



# China Environmental Technology Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 646



# 2025

## Interim Report

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## INTERIM RESULTS

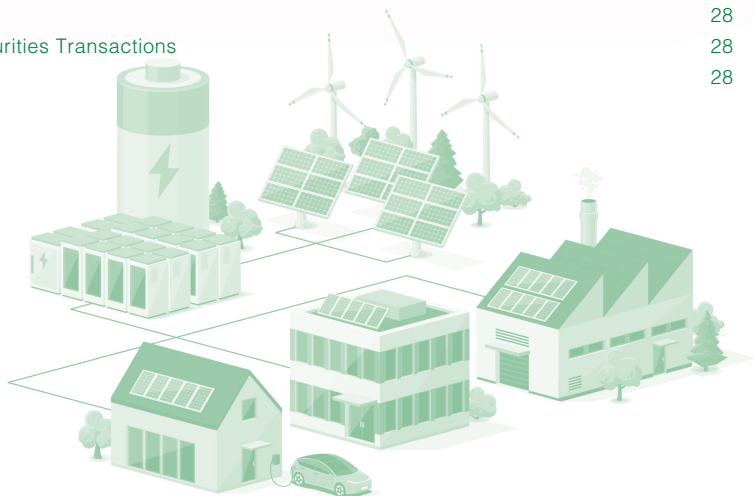
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## CORPORATE INFORMATION

### BOARD OF DIRECTORS

#### Executive Directors:

Mr. Xu Jingping (*Chairman*)  
Mr. Xu Zhongping  
Mr. Yang Baodong

#### Non-executive Directors:

Ms. Hu Yueyue  
Mr. Ma Tianfu  
Mr. Wang Youming

#### Independent Non-executive Directors:

Mr. Tse Chi Wai  
Prof. Zhu Nanwen  
Prof. Li Jun

### AUDIT COMMITTEE

Mr. Tse Chi Wai (*Chairman*)  
Prof. Zhu Nanwen  
Prof. Li Jun

### REMUNERATION COMMITTEE

Mr. Tse Chi Wai (*Chairman*)  
Prof. Zhu Nanwen  
Prof. Li Jun

### NOMINATION COMMITTEE

Mr. Xu Jingping (*Chairman*)  
Mr. Tse Chi Wai  
Prof. Zhu Nanwen  
Prof. Li Jun

### COMPANY SECRETARY

Mr. Li Wang Hing, Nelson

### AUDITOR

ZHONGHUI ANDA CPA Limited  
Unit 701., 7/F., Citicorp Centre  
18 Whitfield Road  
Causeway Bay, Hong Kong

### LEGAL ADVISERS

Zhong Lun Law Firm

### PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Vistra (Cayman) Limited  
P.O. Box 31119, Grand Pavilion,  
Hibiscus Way, 802 West Bay Road,  
Grand Cayman KY1-1205,  
Cayman Islands

### HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited  
17/F., Far East Finance Centre,  
16 Harcourt Road,  
Hong Kong

### REGISTERED OFFICE

P.O. Box 31119, Grand Pavilion,  
Hibiscus Way, 802 West Bay Road,  
Grand Cayman KY1-1205,  
Cayman Islands

### HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Unit 901, New Tech Plaza,  
34 Tai Yau Street,  
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Hong Kong  
Tel: (852) 2511 1870  
Fax: (852) 2511 1878

### LISTING INFORMATION

The Stock Exchange of Hong Kong Limited  
Stock Code: 646

### PRINCIPAL BANKERS

Hang Seng Bank Limited

### COMPANY WEBSITE

[www.cethl.com](http://www.cethl.com)

# CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2025 – Unaudited

|   |      | Six months ended 30 June |             |
|---|------|--------------------------|-------------|
|   |      | 2025                     | 2024        |
|   |      | (Unaudited)              | (Unaudited) |
|   | Note | HK\$'000                 | HK\$'000    |
| <b>Revenue</b>  | 4    | <b>18,984</b>            | 19,099      |
| Cost of sales   |      | <b>(13,433)</b>          | (12,072)    |
| <b>Gross profit</b>   |      | <b>5,551</b>             | 7,027       |
| Other income  |      | <b>1</b>                 | –           |
| Other (loss)/gain, net  | 5    | <b>(5,836)</b>           | 11,846      |
| Distribution costs  |      | <b>(521)</b>             | (627)       |
| Administrative expenses   |      | <b>(15,415)</b>          | (10,536)    |
| <b>(Loss)/profit from operations</b>  |      | <b>(16,220)</b>          | 7,710       |
| Finance costs   | 6    | <b>(11,237)</b>          | (14,180)    |
| <b>Loss before tax</b>  | 6    | <b>(27,457)</b>          | (6,470)     |
| Income tax expenses   | 7    | <b>–</b>                 | –           |
| <b>Loss for the period</b>  |      | <b>(27,457)</b>          | (6,470)     |
| <b>Other comprehensive expenses for the period:</b>                               |      |                          |             |
| Exchange differences on translation of financial statements of foreign operations |      | <b>(8,390)</b>           | (2,851)     |
| <b>Total other comprehensive expenses for the period</b>                          |      | <b>(8,390)</b>           | (2,851)     |
| <b>Total comprehensive loss for the period</b>                                    |      | <b>(35,847)</b>          | (9,321)     |

# CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2025 – Unaudited

|   |      | Six months ended 30 June<br>2025<br>(Unaudited)<br>HK\$'000 | 2024<br>(Unaudited)<br>HK\$'000 |
|---|------|---|---------------------------------|
|   | Note |   |                                 |
| <b>Loss for the period attributable to:</b>                     |      |   |                                 |
| Owners of the Company   |      | (25,909)  | (6,470)                         |
| Non-controlling interests                                       |      | (1,548)   | –                               |
|   |      | <b>(27,457)</b>   | <b>(6,470)</b>                  |
| <b>Total comprehensive loss for the period attributable to:</b> |      |   |                                 |
| Owners of the Company   |      | (34,355)  | (9,213)                         |
| Non-controlling interests                                       |      | (1,492)   | (108)                           |
|   |      | <b>(35,847)</b>   | <b>(9,321)</b>                  |
| <b>Loss per share:</b>  |      |   |                                 |
| Basic and diluted (HK cents)                                    | 9    | <b>(7.56)</b>   | <b>(2.78)</b>                   |

The notes on pages 9 to 20 form part of this interim report.

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2025 – Unaudited

|  |      | At<br>30 June<br>2025<br>(Unaudited)<br>HK\$'000 | At<br>31 December<br>2024<br>(Audited)<br>HK\$'000 |
|--|------|--|--|
|  | Note |  |  |
| <b>Non-current assets</b>                    |      |  |  |
| Property, plant and equipment                | 10   | 789  | 790  |
| Right-of-use assets                          |      | 1,141  | 1,243  |
| Intangible assets                            |      | 635  | 652  |
| Interests in an associate                    |      | —  | —  |
|  |      | <b>2,565</b>                                     | 2,685  |
| <b>Current assets</b>                        |      |  |  |
| Trade and other receivables                  | 11   | 24,607   | 23,439   |
| Contract assets and contract costs           |      | 3,047  | 10,211   |
| Bank and cash balances                       |      | 1,705  | 892  |
|  |      | <b>29,359</b>                                    | 34,542   |
| <b>Current liabilities</b>                   |      |  |  |
| Trade and other payables                     | 12   | 387,185  | 357,612  |
| Contract liabilities                         |      | 5,330  | 11,572   |
| Borrowings                                   | 13   | 84,008   | 81,286   |
| Lease liabilities                            |      | 1,003  | 786  |
|  |      | <b>477,526</b>                                   | 451,256  |
| <b>Net current liabilities</b>               |      | <b>(448,167)</b>                                 | (416,714)  |
| <b>Total assets less current liabilities</b> |      | <b>(445,602)</b>                                 | (414,029)  |

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2025 – Unaudited

|  |      | At<br>30 June<br>2025<br>(Unaudited)<br>HK\$'000 | At<br>31 December<br>2024<br>(Audited)<br>HK\$'000 |
|--|------|--|--|
|  | Note |  |  |
| <b>Non-current liabilities</b>               |      |  |  |
| Trade and other payables                     | 12   | 78,611   | 78,068   |
| Borrowings                                   | 13   | 69,930   | 69,642   |
| Convertible bonds                            | 14   | 11,204   | 10,738   |
| Lease liabilities                            |      | 161  | 471  |
|  |      | <b>159,906</b>                                   | 158,919  |
| <b>NET LIABILITIES</b>                       |      | <b>(605,508)</b>                                 | (572,948)  |
| <b>Capital and reserves</b>                  |      |  |  |
| Share capital                                | 15   | 171,349  | 171,349  |
| Reserves                                     |      | (781,882)  | (747,527)  |
| Equity attributable to owners of the Company |      | (610,533)  | (576,178)  |
| Non-controlling interests                    |      | 5,025  | 3,230  |
| <b>TOTAL DEFICIT</b>                         |      | <b>(605,508)</b>                                 | (572,948)  |

The notes on pages 9 to 20 form part of this interim report.

