treatment and reusable water projects in operation in the PRC. The receipt of such tax refunds is unconditional. There is no assurance that the Group will continue to receive such tax refunds in the future.

## 6. NET FINANCE COSTS

	1HFY2025 (Unaudited) HK\$'000	1HFY2024 (Unaudited) HK\$'000
<u>Finance income</u>		
Interest income on:		
Bank deposits	4,596	8,144
Amount due from an associate	55	172
	<u>4,651</u>	<u>8,316</u>
<u>Finance costs</u>		
Interest expense on:		
Bank and other loans	(116,541)	(167,751)
Corporate bonds, ABS and MTN	(136,759)	(109,509)
Lease liabilities	(146)	(202)
	<u>(253,446)</u>	<u>(277,462)</u>
Net finance costs	<u>(248,795)</u>	<u>(269,146)</u>

## 7. PROFIT BEFORE TAX

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

	Notes	1HFY2025 (Unaudited) HK\$'000	1HFY2024 (Unaudited) HK\$'000
Depreciation			
– property, plant and equipment	(a)	29,098	24,686
– right-of-use assets	(a)	5,516	5,757
Amortisation			
– intangible assets	(a)	73,846	73,274
Loss on disposals of property, plant and equipment		47	33
Loss on write-off of intangible assets		72	–
Cost of construction services from service concession arrangements	(b)	963,998	1,105,478
R&D costs	(c)	17,300	21,648
Rental expense from short-term leases		424	760
Allowance for expected credit losses on trade receivables, net		73,031	34,715
(Write-back of allowance)/allowance for expected credit losses on other receivables, net		(21,684)	2,418
(Write-back of allowance)/allowance for expected credit losses on contract assets, net		(1,061)	913
Foreign exchange differences, net		<u>66,009</u>	<u>4,033</u>
Employee benefit expense	(d)		
– Wages, salaries, allowances and benefits in kind		176,751	164,662
– Retirement scheme contributions		<u>17,746</u>	<u>15,489</u>
		<u>194,497</u>	<u>180,151</u>



## 7. PROFIT BEFORE TAX (continued)

Notes:

- (a) Amortisation of intangible assets, depreciation of property, plant and equipment and right-of-use assets in a total of HK\$99,107,000 (1H FY2024: HK\$94,498,000) for the six months ended 30 June 2025 were included in “Direct costs and operating expenses” in the consolidated statement of comprehensive income.
- (b) Included in “Direct costs and operating expenses” in the consolidated statement of comprehensive income.
- (c) R&D costs included HK\$14,327,000 (1H FY2024: HK\$20,936,000) related to the cost of inventories consumed, employee benefit expenses, and depreciation expenses. These expenses were either included in the respective expense categories separately disclosed above or in cost of inventories consumed.
- (d) Employee benefit expenses include directors’ remuneration, employee benefit expenses in cost of construction services and employee benefit expenses in R&D costs.

## 8. INCOME TAX EXPENSE

No provision for Singapore and Hong Kong income tax was made as the Group did not earn any income subject to Singapore or Hong Kong income tax during the six months ended 30 June 2025 (1H FY2024: nil).

In 2021, the Organisation for Economic Co-operation and Development published the Global Anti-Base Erosion Model Rules (“Pillar Two model rules”) for a new global minimum tax reform applicable to large multinational enterprises. In 2024, the Hong Kong SAR Government amended the Inland Revenue Ordinance to introduce a domestic minimum top-up tax which takes effect from the year ending 31 December 2025. Certain other jurisdictions in which the Group operates have already implemented or will be implementing their Pillar Two income tax legislation. Based on the management assessment, there is no material current tax exposure to the Group.

Tax for the PRC operations is charged at the statutory rate of 25% based on the assessable profits in accordance with the tax rules and regulations in the PRC. Certain PRC subsidiaries of the Group were subject to a preferential tax rate of 15% pursuant to the relevant tax rules and regulations, and certain PRC subsidiaries of the Group were subject to tax at half of the foregoing statutory rate or fully exempted from income tax pursuant to the relevant tax rules and regulations.

	1H FY2025 (Unaudited) HK\$'000	1H FY2024 (Unaudited) HK\$'000
Current – PRC:		
Charge for the period	134,647	132,419
Under/(over)-provision in prior years	9,019	(5,850)
Deferred	63,221	61,170
Total tax expense for the period	206,887	187,739

## 9. DIVIDENDS

	<b>1HFY2025</b> <b>(Unaudited)</b> <i>HK\$'000</i>	<b>1HFY2024</b> <b>(Unaudited)</b> <i>HK\$'000</i>
Dividends attributable to the period:		
Interim – 6.09 Hong Kong cents (“HK cents”) (equivalent to 0.99 Singapore cent (“Sing cent(s)”) (1HFY2024: HK6.09 cents (equivalent to 1.05 Sing cents))) per ordinary share	<b><u>174,344</u></b>	<b><u>174,344</u></b>

Dividends paid during the period:

Final in respect of the previous financial year – HK5.81 cents (equivalent to 1.02 Sing cents) (1HFY2024: HK5.81 cents (equivalent to 0.99 Sing cent)) per ordinary share	<b><u>166,823</u></b>	<b><u>165,424</u></b>
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Dividends attributable to the period were approved by the Board post-period end.

## 10. EARNINGS PER SHARE

The calculation of the basic earnings per share is based on the Group’s profit attributable to equity holders of the Company for the period divided by the weighted average number of ordinary shares of the Company in issue during the period.

The Group had no potentially dilutive ordinary shares in issue during the period.

	<b>1HFY2025</b> <b>(Unaudited)</b> <i>HK\$'000</i>	<b>1HFY2024</b> <b>(Unaudited)</b> <i>HK\$'000</i>
Profit attributable to equity holders of the Company for the period	<b><u>563,760</u></b>	<b><u>581,146</u></b>
	<i>'000</i>	<i>'000</i>
Weighted average number of ordinary shares in issue during the period	<b><u>2,860,877</u></b>	<b><u>2,860,877</u></b>
	<i>HK cents</i>	<i>HK cents</i>
Basic and diluted earnings per share	<b><u>19.71</u></b>	<b><u>20.31</u></b>

# 11. TRADE AND OTHER RECEIVABLES

## Group

	At 30 June 2025 (Unaudited) HK\$'000	At 31 December 2024 (Audited) HK\$'000
<b>Non-current</b>		
Other receivables	22,158	21,922
Less: Impairment	(8,531)	(8,573)
	<u>13,627</u>	<u>13,349</u>
Recoverable VAT	182,478	162,952
Prepayments	95,656	79,197
	<u>278,134</u>	<u>242,149</u>
	<u>291,761</u>	<u>255,498</u>
<b>Current</b>		
Trade receivables	7,155,562	6,071,978
Less: Impairment	(868,718)	(778,263)
	<u>6,286,844</u>	<u>5,293,715</u>
Other receivables and sundry deposits	321,714	410,064
Less: Impairment	(29,198)	(50,033)
	<u>292,516</u>	<u>360,031</u>
Recoverable VAT	82,688	100,972
Prepayments	171,688	91,948
	<u>6,833,736</u>	<u>5,846,666</u>
<b>Total</b>	<u>7,125,497</u>	<u>6,102,164</u>

# 11. TRADE AND OTHER RECEIVABLES *(continued)*

The movements in allowance for expected credit losses on trade receivables are as follows:

## Group

	At 30 June 2025 (Unaudited) HK\$'000	At 31 December 2024 (Audited) HK\$'000
At the beginning of the period/year	778,263	626,215
Allowance recognised, net ( <i>note 7</i> )	73,031	164,170
Exchange realignment	17,424	(12,122)
	<u>868,718</u>	<u>778,263</u>
At the end of the period/year	<u>868,718</u>	<u>778,263</u>

The movements in allowance for expected credit losses on other receivables are as follows:

## Group

	At 30 June 2025 (Unaudited) HK\$'000	At 31 December 2024 (Audited) HK\$'000
At the beginning of the period/year	58,606	38,969
(Write-back of allowance)/allowance recognised, net ( <i>note 7</i> )	(21,684)	20,523
Exchange realignment	807	(886)
	<u>37,729</u>	<u>58,606</u>
At the end of the period/year	<u>37,729</u>	<u>58,606</u>

# **11. TRADE AND OTHER RECEIVABLES** *(continued)*

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

## **Group**

	<b>At 30 June 2025 (Unaudited) HK\$'000</b>	<b>At 31 December 2024 (Audited) HK\$'000</b>
Within 1 month	<b>529,712</b>	557,066
More than 1 month but within 2 months	<b>504,070</b>	518,716
More than 2 months but within 4 months	<b>648,564</b>	625,655
More than 4 months but within 7 months	<b>1,109,837</b>	783,377
More than 7 months but within 13 months	<b>1,167,095</b>	959,159
More than 13 months	<b>2,327,566</b>	1,849,742
	<b><u>6,286,844</u></b>	<b><u>5,293,715</u></b>

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

All the current portions of trade and other receivables are expected to be recovered or recognised as expenses within one year.

## 12. CONTRACT ASSETS

### Group

		At 30 June 2025 (Unaudited) HK\$'000	At 31 December 2024 (Audited) HK\$'000
	<i>Notes</i>		
<b>Non-current</b>			
Service concession assets	(a)	<b>21,569,320</b>	20,900,262
Less: Impairment	(c)	<u>(16,772)</u>	<u>(16,315)</u>
		<b>21,552,548</b>	<b>20,883,947</b>
<b>Current</b>			
Service concession assets	(a)	<b>2,179,442</b>	2,063,829
Less: Impairment	(c)	<u>(1,695)</u>	<u>(1,611)</u>
		<b>2,177,747</b>	2,062,218
Other contract assets	(b)	<b>79,930</b>	115,153
Less: Impairment	(c)	<u>(2,630)</u>	<u>(3,803)</u>
		<b>77,300</b>	111,350
		<b>2,255,047</b>	2,173,568
<b>Total</b>		<b><u>23,807,595</u></b>	<b><u>23,057,515</u></b>

#### Notes:

- (a) Service concession assets of HK\$23,748,762,000 as at 30 June 2025 (31 December 2024: HK\$22,964,091,000) bear interest at rates ranging from 3.85% to 7.83% (31 December 2024: 3.85% to 7.83%) per annum. As at 30 June 2025, balances totalling HK\$20,178,904,000 (31 December 2024: HK\$20,425,618,000) are related to the service concession arrangements with operations commenced. The amounts are not yet due for payment and will be settled by revenue generated during the operating periods of the service concession arrangements. Amounts billed will be transferred to trade receivables (note 11).