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025 – Unaudited

|   | Attributable to owners of the Company |                           |                                 |  |   |                                      |                            |                                |                       |                                      | Deficit equity<br>HK\$'000 |
|---|---------------------------------------|---------------------------|---------------------------------|--|---|--------------------------------------|----------------------------|--------------------------------|-----------------------|--------------------------------------|----------------------------|
|   | Share capital<br>HK\$'000             | Share premium<br>HK\$'000 | Contributed surplus<br>HK\$'000 | Foreign currency translation reserve<br>HK\$'000 | Share-based payment reserve<br>HK\$'000 | Convertible bond reserve<br>HK\$'000 | Other reserves<br>HK\$'000 | Accumulated Losses<br>HK\$'000 | Sub-total<br>HK\$'000 | Non-controlling interest<br>HK\$'000 |                            |
| Balance at 1 January 2024 (audited)                               | 102,849                               | 370,453                   | (180)                           | 19,312   | 2,280                                   | 19,307                               | 7,442                      | (1,138,457)                    | (616,994)             | 5,369                                | (611,625)                  |
| Loss for the period   | -                                     | -                         | -                               | -  | -                                       | -                                    | -                          | (6,470)                        | (6,470)               | -                                    | (6,470)                    |
| Other comprehensive income  | -                                     | -                         | -                               | (2,743)  | -                                       | -                                    | -                          | -                              | (2,743)               | (108)                                | (2,851)                    |
| Issue of share on subscription                                    | 14,500                                | (7,540)                   | -                               | -  | -                                       | -                                    | -                          | -                              | 6,960                 | -                                    | 6,960                      |
| Effect of forfeiture of share option granted                      | -                                     | -                         | -                               | -  | (5)                                     | -                                    | -                          | 5                              | -                     | -                                    | -                          |
| <b>Balance at 30 June 2024 (unaudited)</b>                        | <b>117,349</b>                        | <b>362,913</b>            | <b>(180)</b>                    | <b>16,569</b>                                    | <b>2,275</b>                            | <b>19,307</b>                        | <b>7,442</b>               | <b>(1,144,922)</b>             | <b>(619,247)</b>      | <b>5,261</b>                         | <b>(613,986)</b>           |
| Balance at 1 January 2025 (audited)                               | 171,349                               | 381,460                   | (180)                           | 26,243   | 2,275                                   | 1,116                                | 7,442                      | (1,165,883)                    | (576,178)             | 3,230                                | (572,948)                  |
| Loss for the period   | -                                     | -                         | -                               | -  | -                                       | -                                    | -                          | (25,909)                       | (25,909)              | (1,548)                              | (27,457)                   |
| Other comprehensive income  | -                                     | -                         | -                               | (8,446)  | -                                       | -                                    | -                          | -                              | (8,446)               | 56                                   | (8,390)                    |
| Capital contribution by non-controlling shareholder of subsidiary | -                                     | -                         | -                               | -  | -                                       | -                                    | -                          | -                              | -                     | 3,287                                | 3,287                      |
| <b>Balance at 30 June 2025 (unaudited)</b>                        | <b>171,349</b>                        | <b>381,460</b>            | <b>(180)</b>                    | <b>17,797</b>                                    | <b>2,275</b>                            | <b>1,116</b>                         | <b>7,442</b>               | <b>(1,191,792)</b>             | <b>(610,533)</b>      | <b>5,025</b>                         | <b>(605,508)</b>           |

The notes on pages 9 to 20 form part of this interim report.



# CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025 – Unaudited

|   | Six months ended 30 June<br>2025<br>(Unaudited)<br>HK\$'000 | 2024<br>(Audited)<br>HK\$'000 |
|---|---|-------------------------------|
| Net cash used in operating activities                 | (3,095)   | (4,044)                       |
| Net cash used in investing activities                 | (7)   | –                             |
| Net cash generated from financing activities          | 3,900   | 8,595                         |
| Increase in cash and cash equivalents                 | 798   | 4,551                         |
| Cash and cash equivalents at beginning of period      | 892   | 2,061                         |
| Effect of change in foreign exchange rate             | 15  | (8)                           |
| Cash and cash equivalents at end of period            | 1,705   | 6,604                         |
| Analysis of the balances of cash and cash equivalents |   |                               |
| Bank and cash balances                                | 1,705   | 6,604                         |

The notes on pages 9 to 20 form part of this interim report.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 1. GENERAL INFORMATION

China Environmental Technology Holdings Limited (the “Company”) is a limited liability company incorporated in the Cayman Islands on 31 August 2001 and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The registered office and principal place of business of the Company are located at P.O. Box 31119, Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman KY1-1205, Cayman Islands and Unit 901, New Tech Plaza, 34 Tai Yau Street, San Po Kong, Kowloon, Hong Kong respectively.

The principal activity of the Company is investment holding. The principal activities of the Group are described in note 4 to the condensed consolidated financial statements.

## 2. BASIS OF PREPARATION

These condensed financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and the applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”).

These condensed financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2024. The accounting policies and methods of computation used in the preparation of these condensed financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2024 except as stated below.

## 3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current period, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 January 2025. HKFRSs comprise Hong Kong Financial Reporting Standards (“HKFRS”); Hong Kong Accounting Standards (“HKAS”); and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group’s accounting policies, presentation of the Group’s financial statements and amounts reported for the current period and prior years.

The Group has not applied the new and revised HKFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new and revised HKFRSs but is not yet in a position to state whether these new and revised HKFRSs would have a material impact on its results of operations and financial position.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 4. SEGMENT INFORMATION

The Group manages its business by divisions which are organised from the products/services perspective.

Operating segments are identified on the basis of internal reports which provide information about components of the Group. These information are reported to and reviewed by the executive Directors, being the chief operating decision-maker for the purposes of resources allocation and performance assessment. The Group has presented the following three reportable segments. No operating segment has been aggregated to form following reporting segments:

### i. Wastewater treatment

This segment engages in the provision of wastewater treatment plants construction and operation services, as well as the trading of wastewater treatment facilities and machineries and the provision for related services.

### ii. Energy management

This segment engages in the provision of services relating to electricity trading and power system operation and management.

### iii. Healthcare

This segment engages in the provision of healthcare related services.

### (a) *Disaggregation of revenue from contracts with customers:*

Disaggregation of revenue from contracts with customers by major products or service and geographical location of customers is as follows:

|   | <b>Six months ended</b>                              |  |
|---|--|--|
|   | <b>30 June<br/>2025<br/>HK\$'000<br/>(Unaudited)</b> | <b>30 June<br/>2024<br/>HK\$'000<br/>(Unaudited)</b> |
| Disaggregated by major products or service          |  |  |
| – Wastewater treatment                              | <b>17,848</b>  | 19,099   |
| – Energy management                                 | <b>1,136</b>   | –  |
| Revenue from contracts with customers               | <b>18,984</b>  | 19,099   |
| Disaggregated by geographical location of customers |  |  |
| – The PRC (except for Hong Kong)                    | <b>18,984</b>  | 19,099   |

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 4. SEGMENT INFORMATION (Continued)

### (b) Segment results

An analysis of the Group's revenue, which are all from external customers, and segment results is reported below:

|                      | Segment revenue<br>Six months ended        |  | Segment loss<br>Six months ended           |  |
|----------------------|--|--|--|--|
|                      | 30 June<br>2025<br>HK\$'000<br>(Unaudited) | 30 June<br>2024<br>HK\$'000<br>(Unaudited) | 30 June<br>2025<br>HK\$'000<br>(Unaudited) | 30 June<br>2024<br>HK\$'000<br>(Unaudited) |
| Wastewater treatment | 17,848                                     | 19,099                                     | (4,024)                                    | (3,113)                                    |
| Energy management    | 1,136                                      | –  | (5,089)                                    | –  |
| Healthcare           | –  | –  | (5,646)                                    | 3,755                                      |
|                      | 18,984                                     | 19,099                                     | (14,759)                                   | 642  |

### (c) Reconciliation of reportable segment results to loss before tax

|  | Six months ended                           |  |
|--|--|--|
|  | 30 June<br>2025<br>HK\$'000<br>(Unaudited) | 30 June<br>2024<br>HK\$'000<br>(Unaudited) |
| Total (loss)/profit of reportable segments   | (14,759)                                   | 642  |
| Unallocated depreciation of property, plant and equipment, right-of-use assets, and amortisation | (89)                                       | (89)                                       |
| Unallocated head office and corporate expenses   | (12,609)                                   | (7,023)                                    |
| Consolidated loss before tax   | (27,457)                                   | (6,470)                                    |