As at 30 June 2025, service concession assets of HK\$1,222,991,000 (31 December 2024: HK\$1,217,987,000) were transferred but not derecognised under the Group's asset-backed security program.

- (b) Other contract assets of HK\$79,930,000 as at 30 June 2025 (31 December 2024: HK\$115,153,000) comprised contract assets arising from the performance of construction management service contracts. Such contracts include payment schedules which require stage payments over the service periods once milestones are reached.

## 12. CONTRACT ASSETS (continued)

### (c) Impairment assessment

As at 30 June 2025, the total allowance for expected credit losses on contract assets amounted to HK\$21,097,000 (31 December 2024: HK\$21,729,000). The Group's trading terms and credit policy with customers are disclosed in note 11.

The movements in the allowance for expected credit losses on contract assets are as follows:

#### Group

	At 30 June 2025 (Unaudited) HK\$'000	At 31 December 2024 (Audited) HK\$'000
At the beginning of the period/year	21,729	20,454
(Write-back of allowance)/allowance recognised, net (note 7)	(1,061)	1,623
Exchange realignment	429	(348)
	<u>21,097</u>	<u>21,729</u>
At the end of the period/year	<u>21,097</u>	<u>21,729</u>

As at 30 June 2025, certain of the Group's concession rights of the water environment management projects (comprising concession rights of intangible assets, contract assets and trade receivables) with an aggregate carrying amount of HK\$9,367,451,000 (31 December 2024: HK\$8,782,066,000) were pledged to secure bank loan facilities granted to the Group and the issuance of the ABS.

## 13. OTHER FINANCIAL ASSETS

### Group

	At 30 June 2025 (Unaudited) HK\$'000	At 31 December 2024 (Audited) HK\$'000
Unlisted equity investment, at fair value	<u>–</u>	<u>32,928</u>

As at 31 December 2024, the above unlisted equity investment represented the 6% equity interest in Yancheng CCCC Shanghai Dredging Water Environment Investment Co., Ltd., which was fully disposed of during 1HFY2025.

#### 14. CASH AND CASH EQUIVALENTS

##### Group

	At 30 June 2025 (Unaudited) HK\$'000	At 31 December 2024 (Audited) HK\$'000
Cash on hand and bank balances	1,865,021	1,828,428
Restricted bank balances	<u>4,755</u>	<u>19,377</u>
	<u>1,869,776</u>	<u>1,847,805</u>

As at 30 June 2025 and 31 December 2024, the restricted bank balances are deposits pledged to banks for the issuance of guarantees by the banks to the grantors in respect of the specific performance duties by the Group under certain service concession agreements.

Cash and cash equivalents of the Group as at 30 June 2025 included deposits of HK\$49,911,000 (31 December 2024: HK\$66,990,000) placed with a related party bank, which is a fellow subsidiary of the Company.

#### 15. TRADE AND OTHER PAYABLES

##### Group

	At 30 June 2025 (Unaudited) HK\$'000	At 31 December 2024 (Audited) HK\$'000
<b>Non-current</b>		
Deferred government grants	<u>59,762</u>	<u>61,406</u>
<b>Current</b>		
Trade payables	2,957,324	2,414,850
Distribution payable to holders of perpetual capital instruments	–	24,726
Dividend payable to a non-controlling shareholder of a non wholly-owned subsidiary	5,860	5,741
Interest payable	142,495	145,362
Other tax payables, other creditors and accrued expenses	<u>606,372</u>	<u>693,049</u>
	<u>3,712,051</u>	<u>3,283,728</u>
<b>Total</b>	<u>3,771,813</u>	<u>3,345,134</u>



## 15. TRADE AND OTHER PAYABLES (continued)

Trade payables of the Group totaling HK\$2,460,972,000 as at 30 June 2025 (31 December 2024: HK\$1,826,276,000) represent construction payables for the Group's projects under Build-Operate-Transfer and Build-Own-Operate arrangements.

The ageing analysis of trade payables based on the date of invoice (or date of recognition, if earlier), as at the end of the reporting period is as follows:

### Group

	At 30 June 2025 (Unaudited) HK\$'000	At 31 December 2024 (Audited) HK\$'000
Within 6 months	2,200,363	1,543,260
Over 6 months but within 1 year	756,961	871,590
	<u>2,957,324</u>	<u>2,414,850</u>

## 16. SHARE CAPITAL

### Group and Company

	At 30 June 2025 (Unaudited) HK\$'000	At 31 December 2024 (Audited) HK\$'000
Authorised: 10,000,000,000 ordinary shares of par value of HK\$1.00 each	<u>10,000,000</u>	<u>10,000,000</u>
Issued and fully paid: 2,860,876,723 ordinary shares of par value of HK\$1.00 each	<u>2,860,877</u>	<u>2,860,877</u>
	<b>No. of shares '000</b>	<b>Amount HK\$'000</b>
Issued and fully paid: At 31 December 2024 (Audited), 1 January 2025 and 30 June 2025 (Unaudited)	<u>2,860,877</u>	<u>2,860,877</u>

The Group and the Company did not have any treasury shares as at 30 June 2025 and 31 December 2024.

## 17. EVENTS AFTER THE REPORTING PERIOD

With effect from 24 July 2025, Mr. Xiong Jianping was appointed as an executive Director and the Chief Executive Officer of the Company, following the resignation of Mr. Tao Junjie from both positions. On the same day, the Company also established the Sustainability Committee under the Board to oversee the management of environmental, social, and governance ("ESG") matters. For further details, please refer to the Company's announcement dated 24 July 2025.

## BUSINESS REVIEW AND PROSPECTS

### Operating Results

In 1HFY2025, the global landscape remained complex and volatile, with increasing instability and uncertainty. Amid these challenging conditions, China has maintained steady and progressive development momentum. Despite the external pressure, China's economic and social development has demonstrated resilience, navigating challenges effectively and maintaining a stable and positive outlook for the future. Notably, under the guidance of its "Peaking Carbon Dioxide Emissions and Achieving Carbon Neutrality" ("Dual Carbons") goals, China has accelerated the green transformation in its economic and social development, significantly driving its high-quality growth. At the same time, China's environmental protection industry continues to undergo significant structural adjustments and upgrades, actively pursuing a path of sustainable and high-quality growth.

In 1HFY2025, as a leading water environment management service provider in China, the Group adheres to the principles of green, low-carbon, and high-quality development. The Group remains committed to a steady yet dynamic growth strategy, focusing on its core business, integrating innovation into its development processes, and ensuring operational stability, while further reinforcing its leading position in the industry.

In terms of operating results for 1HFY2025, the Group reported revenue of HK\$3.280 billion, representing a 2% decrease from HK\$3.353 billion in the corresponding period last year; earnings before interest, taxes, depreciation and amortisation ("EBITDA") was HK\$1.194 billion, roughly on par with HK\$1.196 billion in the corresponding period last year; profit attributable to equity holders of the Company decreased by 3% to HK\$564 million, as compared to HK\$581 million in the corresponding period of last year; basic earnings per share decreased by 3% or HK0.6 cent to HK19.71 cents, from HK20.31 cents in the corresponding period of last year; overall gross profit margin stood at 42%, representing an increase of 4 percentage points ("ppt") from 38% in the corresponding period last year. The Group has maintained a healthy financial position, diversified financing channels and a portfolio of high-quality assets.

In relation to market expansion, during the Review Period, the Group withstood industry pressures and challenges in a complex and volatile market environment. The Group has continued to realign its business strategy, with traditional and emerging business areas progressing in tandem, while the asset-light and asset-heavy business models were further deepened. Additionally, the Group continues to drive its business expansion both within and outside mainland China through a deliberate and structured approach. Among which, the asset-light business model has been implemented across multiple business areas, covering industrial waste water treatment, equipment supply, and technological processes, with new asset-light business contracts secured in several Chinese provinces, including Hubei, Jiangsu, and Zhejiang, as well as in the Thai market. Concurrently, with a focus on addressing market-driven

demands, the Group has been exploring multi-channel service solutions, pursuing opportunities within its business-to-business (ToB) model, and strategically leveraging its core advantages and resources to evaluate and capitalise on opportunities to expand its industrial value chain. In 1HFY2025, the Group secured several asset-light projects and service contracts, with a total contract value of approximately RMB60 million and an additional designed daily industrial waste water treatment capacity of 10,000 m<sup>3</sup>.

As of 30 June 2025, the Group invested in and held 170 environmental protection projects, with a total investment of approximately RMB31.63 billion. Additionally, it undertook various asset-light projects and services, such as operation and management (“O&M”), engineering, procurement and construction (“EPC”), EPCO (Engineering Design-Procurement-Construction-Operation), equipment supply, and technical services. The Group has a business presence in more than 60 districts, counties and cities across 13 provinces, municipalities and autonomous regions in China, in addition to overseas markets such as Mauritius.

A summary of the number of project(s) and water treatment/supply capacity is set out below:

<b>Project Type<sup>(1)</sup></b>	<b>Number of Projects</b>	<b>Water Treatment/Supply Capacity (m<sup>3</sup>/day)</b>
Municipal waste water treatment projects <sup>(2)</sup>	135	5,823,000
Industrial waste water treatment projects <sup>(2)</sup>	27	506,000
Reusable water projects <sup>(2)</sup>	8	324,600
River-basin ecological restoration projects	6	115,000
Water supply projects	3	250,000
Raw water protection project	1	600,000
Sludge treatment and disposal projects	2	Not applicable
Livestock and poultry manure resource utilisation project	1	Not applicable
<b>Total</b>	<b>183</b>	<b>7,618,600</b>

*Notes:*

(1) EPC project(s) excluded

(2) Project(s) with O&M capacity included

In terms of operations management, during the Review Period, the Group has been improving the quality and efficiency of operations management through a dual approach of technological innovation and refined management, while further advancing the implementation of intelligent operations management. As part of its ongoing efforts to reduce costs and enhance efficiency, the Group has been continuously strengthening its refined management measures, such as optimisation of chemical types, precise chemical dosing, and energy management contracting of equipment, to further reduce the operating costs of existing projects. An efficient, high-quality digital supply chain system was developed by the Group. For revenue generation and efficiency enhancement, the Group's water treatment projects have been exploring new business opportunities such as industrial waste water and reusable water treatment, optimising operational efficiency of existing projects and securing more than 10 business contracts for existing projects. As of 30 June 2025, solar power facilities have been put into operation at 12 projects, located in several Chinese provinces and municipalities, such as Shandong, Jiangsu and Tianjin, with a total installed capacity of approximately 20 MWp, generating around 20 million kWh of green electricity annually. In 1HFY2025, the Group secured new subsidies of approximately RMB27.50 million in total. Additionally, it treated approximately 835 million m<sup>3</sup> of waste water and supplied approximately 20 million m<sup>3</sup> of reusable water.

In terms of safety and environmental management, during the Review Period, the Group has been strengthening leadership and enhancing the capabilities of its employees. It organised "Safety Production Month" activities and steadily advanced the "Three-Year Action Plan for Tackling the Root Causes of Work Safety Risks", reinforcing the foundation for business development. The Group also intensified its supervision of safety and environmental practices to safeguard the safety of frontline, thereby achieving "zero safety accidents and zero environmental incidents" ("Dual Zeros") across both construction and operating projects, and maintaining stable safety performance in 1HFY2025.

In the area of technological innovation, during the Review Period, the Group remained committed to its "Development Driven by Technological Innovation" strategy, focusing on market and business expansion, while addressing technical challenges encountered in operations management. This was achieved through technological innovation, the adoption of new technologies, and the development of technical reserves, in an orderly manner. In 1HFY2025, the Group was granted 3 new intellectual property rights, including 1 invention patent.

On project construction, during the Review Period, 2 projects of the Group commenced construction, with a designed daily reusable water supply capacity of 15,000 m<sup>3</sup>; and 5 projects were both completed and commenced operations, contributing an additional designed daily waste water treatment capacity of 700,000 m<sup>3</sup>.

In terms of capital market, during the Review Period, the Group continued to optimise its financing structure by adjusting loan tenors, currencies, and interest rates to reduce overall financial costs. Concurrently, the Group reinforced its trade receivables management to effectively control liquidity risks, thereby strengthening support for business growth. The Group's key financing arrangements in 1H FY2025 are set out below:

<b>Issuance Date</b>	<b>Financing Arrangements and Uses of Proceeds</b>	<b>Issuance Size (RMB)</b>
January 2025	Issuance of the 2025 first tranche MTN in mainland China, the proceeds of which were used to replenish the working capital of the Company.	1.5 billion
April 2025	Issuance of the 2025 second tranche MTN in mainland China, the proceeds of which were used to repay the outstanding debts of the Company.	1 billion
June 2025	Issuance of the 2025 third tranche MTN in mainland China, the proceeds of which were used to redeem the existing perpetual MTN of the Company.	0.7 billion

In terms of social responsibility, the Group actively embraces its role as a socially responsible enterprise by leveraging its business strengths and core competencies. During the Review Period, the Group participated in a wide range of industry exchange activities, engaging in in-depth discussions with government representatives, industry peers, and academic experts to explore industry trends and collaborative opportunities, thereby further enhancing its influence in the industry. In addition, the Group has continued to implement environmental protection and charitable initiatives across its operating projects, fostering deep integration with local communities, and jointly promoting a harmonious, green, and low-carbon way of life. Notably, the Group launched its “World Environment Day” flagship public welfare campaign for the eighth consecutive year. As of 30 June 2025, a total of 49 projects under the Group have been opened to the public. In 1H FY2025, these projects received more than 6,000 visitors from all walks of life, reinforcing the Group's role in advancing ecological and environmental protection education at the community level.

Driven by its continued commitment to business development, operational excellence and corporate social responsibility, the Group received several notable awards during the Review Period. A summary of the key accolades is set out below:

<b>Award</b>	<b>Awarding Organisation</b>
One of the “Top Ten Influential Enterprises in China’s Water Industry” (for the 8 <sup>th</sup> consecutive year)	E20 Environment Platform
Benchmark Award for Smart and Circular Ecological Governance	First Macao ESG 2025 – ESG Awards for Excellence
Included in the <i>Sustainability Yearbook</i> (China Edition) for the first time	S&P Global
Everbright Water (Suzhou) Limited and Everbright Water (Zibo) Limited (“Zibo Project Company”) being shortlisted in the “First Batch of Ecological Civilisation Education Practices Venues for the Youth”	Center for Environmental Education and Communications of the Ministry of Ecology and Environment of China
Zibo Zhangdian East Chemical Industry Park Industrial Waste Water Treatment Project in Shandong Province was recognised as one of the “Excellent Cases on Waste Water Treatment in Industrial Parks”	E20 Environment Platform
Zibo Project Company and Binzhou Development Zone Waste Water Treatment Project in Shandong Province were recognised as “Excellent Cases on Municipal Waste Water Treatment”	E20 Environment Platform

The Company remains committed to sharing fruitful operating results with the shareholders of the Company (the “Shareholders”) and creating value for them through its sustainable corporate development. The Board declared an interim dividend of HK6.09 cents (equivalent to 0.99 Sing cent) per ordinary share to the Shareholders for 1H FY2025 (1H FY2024: HK6.09 cents (equivalent to 1.05 Sing cents) per ordinary share).

## **Business Prospects**

Commemorating the 20<sup>th</sup> anniversary of the “lucid waters and lush mountains are invaluable assets” concept and the 5<sup>th</sup> anniversary of China’s “Dual Carbons” goals, the Group remains committed to accessing and seizing development opportunities within the environmental protection industry. Guided by the overarching principle of making progress with stability and promoting stability through progress, the Group will prioritise sustainable scale growth alongside continuous efficiency improvement. With extraordinary vision, determination and measures, the Group will steadily advance its business operations by prioritising five core tasks: scale expansion, cost reduction and efficiency enhancement, trade receivable management, compliance and risk control, and organisational optimisation. Driven by its commitment to high-quality development, the Group remains steadfast in transforming from a “traditional water service operator” to a “technology-driven environmental service provider”, thereby enhancing the Shareholder value and making a contribution to ecological civilisation progress and sustainable development.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **Financial Review**

In 1HFY2025, the revenue of the Group decreased by 2% to HK\$3,279.57 million compared with that of HK\$3,352.60 million in 1HFY2024, among which the construction service revenue decreased to HK\$1,164.18 million (1HFY2024: HK\$1,355.41 million), the operation income increased to HK\$1,476.89 million (1HFY2024: HK\$1,301.26 million) and the finance income slightly dropped to HK\$558.81 million (1HFY2024: HK\$564.33 million). Gross profit of the Group increased by 8% from HK\$1,269.23 million in 1HFY2024 to HK\$1,369.24 million in 1HFY2025. The profit of the Group decreased by 0.4% from HK\$627.57 million in 1HFY2024 to HK\$625.32 million in 1HFY2025. The profit attributable to equity holders of the Company amounted to HK\$563.76 million in 1HFY2025, indicating a decrease of 3% compared to that in 1HFY2024.

## *Consolidated Statement of Comprehensive Income*

### *Revenue*

Overall, the Group's revenue decreased by HK\$73.03 million or 2%, from HK\$3,352.60 million in 1HFY2024 to HK\$3,279.57 million in 1HFY2025.

Construction service revenue decreased to HK\$1,164.18 million in 1HFY2025 from HK\$1,355.41 million in 1HFY2024, representing a decline of HK\$191.23 million or 14%. This decrease was mainly due to a reduction in construction activities in 1HFY2025 compared to 1HFY2024.

Operation income in 1HFY2025 increased by HK\$175.63 million or 13% compared to that in 1HFY2024. This increase was primarily attributable to (i) the commencement of operations of new projects during the remaining period of the financial year ended 31 December 2024 ("FY2024") and 1HFY2025; and (ii) tariff hikes for several projects effected during the remaining period of FY2024 and 1HFY2025.

### *Direct costs and operating expenses*

Direct costs and operating expenses decreased by HK\$173.03 million or 8% from HK\$2,083.36 million in 1HFY2024 to HK\$1,910.33 million in 1HFY2025. This decrease is primarily driven by a reduction in cost of construction services, which fell by HK\$141.48 million or 13% from HK\$1,105.48 million in 1HFY2024 to HK\$964.00 million in 1HFY2025. The decrease in cost of construction services is in line with the corresponding decline in construction service revenue.

### *Gross profit margin*

Overall gross profit margin in 1HFY2025 increased to 42% (1HFY2024: 38%). Such increase was partly due to cost control measures implemented by the Group which led to an increase in gross profit margin of the operation service, and partly due to the decrease in the proportion of the construction service revenue recognised to the total revenue in 1HFY2025 in comparison to 1HFY2024. In general, construction services carry a lower gross profit margin than operation services, and thus a smaller (larger) proportion of construction service revenue will raise (reduce) the overall gross margin. In 1HFY2025, construction service revenue accounted for about 35% (1HFY2024: 40%) of total revenue. Therefore, the overall gross profit margin increased by 4 ppt compared to that of 1HFY2024.



### *Other income and gains, net*

Other income and gains, net primarily comprised government grants, VAT refunds, fair value changes on financial assets at fair value through profit or loss, and other sundry income. Other income and gains, net decreased by HK\$21.36 million from HK\$42.98 million in 1H FY2024 to HK\$21.62 million in 1H FY2025. This decrease was mainly due to a reduction in sundry income. The breakdown of other income and gains, net is set out below.