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 5. OTHER (LOSS)/GAIN, NET

|                                  | Six months ended |             |
|----------------------------------|------------------|-------------|
|                                  | 30 June          | 30 June     |
|                                  | 2025             | 2024        |
|                                  | HK\$'000         | HK\$'000    |
|                                  | (Unaudited)      | (Unaudited) |
| Net foreign exchange (loss)/gain | (5,836)          | 4,306       |
| Gain on debt settlement          | –                | 7,540       |
|                                  | (5,836)          | 11,846      |

## 6. LOSS BEFORE TAX

Loss before tax is arrived at after charging:

|   | Six months ended |             |
|---|------------------|-------------|
|   | 30 June          | 30 June     |
|   | 2025             | 2024        |
|   | HK\$'000         | HK\$'000    |
|   | (Unaudited)      | (Unaudited) |
| <b>(a) Finance costs:</b>                     |                  |             |
| Lease interests                               | 33               | 4           |
| Interest expenses on:                         |                  |             |
| Bank loans                                    | 394              | 339         |
| Entrusted loan                                | 3,013            | 3,051       |
| Other loans                                   | 6,688            | 6,560       |
| Bonds   | 120              | 119         |
| Convertible bonds                             | 536              | 4,107       |
| Others  | 453              | –           |
|   | 11,237           | 14,180      |
| <b>(b) Other items:</b>                       |                  |             |
| Amortisation of intangible assets             | 37               | 37          |
| Depreciation of property, plant and equipment | 31               | 27          |
| Depreciation of right-of-use assets           | 490              | 89          |
|   | 558              | 153         |

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 7. INCOME TAX EXPENSES

|  | Six months ended |             |
|--|------------------|-------------|
|  | 30 June          | 30 June     |
|  | 2025             | 2024        |
|  | HK\$'000         | HK\$'000    |
|  | (Unaudited)      | (Unaudited) |
| Current tax – PRC corporate income tax | –                | –           |

No provision for Hong Kong profits tax has been made as the Group has no assessable profits arising in Hong Kong for the period ended 30 June 2025. PRC taxation is charged at the appropriate current rate of taxation ruling in the PRC.

## 8. INTERIM DIVIDEND

The Directors do not recommend any interim dividend for the six months ended 30 June 2025 (30 June 2024: Nil).

## 9. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to the owners of the Company is based on the following:

|  | Six months ended |             |
|--|------------------|-------------|
|  | 30 June          | 30 June     |
|  | 2025             | 2024        |
|  | HK\$'000         | HK\$'000    |
|  | (Unaudited)      | (Unaudited) |
| Loss for the period for the purpose of calculating basic and diluted loss per share                        | (25,909)         | (6,470)     |
|  |                  |             |
|  | Number of shares |             |
|  | '000             | '000        |
| Weighted average number of ordinary shares for the purpose of calculating basic and diluted loss per share | 342,698          | 232,619     |

For each of the six-month periods ended 30 June 2025 and 2024, the basic and diluted loss per share were the same as the Company had no dilutive potential ordinary shares in issue during the periods.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 10. MOVEMENT IN PROPERTY, PLANT AND EQUIPMENT

The Group spent approximately HK\$7,000 (six months ended 30 June 2024: HK\$nil) on property, plant and equipment during the period.

## 11. TRADE AND OTHER RECEIVABLES

|                                    | <b>30 June<br/>2025<br/>HK\$'000<br/>(Unaudited)</b> | <b>31 December<br/>2024<br/>HK\$'000<br/>(Audited)</b> |
|------------------------------------|--|--|
| Trade receivables                  | <b>25,485</b>  | 23,444   |
| Bill receivables                   | <b>—</b>   | 364  |
| Less: allowance for doubtful debts | <b>(6,929)</b>                                       | (6,725)  |
|                                    | <b>18,556</b>  | 17,083   |
| Other receivables                  | <b>2,811</b>   | 1,642  |
| Prepayments and deposits           | <b>3,240</b>   | 4,714  |
|                                    | <b>24,607</b>  | 23,439   |

The ageing analysis of the trade receivables based on invoice date, and net of allowance, were as follows:

|  | <b>30 June<br/>2025<br/>HK\$'000<br/>(Unaudited)</b> | <b>31 December<br/>2024<br/>HK\$'000<br/>(Audited)</b> |
|--|--|--|
| Within 3 months                            | <b>5,751</b>   | 2,623  |
| More than 3 months but less than 12 months | <b>4,419</b>   | 4,091  |
| More than 12 months                        | <b>8,386</b>   | 10,369   |
|  | <b>18,556</b>  | 17,083   |