	<b>1H FY2025</b> <b>(Unaudited)</b> <b>HK\$'000</b>	<b>1H FY2024</b> <b>(Unaudited)</b> <b>HK\$'000</b>
Government grants	<b>9,640</b>	16,202
VAT refunds	<b>4,910</b>	–
Gain on disposal of other financial assets – unlisted equity investment	<b>107</b>	–
Fair value gain, net:		
Other financial assets – unlisted investments	–	7,036
Other financial assets – unlisted equity investment	<b>455</b>	456
Sundry income	<b>6,510</b>	19,289
	<b><u>21,622</u></b>	<b><u>42,983</u></b>

### *Administrative and other operating expenses*

Administrative and other operating expenses mainly consisted of staff costs, business development expenses, net foreign exchange differences, legal and professional fees, R&D expenses, other taxes, as well as allowances for expected credit losses on trade receivables, other receivables and contract assets.

Other operating expenses for 1H FY2025 included (a) allowance for expected credit losses on trade receivables amounting to HK\$73.03 million (1H FY2024: HK\$34.72 million); (b) write-back of allowance for expected credit losses on other receivables amounting to HK\$21.68 million (1H FY2024: allowance of HK\$2.42 million); and (c) write-back of allowance for expected credit losses on contract assets amounting to HK\$1.06 million (1H FY2024: allowance of HK\$0.91 million). The allowance for expected credit losses on trade receivables in 1H FY2025 was mainly due to a slowdown in the payment of waste water treatment service fees by local governments, and the Group adopted a more prudent view in accessing the allowance for expected credit losses on trade receivables.

Aside from the other operating expenses mentioned above, administrative expenses increased by HK\$67.46 million from HK\$189.33 million in 1H FY2024 to HK\$256.79 million in 1H FY2025. This increase was mainly due to recognition of net foreign exchange losses of HK\$66.01 million in 1H FY2025 while net foreign exchange losses of HK\$4.03 million was recognised in 1H FY2024.

Administrative expenses for 1H FY2025 included, *inter alia*, net loss on disposals of property, plant and equipment of HK\$0.05 million (1H FY2024: HK\$0.03 million).

#### *Finance costs*

Finance costs decreased to HK\$253.45 million in 1H FY2025 from HK\$277.46 million in 1H FY2024. This decrease was primarily due to a lower average lending rate in 1H FY2025 compared to 1H FY2024, which outweighed the impact of the increase in the average balance of borrowings in 1H FY2025 compared to 1H FY2024. The decrease in average lending rate resulted from the Group's effective refinancing strategy, which involved either converting the currencies denomination of the existing borrowings to the currencies with lower benchmark interest rates or refinancing the existing borrowings with MTN bearing lower interest rates.

#### *Income tax expense*

Income tax expense increased by 10% from HK\$187.74 million in 1H FY2024 to HK\$206.89 million in 1H FY2025 reflecting the increase in profits before tax.

Income tax expense for 1H FY2025 included, *inter alia*, under-provision of income tax in respect of prior years amounting to HK\$9.02 million (1H FY2024: over-provision of HK\$5.85 million).

#### ***Consolidated Statement of Financial Position***

As at 30 June 2025, the Group's total assets amounted to approximately HK\$38.21 billion with net assets amounting to HK\$14.82 billion. Net asset value per share attributable to equity holders of the Company was HK\$4.41 per share, representing an increase of 7% as compared to HK\$4.14 per share as at the end of FY2024. As at 30 June 2025, the gearing ratio (total liabilities over total assets) of the Group was 61.2%, which increased slightly by 0.2 ppt from 61.0% at the end of FY2024.

## *Assets*

Total assets of the Group increased by HK\$2.32 billion from HK\$35.89 billion as at 31 December 2024 to HK\$38.21 billion as at 30 June 2025. This increase in total assets was primarily driven by growth in contract assets, intangible assets, and trade and other receivables.

Investment properties amounted to HK\$11.14 million as at 30 June 2025. Investment properties are stated at fair value, which reflects market conditions at the end of the Review Period. There was no change in fair value during 1HFY2025.

Contract assets (including both current and non-current portions) increased by HK\$750.08 million from HK\$23.06 billion as at 31 December 2024 to HK\$23.81 billion as at 30 June 2025, while intangible assets increased by HK\$409.61 million from HK\$2.32 billion as at 31 December 2024 to HK\$2.73 billion as at 30 June 2025. The increase in both contract assets and intangible assets was mainly attributable to the recognition of construction service revenue for new waste water treatment plants, as well as expansion and upgrading projects for several existing waste water treatment plants during 1HFY2025.

Trade and other receivables (including both current and non-current portions) of the Group increased from HK\$6.10 billion as at 31 December 2024 to HK\$7.13 billion as at 30 June 2025. Among them, trade receivables increased by HK\$993.13 million from HK\$5.29 billion as at 31 December 2024 to HK\$6.29 billion as at 30 June 2025, which was mainly due to (i) the seasonal settlement pattern, with customers normally settling a greater portion of trade receivables towards the end of the financial year; and (ii) the slowdown in payment of waste water treatment service fees by local governments in 1HFY2025. As at 30 June 2025, other receivables included prepaid VAT of HK\$78.07 million, representing VAT refunds related to the Company's Ji'nan subsidiaries arising from a change in the VAT exemption incentive policy. During the financial year ended 31 December 2022, VAT refunds totalling HK\$78.07 million were received by the Ji'nan subsidiaries from the local tax bureau in connection with this tax policy change. However, during 1HFY2025, the Ji'nan subsidiaries were required to return the refunded amount to the local tax bureau. The Management is currently in discussions with the local tax bureau to resolve the matter.

Other financial assets as at 31 December 2024 represented the 6% unlisted equity interest in Yancheng CCCC Shanghai Dredging Water Environment Investment Co., Ltd., which was disposed during 1HFY2025.

## *Liabilities*

Total borrowings (including both current and non-current portions) increased by HK\$866.77 million. This increase was mainly due to the issuance of MTN with proceeds amounting to HK\$2,677.80 million and new bank loans amounting to HK\$562.52 million, offset by repayments of MTN of HK\$1,072.20 million, repayments of ABS of HK\$99.75 million, and repayments of bank loans amounting to HK\$1,550.29 million in 1HFY2025.

The Group was in a net current asset position of HK\$3,546.21 million as at 30 June 2025, representing an increase of HK\$1,109.49 million from HK\$2,436.72 million as at 31 December 2024. This significant increase was primarily due to refinancing of borrowings due within one year with the proceeds from the issuance of 2025 first tranche MTN and 2025 second tranche MTN during 1HFY2025. Both instruments have a tenure of 3 years. Accordingly, the current ratio has improved from 1.32 as at 31 December 2024 to 1.47 as at 30 June 2025.

### *Equity*

The Group's total equity amounted to HK\$14.82 billion as at 30 June 2025 (31 December 2024: HK\$13.99 billion). This increase was mainly due to the (i) recognition of profit amounting to HK\$625.32 million in 1HFY2025; (ii) recognition of foreign currency translation gain of HK\$408.46 million arising from appreciation of RMB against HK\$; (iii) decrease of HK\$166.82 million in equity due to declaration and payment of FY2024 final dividend; (iv) net decrease in equity of HK\$51.30 million due to issuance of perpetual capital instruments of HK\$755.69 million and redemption of perpetual capital instruments of HK\$806.98 million; and (v) capital contributions of HK\$14.24 million by non-controlling shareholders of subsidiaries during 1HFY2025.

### *Consolidated Statement of Cash Flows*

Cash and cash equivalents as stated in the consolidated statement of cash flows increased from HK\$1.83 billion as at 31 December 2024 to HK\$1.87 billion as at 30 June 2025. Cash and cash equivalents included in the consolidated statement of cash flows are reconciled as follows:

	At 30 June 2025 (Unaudited) HK\$'000	At 31 December 2024 (Audited) HK\$'000
Cash and cash equivalents as stated		
in the consolidated statement of financial position	1,869,776	1,847,805
Less: Restricted bank balances	<u>(4,755)</u>	<u>(19,377)</u>
Cash and cash equivalents as stated		
in the consolidated statement of cash flows	<u>1,865,021</u>	<u>1,828,428</u>

### *Cash flows from operating activities*

The Group had cash inflow of HK\$1,304.63 million (1HFY2024: HK\$1,202.99 million) before the changes in working capital during 1HFY2025. The changes in working capital resulted in cash outflow of HK\$1,041.99 million in 1HFY2025, and payment of income tax resulted in cash outflow of HK\$130.93 million in 1HFY2025. As a result, the Group recorded a net cash inflow of HK\$131.71 million from operating activities in 1HFY2025. The changes in working capital in 1HFY2025 arose mainly from:

- (i) the increase in inventories by HK\$43.09 million;
- (ii) the increase in contract assets by HK\$267.97 million;
- (iii) the increase in trade and other receivables by HK\$885.12 million; and
- (iv) the increase in trade and other payables by HK\$154.18 million.

### *Cash flows from investing activities*

In 1HFY2025, the Group recorded a net cash outflow of HK\$173.55 million from investing activities. The net cash outflow mainly arose from:

- (i) the payment of HK\$15.36 million for the purchase of items of property, plant and equipment;
- (ii) the payment of HK\$201.94 million for the additions of intangible assets;
- (iii) the decrease in amounts due from associates by HK\$5.41 million;
- (iv) the receipt of proceeds from redemption and disposal of other financial assets amounted to HK\$33.67 million; and
- (v) the receipt of interest of HK\$4.65 million.

### *Cash flows from financing activities*

The Group recorded a net cash inflow of HK\$40.89 million from financing activities in 1H FY2025. The net cash inflow was mainly caused by:

- (i) the capital contributions of HK\$14.24 million from non-controlling shareholders of subsidiaries;
- (ii) the receipt of proceeds of HK\$757.96 million from the issuance of perpetual capital instruments;
- (iii) the receipt of proceeds of HK\$2,677.80 million from the issuance of MTN;
- (iv) the redemption of perpetual capital instruments of HK\$806.98 million;
- (v) the repayments of MTN of HK\$1,072.20 million;
- (vi) the repayments of ABS of HK\$99.75 million;
- (vii) the net repayments of bank loans of HK\$987.78 million;
- (viii) the payment of expenses related to issuance of perpetual capital instruments, MTN and ABS of HK\$10.32 million;
- (ix) the payment of principal and interest elements of lease payments of HK\$4.10 million;
- (x) the decrease in restricted bank balances by HK\$14.75 million;
- (xi) the payment of interest of HK\$253.65 million;
- (xii) the payment of dividend to the Shareholders of HK\$164.31 million; and
- (xiii) the payment of distribution to the holders of perpetual capital instruments of HK\$24.78 million.

## Earnings Per Share

The calculation of the basic earnings per share is based on the Group's profit attributable to equity holders of the Company for the period divided by the weighted average number of ordinary shares of the Company in issue during the period.

The Group had no potentially dilutive ordinary shares in issue during the period.

	<b>1H FY2025</b> <b>(Unaudited)</b> <b>HK\$'000</b>	<b>1H FY2024</b> <b>(Unaudited)</b> <b>HK\$'000</b>
Profit attributable to equity holders of the Company for the period	<u><b>563,760</b></u>	<u><b>581,146</b></u>
	<b>'000</b>	<b>'000</b>
Weighted average number of ordinary shares in issue during the period	<u><b>2,860,877</b></u>	<u><b>2,860,877</b></u>
	<b>HK cents</b>	<b>HK cents</b>
Basic and diluted earnings per share	<u><b>19.71</b></u>	<u><b>20.31</b></u>

## Net Asset Value Per Share

	<b>Group</b>		<b>Company</b>	
	<b>At</b>	<b>At</b>	<b>At</b>	<b>At</b>
	<b>30 June</b>	<b>31 December</b>	<b>30 June</b>	<b>31 December</b>
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>	<b>(Unaudited)</b>	<b>(Audited)</b>
	<b>HK\$</b>	<b>HK\$</b>	<b>HK\$</b>	<b>HK\$</b>
Net asset value per ordinary share based on the issued share capital as at the end of the respective period	<u><b>4.41</b></u>	<u><b>4.14</b></u>	<u><b>3.46</b></u>	<u><b>3.50</b></u>

Net asset value per ordinary share was calculated by dividing the net asset value attributable to equity holders of the Company by the number of ordinary shares outstanding, excluding treasury shares, as at the end of the respective financial period.

## Financial Resources

The Group adopts a prudent approach to cash and financial management to ensure proper risk control and minimise cost of funds. Its primary sources of financing for operations include internally-generated cash flows, loan facilities from banks, and proceeds raised from issuance of corporate bonds, ABS, MTN, super and short-term commercial papers and perpetual capital instruments. As at 30 June 2025, the Group had cash and bank balances of approximately HK\$1.87 billion, representing an increase of HK\$21.97 million as compared to HK\$1.85 billion at the end of FY2024. Most of the Group's cash and bank balances, representing approximately 99%, were denominated in HK\$ and RMB.

### Borrowings and Debt Securities of the Group

*Amounts payable within one year or less, or on demand*

At 30 June 2025		At 31 December 2024	
Secured (Unaudited) HK\$'000	Unsecured (Unaudited) HK\$'000	Secured (Audited) HK\$'000	Unsecured (Audited) HK\$'000
473,698	3,255,711	452,917	3,728,412

*Amounts payable after one year*

At 30 June 2025		At 31 December 2024	
Secured (Unaudited) HK\$'000	Unsecured (Unaudited) HK\$'000	Secured (Audited) HK\$'000	Unsecured (Audited) HK\$'000
4,140,151	9,386,820	4,268,921	7,939,360

The Group is dedicated to diversifying its financing channels and increasing bank loan facility limits to reserve funding for developing the water environment management business. As at 30 June 2025, the Group had outstanding borrowings of HK\$17.26 billion, representing an increase of HK\$866.77 million compared to HK\$16.39 billion as at the end of FY2024. The borrowings comprised secured interest-bearing borrowings of HK\$4.61 billion and unsecured interest-bearing borrowings of HK\$12.64 billion. The borrowings were all denominated in RMB. Borrowings at fixed rates and at floating rates accounted for 60% and 40% of the total borrowings, respectively. As at 30 June 2025, the Group had bank loan facilities of HK\$12.33 billion, of which HK\$5.08 billion remained utilised. The remaining terms of the bank loan facilities range from 1 to 18 years. During 1HFY2025, while paying vigilant attention to and monitoring interest rate risks continuously and cautiously, the Group did not adopt any interest rate hedging policy.



## **Foreign Exchange Risks**

The Group mainly operates in the PRC. Currency exposure arises within entities of the Group when transactions are mainly denominated in foreign currencies such as United States dollars (“USD”), Euro (“EUR”), Singapore dollars (“SGD”), Korean won, HK\$ and RMB. In addition, the Group is exposed to currency translation risk upon translation of net assets of foreign operations into the Group’s reporting currency of HK\$. During 1HFY2025, the Group was affected by fluctuations in the exchange rates and did not adopt any formal hedging policies nor use any financial instrument for hedging purposes. Although the Group was exposed to foreign currency exchange risks, the Board believes that future currency fluctuations will not have any material impact on the Group’s operations.

## **Pledge of Assets**

Certain bank loan facilities and issuance of ABS of the Group as at 30 June 2025 were secured by certain revenue, intangible assets, contract assets and receivables in connection with the Group’s service concession arrangements. As at 30 June 2025, the aggregate net book value of pledged assets amounted to HK\$9.37 billion.

## **Commitments**

As at 30 June 2025, the Group had outstanding purchase commitments of HK\$279.15 million in connection with construction contracts and an outstanding capital commitment of HK\$5.46 million in connection with capital contribution to a joint venture. The Group intends to finance the above commitments using internal resources of funds, external borrowings, or a combination of both.

## **Contingent Liabilities**

As at 30 June 2025, the Company provided financial guarantees to two subsidiaries. The Board does not consider it probable that a claim will be made against the Company under the guarantees. The maximum liability of the Company as at 30 June 2025 for the provision of the guarantees was HK\$1.93 billion. Notwithstanding the above, the Group did not recognise any contingent liabilities at the consolidated level as at 30 June 2025.

## Interested Person Transactions Mandate and Aggregate Value of such Transactions

The Company obtained approval from the Shareholders on the renewal of a general mandate (the “IPT Mandate”) for interested person transactions (the “IPTs”) in its annual general meeting held on 23 April 2025 pursuant to Rule 920 of the listing manual (the “SGX Listing Manual”) of Singapore Exchange Securities Trading Limited (“SGX”). The aggregate value of the IPTs in excess of SGD100,000 during 1HFY2025 is set out as follows:

<b>Name of interested person</b>	<b>Nature of relationship</b>	<b>Aggregate value of all IPTs during 1HFY2025 (excluding transactions less than SGD100,000 and transactions conducted under the IPT Mandate)</b>	<b>Aggregate value of all IPTs conducted under the IPT Mandate during 1HFY2025 (excluding transactions less than SGD100,000)</b>
China Everbright Environment Group Limited	Controlling shareholder	Nil	HK\$84,891,000 (equivalent to SGD14,449,000)
Everbright Securities Company Limited	Associate of the controlling shareholder	Nil	HK\$4,119,000 (equivalent to SGD701,000)
Sun Life Everbright Life Insurance Co., Ltd.	Associate of the controlling shareholder	Nil	HK\$1,019,000 (equivalent to SGD173,000)

## INTERNAL MANAGEMENT

Corporate management and risk control are critical to maintain the Group's efficient, sound and sustainable development. Accordingly, the Group has established a comprehensive corporate governance framework, which includes five committees under the Board (the "Board Committees"), namely the Audit Committee, the Remuneration Committee, the Nominating Committee, the Strategy Committee and the Sustainability Committee<sup>#</sup>. Additionally, the Group has formed the Management Committee<sup>##</sup>, which serves as the principal executive body responsible for overseeing day-to-day operational and managerial functions. The Management Committee holds meetings regularly to review and deliberate on matters pertinent to the Group's operation and management, thereby ensuring effective execution of strategic initiatives and supporting the Group's continued sustainable development.

The Group has also set up various functional departments, including the Investment & Development Department, the Technology & Development Department, the Operations and Information Management Department, the Safety & Environmental Management Department, the Budget Management Department, the Procurement Management Department, the Finance Management Department, the Human Resources Department, the Supervision Department, the Internal Audit Department, the Legal & Risk Management Department, and the General Management Department. Moreover, to meet business needs, the Group has set up eight regional management centres to ensure effective project management by regions and foster beneficial synergies.

The Group has continuously enhanced its internal management by establishing a comprehensive management framework and a robust emergency response system. Additionally, the Group has fully implemented the Environmental, Safety, Health and Social Responsibility ("ESHS") Management System (the "ESHS Management System") and the Risk Management System across all levels of operation. These systems standardise management processes throughout project investment, construction and operations, with the goal of identifying and mitigating risks while improving overall operational efficiency and effectiveness.

During the Review Period, the Group streamlined its organisational structure and the division of responsibilities within its management team. It has been continuously optimising its internal management system by establishing mechanisms to manage legal and compliance risks, enhancing awareness of compliance and self-discipline among personnel, and strengthening oversight and controls to mitigate such risks. The Safety & Environmental Management Department continued to promote the "Three-Year Action Plan for Tackling the Root Causes of Work Safety Risks" and implemented refined safety and environmental management measures, with an aim to maintain a record of zero incident in both safety and environmental aspects across the Group's construction and operating projects.

<sup>#</sup> The Sustainability Committee was established on 24 July 2025.

<sup>##</sup> The Management Committee was dissolved and replaced by the Chief Executive Officer's office which assumed the same roles and responsibilities, with effect from 12 August 2025.

## HUMAN RESOURCE MANAGEMENT

Talent is the most valuable asset of an enterprise and the primary driving force behind its development. The Group highly values its employees, adhering to a “People-Oriented” philosophy. It protects the interests and well-being of its employees, enriching their lifestyles and cultivating their values. During the Review Period, the Group thoroughly implemented the talent-driven strategy, focusing on the continuous development of various talent teams. By combining both online and offline methods, the Group organised specialised trainings on various topics, such as “Cloud-like Sailing Project”, “Sail Plan” and “Empowering Management Talent”. These efforts aimed to empower managers and employees through continuous learning, preparing them to embrace new opportunities and challenges. The Group also established a dynamic personnel selection and appointment mechanism, along with smooth career development pathways for employees. In addition to facilitating internal transfers between regions and departments, the Group effectively utilised the internal talent pool by giving priority to its existing employees for managerial positions in the functional departments at the headquarters and various project companies. This approach enabled the promotion of outstanding frontline employees and young talent to key positions, thereby ensuring a strong talent foundation for the Group’s high-quality development. The Group continued to optimise remuneration distribution plans, prioritise front-line production staff, key core positions, urgently needed talent, and departments and individuals with outstanding results in performance evaluations to better leverage the incentive effect of remuneration.

As at 30 June 2025, the Group had approximately 1,860 employees (including those in Hong Kong and Singapore). Their remunerations are determined based on qualifications, experience, job nature, performance and prevailing market conditions. In addition to discretionary bonuses, the Group offers other benefits such as pension schemes, medical insurance as well as other protection schemes in accordance with the laws and regulations of the relevant jurisdictions. The Group is also committed to providing equal opportunities for all employees in various aspects and supporting their continuous professional development to enhance their knowledge, skills and professionalism.

## PRINCIPAL RISKS AND UNCERTAINTIES

During the Review Period, the Group continued to strengthen its risk management initiatives. Based on the requirements set out in its *Risk Management Policy* and *Risk Management Manual*, the Group thoroughly identified and assessed the principal risks faced during the Review Period, and formulated and implemented targeted control measures, which proved to be effective overall. During the Review Period, the Group's principal risks were as follows:

### 1. Policy Changing Risk

**Description:** The Group is exposed to a range of regulatory and policy risks in the PRC, particularly in relation to waste water treatment, river-basin ecological restoration, sponge city construction, reusable water, water supply, waste water source heat pump, potential new business investment projects and Public-Private Partnership (“PPP”) model in the PRC. Any failure to respond effectively to such policy changes may adversely affect the operating results and development prospects of the Group.

**Responsive measures:** (1) **Closely monitoring changes in laws and policies.** The Group has designated personnel responsible for regularly updating and summarising the national laws and policies and keeping a close watch on significant regulatory and policy development within the industry. (2) **Organising teams and engaging experts to conduct research and interpretation.** The Group organised internal teams to conduct research and provide interpretations of new regulations and policies, ensuring timely internal dissemination and implementation of new regulations and policies. External experts were also engaged to provide explanations on new regulations when necessary. (3) **Promptly adjusting strategies and business models.** The Group closely monitored laws and policies related to “Dual Carbons” and legislative developments concerning PPP model. It also monitored regulatory changes, market dynamics, and emerging business models, promptly adjusting its development direction in response to evolving environmental protection policies.

## 2. New Business Investment and Market Competition Risks

**Description:** With significant capital inflows and an increasing number of competitors entering the water industry, the overall market competition has become increasingly intense. In the event that the Group fails to effectively analyse and anticipate market trends and industry developments, fails to allocate existing resources strategically based on its core strengths, or fails to identify and pursue profitable business investment opportunities, it may face unsatisfactory investment returns or a weakening of its competitive advantages.

**Responsive measures:** **(1) Focusing on the main responsibilities and principal businesses and adhering to high-quality development.** The Group reviewed and optimised its development strategies by concentrating on its main “water-related” responsibilities and principal businesses. Additionally, the Group enhanced its market competitiveness through enhancement of its asset-light service capability, cost reduction, operational efficiency improvement, and expansion of upstream and downstream operations. **(2) Enhancing research into new business areas.** In addition to solidifying its traditional businesses, the Group, during the Review Period, arranged for a professional research team to enhance research efforts on new business opportunities and business expansion. It actively pursued new business models and sought new opportunities within the water industry and the Group’s business development. **(3) Increasing efforts to expand its business outside mainland China.** The Group has been actively expanding its business outside mainland China by strengthening its business development team and enhancing its business expansion system, paying close attention to expansion opportunities in regions such as Southeast and Central Asia, thus steadily expanding its business outside mainland China gradually. **(4) Driving business development through technological advancement.** The Group actively promoted mature technologies and drove business development through its initiatives such as “Five Innovations” (small inventions, small transformations, small innovations, small designs, and small suggestions) and “Open Competition for the Best Candidate”.

### 3. Environmental Compliance and Safety Production Management Risks

**Description:** During the Review Period, the PRC government introduced and revised various laws and regulations related to environmental compliance and safety production management. These changes significantly strengthened regulatory oversight and enforcement actions. Consequently, enterprises now face more severe legal liabilities for violations and compensation requirements for damage to the ecological environment. With an increasing number of projects under construction and in operation, the Group experienced increasing pressure on environmental compliance and safety production management.

**Responsive measures:** **(1) Enhancing process control.** The Group has strengthened its control across all key stages, including business development, design, engineering construction and operation. These efforts aim to proactively identify and mitigate adverse factors and potential risks in the projects during the early stages of such projects. **(2) Emphasising the construction of safety management.** The Group comprehensively promoted and implemented the accountability of safety and environment for all personnel, enhancing their safety and environmental awareness as well as sense of responsibility, strengthening the supervisory assessment of accountability, and supervising the implementation of safety and environmental requirements. **(3) Conducting investigations and specialised rectifications.** During the Review Period, the Group continued to conduct investigations and implement remediation measures at all levels for potential accident hazards in both under-construction and operating projects. **(4) Enhancing efforts in education and trainings.** The Group implemented a registration management system for safety and environmental personnel. It also strengthened the training and assessment of registered personnel. Through the safety and environmental management qualification examination and external experts training, it further enhanced the awareness of environmental risk prevention among the safety and environmental management personnel, and improved the capability of environmental compliance management. **(5) Strengthening monitoring and early warnings.** The Group fully utilised the information sharing platform, environmental protection monitoring platform and inspection platform. These platforms are designed to focus on the precautionary warnings of project operation indicators, provide early warnings and preventive measures, and implement precautionary controls.

#### 4. Trade Receivables Risk

**Description:** The Group's primary customers are local PRC governments in the regions where its projects are located. A deterioration in these customers' financial capacity or delays in the payment of service charges could negatively affect the Group's capital management and profitability. During the Review Period, the Group was exposed to the risks related to the collection of trade receivables, primarily due to the macroeconomic environment.

**Responsive measures:** (1) **Optimising the management mechanism.** During the Review Period, the Group placed high emphasis on the collection of trade receivables, treating it as a top priority. Each project's trade receivables were systematically recorded in detailed accounts for administration, and a dedicated "Trade Receivable Management Team", led by the Chief Executive Officer, was established to oversee and facilitate communication on the progress of receivables collection. The Group also regularly holds specialised meetings to analyse the overall situation of trade receivables, develop specific working plans and collection strategies, and refine the performance evaluation criteria for the collection of trade receivables. Additionally, an incentive and penalty mechanism for trade receivables was introduced. A comprehensive working mechanism encompassing "dedicated teams, detailed accounts, performance incentives, and systematic assessments" has been established across all levels. (2) **Categorising trade receivables and implementing measures to maximise collections.** For the undisputed arrears, the Group enhanced its oversight and follow-up with project companies, assigned designated personnel to liaise with local governments for collection, and applied appropriate pressure on local governments to expedite payment; for arrears where the water fee has not been determined due to unsettlement of projects, the Group ensured that relevant procedures for finalising water fees were promptly completed to expedite payments; for disputed arrears, the Group reinforced efforts in dispute resolution through active negotiation, including on-site visits and engagement with relevant government authorities. (3) **Exploring diversified collection channels.** The Company explored different settlement proposals to reduce trade receivables, such as "settlement of historical debts by instalments". It also made use of financial instruments to accelerate cash inflow. (4) **Strengthening liquidity management.** The Group enhanced liquidity management by forecasting cash flows across the entire operating cycle, and optimising capital utilisation efficiency to satisfy the liquidity needs for daily operations and business development.



## 5. Construction Project Management Risk

**Description:** Construction projects may be affected by various factors, such as design deficiencies, inadequate staffing, tight construction schedules, and insufficient oversight of subcontractors by main contractors. These challenges can lead to compromised construction safety, quality shortcomings, schedule delays, and cost overruns, thereby increasing the risk of financial losses and potential breach of contract. During the Review Period, the progress and cost control of certain construction projects were affected by incomplete construction procedures and fluctuations in labour and material costs.

**Responsive measures:** **(1) Strengthening project information management.** The Company implemented a project management information system to oversee the entire project management process and conducted regular data analysis to strengthen its project management capabilities. **(2) Strengthening control over construction progress.** The Company closely monitored the progress of each construction project and organised special meetings in a timely manner to analyse underlying issues and implement targeted measures for projects experiencing delays. **(3) Enhancing control over construction budgets.** To reduce construction costs, the Group enforced strict control over engineering budgets by enhancing contract negotiation, controlling construction budgets, supervising construction units and subcontractors, conducting on-site supervisions and inspections, and rigorously examining approvals. **(4) Conducting on-site specialised and random inspections.** The Group continued to carry out both targeted and random inspections focusing on safety, environmental and quality inspections of construction projects. These inspections covered various critical areas and work processes, such as safety and technical briefings, reviews of construction plans and supplier inspections.

## 6. Staff Deployment Risk

**Description:** As the training of key personnel, management and technical talents in the water industry is time-consuming, the unexpected departure of such personnel and the inability to identify suitable replacement in a timely manner might adversely affect the Group's business development.

**Responsive measures:** **(1) Cultivating corporate culture.** During the Review Period, the Group has been committed to fostering a positive corporate culture to promote a conducive working environment and ensure the overall stability of its workforce. **(2) Establishing a reserve talent pool and conducting regular employee training.** The Group attached great importance to talent development and employee training by regularly inviting external specialists for professional development in order to enhance the capabilities of reserve talents and young employees. **(3) Optimising the selection and appointment system and streamlining the promotion paths for employees.** The Group identified outstanding talents through internal competitions, effectively filling key vacancies and resolving the problems of individuals holding multiple key roles across certain projects. This initiative has also created career growth opportunities for reserve talents in key management positions, revitalising both the internal and external talent markets. During the Review Period, the Group's workforce remained stable and all relevant works were carried out in an orderly manner.

## 7. Financing Management Risk

**Description:** Due to the asset-heavy business model of the water industry (such as Build-Operate-Transfer projects), the Group is required to invest a significant amount of capital for construction in the early stage and gradually receive service fees once the project completes construction and enters the operation period. Failure to effectively manage its financing costs or secure financing at an appropriate scale may negatively affect the Group's business development and financial condition. At the same time, the Group is also required to maintain adequate cash reserves to meet the cash flow demand of the operating projects.

**Responsive measures:** **(1) Formulating financing plans through scientific methods.** During the Review Period, the Group closely monitored the financing environment both within and outside of mainland China as well as the trends in RMB exchange rates. Additionally, the Group made prudent forecasts of capital needs, coordinated the management of funds within and outside of mainland China, and formulated the financing plans by taking into account the actual financial ratios and loan restrictions, thereby effectively controlling financing costs and risks. **(2) Adjusting the loan structure in a timely manner.** Through various financing channels, the Group adjusted the loan structure as and when appropriate, and strictly controlled the gearing ratio and use of capital to ensure adequate capital reserves, while maintaining manageable financing costs. **(3) Strengthening liquidity management.** During the Review Period, the Group continued to urge various project companies to actively collect waste water treatment service fees, striving to reduce the scale of trade receivables and overdue trade receivable balances.

## 8. Cost Control Risk

**Description:** Due to market fluctuations and relevant policies enacted by the PRC government, upstream suppliers may increase prices as a result of regulatory policies, capacity constraints and rising costs, possibly leading to higher costs.

**Responsive measures:** **(1) Maximising operating capabilities.** The Group has consistently focused on energy saving and cost reduction throughout its business operations. It implemented various cost-reduction measures, such as operational standardisation and refined management. Additionally, the Group conducted feasibility studies on topics, such as unmanned factory operations and “Intelligent Water” to enhance operational performance and strengthen cost management. **(2) Leveraging the advantages of centralised procurement.** The Group took full advantage of centralised and regional procurement to benefit from economies of scale and greater flexibility. By expanding its pool of qualified suppliers and fostering strong cooperative relationships with long-term suppliers, the Group effectively controlled procurement costs while maintaining procurement quality. **(3) Strengthening budget management and process control.** The Group reinforced strict budget controls for all under-construction and operating projects and conducted regular assessments to monitor project investments and operating costs. The Group held periodic analysis meetings to review operational conditions and conducted specialised studies on cost control.

## ENVIRONMENTAL AND SOCIAL MANAGEMENT

As a leading water environment management enterprise in China, the Group proactively assumes environmental and social responsibilities to diversify, optimise, and promote water environment management solutions by incorporating environmental and social management frameworks into its operations. All of the Group's projects have obtained or are applying for various international management system certifications, such as ISO 9001 Quality Management System, ISO 14001 Environmental Management System, and ISO 45001 Occupational Health and Safety Management System. Additionally, the Group conducts a thorough screening and evaluation of environmental and social risks prior to investing in a project, and ensures that all related permits and approvals, such as environmental impact assessment approvals, are obtained before commencing construction. Upon completion of construction, the Group also ensures that environmental protection inspections and completion inspections are carried out in a timely manner.

The Group strictly complies with relevant laws and regulations concerning environmental protection, safe production, occupational health and social responsibility. These regulations include the *Anti-Unfair Competition Law of the PRC*, *Law of the PRC on Product Quality*, *Water Pollution Prevention and Control Law of the PRC*, *Labour Law of the PRC*, *Work Safety Law of the PRC*, *Social Insurance Law of the PRC*, *Environmental Protection Law of the PRC*, *Law of the PRC on Environmental Impact Assessment*, *Law of the PRC on the Prevention and Control of Environmental Pollution by Solid Waste*, and related discharge standards for pollutants prescribed by national and local governments. Simultaneously, the Group strives to continuously improve the quality of water bodies and sanitary conditions in China. The effluent quality of most of the Group's projects complies with or is even better than the Grade 1A standard of the *Discharge Standard of Pollutants for Municipal Wastewater Treatment Plant* (GB18918-2002), thereby minimising the environmental damage caused by waste water discharge and protecting public health and well-being. During 1HFY2025, the Group had no record of significant losses or impacts caused by non-compliant activities or breaches of environmental and social-related laws and regulations.

In order to secure a sustainable future and create long-term values for its stakeholders, the Group has implemented the comprehensive ESHS Management System and Risk Management System, while ensuring timely and comprehensive information disclosure to the public. In 1HFY2025, the Group continuously implemented the ESHS Management System at all levels, including employees, on-site third-party contractors and subcontractors, effectively standardising the internal management and risk control processes across all tiers. The Group will continually enhance its management systems and strengthen its emergency response capabilities to promote all-rounded sustainable development and minimise the negative environmental, safety, health and social impacts that its projects may have on the surrounding communities. In addition, with effect from 24 July 2025, the Company has established a sustainability committee under the Board to oversee the management of ESG matters, and evaluate and recommend to the Board on issues and risks associated with the Group's sustainability and ESG performance.

To undertake greater social and environmental responsibilities and improve operational transparency, the Group has been proactively disclosing pertinent information regarding its project operations to the public on its corporate website and the websites of relevant government departments, and has taken the initiative to embrace public scrutiny. The information available to the public includes environmental impact assessment report approvals, annual environmental monitoring plans, environmental emergency preparedness and response plans, and monitoring results from waste water discharge/odour emissions/noise, etc.

Moreover, in order to raise public environmental awareness about water resources and sustainable development, the Group has proactively responded to government initiatives and continued to open its waste water treatment facilities to the public. The Group also organises public visits, training workshops and interactive learning experiences by utilising its facilities as integrative educational hubs. This enables the public to understand the importance of water resource conservation and the Group's role in environmental protection. As at 30 June 2025, a total of 49 projects of the Group were officially opened to the public. In 1HFY2025, the Group's projects received 122 batches of visitors, exceeding 6,000 visitors in total. The Group also continues to engage the public by launching online and offline open events in collaboration with various ecological environmental protection organisations, technology associations and government departments, actively participating in environmental protection education and publicity activities. Additionally, 24 waste water treatment plants of the Group received awards such as "Environmental Education Hub", "Science Popularisation and Education Hub" and "Open Day Promotion and Education Centre" at the provincial and municipal levels.

## CORPORATE GOVERNANCE

With a firm belief that high standards of corporate governance are the cornerstone of the Group, the Board and the Management will continue to uphold robust corporate governance practices to enhance the long-term value of the Company and returns for the Shareholders, and protect the Shareholders' interests.

The Company's corporate governance practices are in line with the (i) principles and provisions under Singapore's Code of Corporate Governance 2018 (the "SG CG Code"); and (ii) principles and code provisions of the Corporate Governance Code (the "HK CG Code") as set out in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "SEHK Listing Rules"). In the event of any conflicts between the SG CG Code and the HK CG Code, the Company will comply with the more stringent requirements. Throughout 1HFY2025, the Company has complied with the principles and provisions under the SG CG Code and the HK CG Code.

Details of the Company's corporate governance practices are set out in the FY2024 annual report of the Company despatched on 28 March 2025.

## BOARD COMMITTEES

The Board holds meetings on a regular basis (at least four times in a year). As an integral part of good corporate governance, the Board has established five Board Committees, namely the Audit Committee, the Remuneration Committee, the Nominating Committee, the Strategy Committee and the Sustainability Committee<sup>#</sup>, each with specific terms of reference\* which clearly spell out their respective duties and responsibilities. The details of each Board Committee are set out below:

### Audit Committee

The Audit Committee currently comprises four independent non-executive Directors, namely Mr. Soh Kok Leong (Chairman), Ms. Hao Gang, Mr. Ng Joo Hee Peter and Ms. Chan Pui Shan Sandy. The Audit Committee is primarily responsible for reviewing the significant financial reporting issues and judgements and monitoring the integrity of the financial statements of the Group and any announcements relating to the Group's financial performance; reviewing and reporting to the Board the adequacy and effectiveness of the Group's internal controls and risk management systems, comprising financial, operational, compliance and information

\* *The terms of reference of each Board Committee are available on the SGXNet ([www.sgx.com](http://www.sgx.com)) and the websites of Hong Kong Exchanges and Clearing Limited ("HKEx") ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.ebwater.com](http://www.ebwater.com)).*

<sup>#</sup> *The Sustainability Committee was established on 24 July 2025.*

technology controls (such review can be carried out internally or by third parties); reviewing the adequacy and effectiveness of the Group's internal audit function; reviewing the scope and results of the internal audit; reviewing the independence and objectivity of the external auditor(s) and the effectiveness of the audit process; and making recommendations to the Board on the appointment, re-appointment and removal of the external auditor(s), and approving the remuneration and terms of engagement of the external auditor(s).

### **Remuneration Committee**

The Remuneration Committee currently comprises three independent non-executive Directors, namely Ms. Hao Gang (Chairman), Mr. Soh Kok Leong and Ms. Chan Pui Shan Sandy. The Remuneration Committee is primarily responsible for implementing a formal, transparent and objective procedure for fixing the remuneration packages of individual Directors and Key Management Personnel (as defined in the SG CG Code) (including senior management), and ensuring that the level and structure of their remuneration are aligned with the long-term interest and risk policies of the Group and should be appropriate to attract, retain and motivate (1) the Directors to provide good stewardship of the Group; and (2) Key Management Personnel (including senior management) to successfully manage the Group for the long term.

### **Nominating Committee**

The Nominating Committee currently comprises three independent non-executive Directors, namely Mr. Ng Joo Hee Peter (Chairman), Mr. Soh Kok Leong, and Ms. Chan Pui Shan Sandy, and a non-executive Director and Chairman of the Board, namely Mr. Luan Zusheng. The Nominating Committee is primarily responsible for implementing a formal and transparent procedure for the appointment and re-appointment of Board members; evaluating the performance of Board members and Board Committee members; and assessing the overall performance of the Board and the Board Committees.

### **Strategy Committee**

The Strategy Committee currently comprises a non-executive Director and Chairman of the Board, namely Mr. Luan Zusheng (Chairman), two executive Directors, namely Mr. Xiong Jianping and Mr. Wang Yuexing, and two independent non-executive Directors, namely Ms. Hao Gang and Mr. Ng Joo Hee Peter. The Strategy Committee is primarily responsible for assisting the Board in providing strategic directions to the Group; overseeing the strategic planning of the Group and implementation of such strategies; and reviewing the medium-term and long-term strategic objectives proposed by the Management and overseeing the Management's performance in relation to such strategies.



## Sustainability Committee

The Sustainability Committee currently comprises an executive Director and Chief Executive Officer of the Company, namely Mr. Xiong Jianping (Chairman), and three independent non-executive Directors, namely Ms. Hao Gang, Mr. Ng Joo Hee Peter and Ms. Chan Pui Shan Sandy. The Sustainability Committee is primarily responsible for overseeing the management of ESG matters, as well as evaluating and recommending to the Board on issues and risks associated with the Group's sustainability and ESG performance.

## DEALINGS IN THE SECURITIES

The Company has adopted an internal code (the "Internal Code") governing dealings in securities by Directors, officers and relevant employees of the Group who are likely to be in possession of unpublished price sensitive information of the Group. The Internal Code is in line with the requirements of the SEHK Listing Rules and the HK CG Code on terms no less exacting than the *Model Code for Securities Transactions by Directors of Listed Issuers* (the "Model Code") as set out in Appendix C3 to the SEHK Listing Rules, in addition to the requirements of the SGX Listing Manual and the SG CG Code. The Internal Code has been disseminated to all the Directors, officers and relevant employees of the Group.

The Directors, officers and relevant employees of the Group have been informed not to deal in the Company's securities at all times whilst in possession of unpublished price-sensitive information and during the periods commencing:

- (a) 30 days immediately preceding the publication date of the announcement of the Company's interim results (and quarterly results, if any) or, if shorter, the period from the end of the relevant half-year (and the relevant quarter, if applicable) up to the publication date of the results; and
- (b) 60 days immediately preceding the publication date of the announcement of the Company's full-year results or, if shorter, the period from the end of financial year and up to the publication date of the results.

The Directors, officers and relevant employees of the Group are also expected to observe relevant insider trading laws at all times, even when dealing in securities within permitted trading periods or while they are in possession of unpublished inside information or price-sensitive information of the Company and they are not to deal in the Company's securities on short-term considerations.

Having made specific enquiries to the Directors, all Directors (where applicable) confirmed that they had complied with the required standard as set out in the Model Code and the Internal Code throughout 1HFY2025.

## Interim Dividend

### *(a) Current financial period reported on*

Any dividend declared for the current financial period reported on? Yes

As part of the Directors' continuing efforts to enhance the Shareholders' return, when they deem appropriate for the Company to do so, the Directors will recommend or declare a dividend. The Directors have declared an interim dividend of HK6.09 cents (equivalent to 0.99 Sing cent) per ordinary share for 1HFY2025 ("1HFY2025 Interim Dividend").

<b>Name of Dividend</b>	1HFY2025 Interim Dividend
<b>Dividend Type</b>	Cash
<b>Dividend Amount</b>	HK6.09 cents (equivalent to 0.99 Sing cent) per ordinary share
<b>Tax Rate</b>	One-Tier Tax Exempt

### *(b) Corresponding period of the immediately preceding financial year*

<b>Name of Dividend</b>	1HFY2024 Interim Dividend
<b>Dividend Type</b>	Cash
<b>Dividend Amount</b>	HK6.09 cents (equivalent to 1.05 Sing cents) per ordinary share
<b>Tax Rate</b>	One-Tier Tax Exempt

### *(c) Date payable*

The 1HFY2025 Interim Dividend will be paid on or around 12 September 2025 (Friday).

### *(d) Books closure date(s)*

#### For Singapore Shareholders

The Register of Transfer and Register of Members of the Company will be closed at 5:00 p.m. (Singapore time) on 28 August 2025 (Thursday), being the Singapore Books Closure Date for the purpose of determining the entitlement of the Singapore Shareholders to the 1HFY2025 Interim Dividend.

Duly completed registrable transfers of shares received by the Company's Singapore Share Transfer Agent, Boardroom Corporate & Advisory Services Pte. Ltd., 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632 up to 5:00 p.m. (Singapore time) on 28 August 2025 (Thursday) will be registered before entitlements to the 1HFY2025 Interim Dividend are determined. Members whose securities accounts with The Central Depository (Pte) Limited are credited with shares as at 5:00 p.m. (Singapore time) on 28 August 2025 (Thursday) will rank for the 1HFY2025 Interim Dividend.

### For Hong Kong Shareholders

The Hong Kong branch register of members of the Company will be closed from 29 August 2025 (Friday) to 1 September 2025 (Monday), both days inclusive, and during this period no transfer of shares will be registered. Shareholders whose names appear on the Hong Kong branch register of members of the Company as at 4:30 p.m. (Hong Kong time) on 28 August 2025 (Thursday) will be entitled to the 1HFY2025 Interim Dividend.

Duly completed registrable transfers of shares received by the Company's Hong Kong Share Registrar and Transfer Office, Boardroom Share Registrars (HK) Limited, 2103B, 21/F., 148 Electric Road, North Point, Hong Kong, up to 4:30 p.m. (Hong Kong time) on 28 August 2025 (Thursday), will be registered before entitlements to the 1HFY2025 Interim Dividend are determined.

### **Purchase, Sale or Redemption of Listed Securities**

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of its listed securities for the six months ended 30 June 2025. As at 30 June 2025, the Company did not have any subsidiary holdings.

### **Convertibles, Preference Shares and Treasury Shares**

The Company did not have any outstanding convertibles, preference shares and treasury shares as at 30 June 2025 and 30 June 2024. During the six months ended 30 June 2025, there were no sales, transfers, cancellation and/or use of treasury shares.

### **Disclosure on acquisition or sale of shares in companies pursuant to Rule 706A of the SGX Listing Manual**

During 1HFY2025, there was no acquisition or sale of shares in subsidiaries ("Subsidiaries"), associated companies ("Associated Companies") of the Company or in any company which became or ceased to be a Subsidiary or Associated Company (as the case may be) resulting from such acquisition or sale, as required by Rule 706A of the SGX Listing Manual.

### **Where a forecast, or a prospect statement, has been previously disclosed to Shareholders, any variance between it and the actual results.**

None.

## **Publication of Interim Results and Interim Report**

The interim results announcement for 1H FY2025 is published on (i) the SGXNet at <https://www.sgx.com>; (ii) the website of HKEx at <https://www.hkexnews.hk>; and (iii) the Company's website at <https://www.ebwater.com> by going to "Investor Relations" and clicking on the hyperlink "Announcements & Circulars – SGX" or "Announcements & Circulars – HKEX". The FY2025 interim report of the Company containing, among others, all the information required by the SEHK Listing Rules, will be published on the SGXNet and the websites of HKEx and the Company, and its printed version will be despatched to the relevant Shareholders\*.

## **Confirmation that the issuer has procured undertakings from all its Directors and executive officers under Rule 720(1) of the SGX Listing Manual**

Pursuant to Rule 720(1) of the SGX Listing Manual, the Company has procured undertakings from all its Directors and executive officers.

## **Confirmation by the Board pursuant to Rule 705(5) of the SGX Listing Manual**

We, the undersigned, do hereby confirm on behalf of the Board that to the best of our knowledge, nothing has come to the attention of the Board which may render the unaudited interim financial results for 1H FY2025 to be false or misleading in any material aspect.

On behalf of the Board

**China Everbright Water Limited**

**Luan Zusheng**

*Non-Executive Director and Chairman*

**Xiong Jianping**

*Executive Director and Chief Executive Officer*

Hong Kong and Singapore, 12 August 2025

*As at the date of this announcement, the Board comprises: (i) a non-executive Director, namely Mr. Luan Zusheng (Chairman); (ii) two executive Directors, namely Mr. Xiong Jianping (Chief Executive Officer) and Mr. Wang Yuexing; and (iii) four independent non-executive Directors, namely Ms. Hao Gang, Mr. Ng Joo Hee Peter, Mr. Soh Kok Leong and Ms. Chan Pui Shan Sandy.*

\* *The Company has adopted an electronic communication regime. For details, please refer to the announcement of the Company dated 10 July 2023.*

## **APPENDIX**

### **Independent auditors' report on review of condensed consolidated interim financial report**

The Board of Directors  
China Everbright Water Limited

#### ***Introduction***

We have reviewed the accompanying condensed consolidated statement of financial position of China Everbright Water Limited (the “Company”) and its subsidiaries (the “Group”) as at 30 June 2025 and the related condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six months period then ended and certain explanatory notes (the “Condensed Consolidated Interim Financial Report”), as set out on pages 1 to 33.

Management is responsible for the preparation and fair presentation of the Condensed Consolidated Interim Financial Report in accordance with International Financial Reporting Standards (“IFRS”) including the requirements of International Accounting Standard (“IAS”) 34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on the Condensed Consolidated Interim Financial Report based on our review.

### ***Scope of review***

We conducted our review in accordance with International Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of the Condensed Consolidated Interim Financial Report consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### ***Conclusion***

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Condensed Consolidated Interim Financial Report do not present fairly, in all material respects, the financial position, financial performance and cash flows of the entity in accordance with IFRS including the requirements of IAS 34 *Interim Financial Reporting*.

### ***Restriction on use***

Our report is provided in accordance with the terms of our engagement. Our work was undertaken so that we might report to you on the Condensed Consolidated Interim Financial Report for the purpose of assisting the Company to meet the requirements of paragraph 3 of Appendix 7.2 of the Singapore Exchange Limited Listing Manual and for no other purpose. Our report is included in the Company's announcement of its Condensed Consolidated Interim Financial Report for the information of its members. We do not assume responsibility to anyone other than the Company for our work, for our report, or for the conclusions we have reached in our report.

### **KPMG LLP**

*Public Accountants and  
Chartered Accountants*

### **Singapore**

12 August 2025