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 12. TRADE AND OTHER PAYABLES

|                               |       | 30 June<br>2025<br>HK\$'000<br>(Unaudited) | 31 December<br>2024<br>HK\$'000<br>(Audited) |
|-------------------------------|-------|--|--|
|                               | Notes |  |  |
| Trade payables                |       | 30,830                                     | 32,291                                       |
| Other payables                | (i)   | 393,000                                    | 369,491                                      |
| Other tax payables            |       | 14,458                                     | 12,038                                       |
| Amount due to directors       | (ii)  | 21,755                                     | 16,276                                       |
| Amount due to a related party | (ii)  | 5,753                                      | 5,584  |
|                               |       | <b>465,796</b>                             | 435,680                                      |
| Analysed as:                  |       |  |  |
| Current liabilities           |       | 387,185                                    | 357,612                                      |
| Non-current liabilities       |       | 78,611                                     | 78,068                                       |
|                               |       | <b>465,796</b>                             | 435,680                                      |

### Notes:

- (i) As at 30 June 2025, other payables included rent payable of approximately HK\$8,054,000 (31 December 2024: HK\$7,832,000), non-contractual loan of approximately HK\$38,757,000 (31 December 2024: HK\$37,617,000), amounts due to a substantial shareholder (the "Shareholder") and companies controlled by the Shareholder of approximately HK\$3,441,000 (31 December 2024: HK\$4,549,000), interest payables of approximately HK\$112,452,000 (31 December 2024: HK\$101,534,000), and legal and professional fee payables of approximately HK\$15,235,000 (31 December 2024: HK\$14,113,000).

As at 18 November 2019, the Group has undergone an early cessation arrangement for a lease contract with the lessor, who is entitled to bring legal actions against a subsidiary of the Company for the early cessation claims. As at 30 June 2025, the Directors estimated that a provision for claims in relation to the early cessation on arrangement after deducted the rental deposits would be approximately HK\$173,112,000 (31 December 2024: HK\$168,023,000).

- (ii) Amount due to Directors and a related party are unsecured, non-interest bearing and have no fixed repayment terms.



# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 12. TRADE AND OTHER PAYABLES (Continued)

The ageing analysis of the trade payables based on invoice date were as follows:

|                                    | <b>30 June<br/>2025<br/>HK\$'000<br/>(Unaudited)</b> | <b>31 December<br/>2024<br/>HK\$'000<br/>(Audited)</b> |
|------------------------------------|--|--|
| Within 1 month                     | <b>93</b>  | 4,194  |
| After 1 month but within 3 months  | <b>1,155</b>   | 616  |
| After 3 months but within 4 months | <b>51</b>  | 35   |
| After 4 months but within 1 year   | <b>5,564</b>   | 1,110  |
| After 1 year                       | <b>23,967</b>  | 26,336   |
|                                    | <b>30,830</b>  | 32,291   |

## 13. BORROWINGS

|  | <b>Notes</b> | <b>30 June<br/>2025<br/>HK\$'000<br/>(Unaudited)</b> | <b>31 December<br/>2024<br/>HK\$'000<br/>(Audited)</b> |
|--|--------------|--|--|
| Bank loans   | (i)          | <b>19,652</b>  | 24,052   |
| Entrusted loan   | (ii)         | <b>50,398</b>  | 48,916   |
| Other loans  | (iii)        | <b>80,888</b>  | 74,960   |
| Bonds  | (iv)         | <b>3,000</b>   | 3,000  |
| Total borrowings   |              | <b>153,938</b>                                       | 150,928  |
| Less: Amount due for settlement within<br>12 months (shown under current<br>liabilities) |              | <b>(84,008)</b>                                      | (81,286)   |
| Amount due for settlement after 12 months  |              | <b>69,930</b>  | 69,642   |

The carrying amounts of all borrowings are denominated in RMB, except the bonds and other loans are denominated in HK\$.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 13. BORROWINGS (Continued)

### Notes:

- (i) As at 30 June 2025, the bank loans of approximately HK\$19,652,000 (31 December 2024: HK\$24,052,000) are secured by properties owned by a company controlled by the Investor and personal guarantees by an executive Director of the Company, and the effective discount interest rate on the bank loans is from 2.45% to 3.95% (2024: 2.45% to 3.95%) per annum for the period ended 30 June 2025.
- (ii) On 19 March 2013, Shenzhen CETH Environmental Technology Co., Ltd. ("SZ CETH"), a wholly-owned subsidiary of the Company, entered into an entrusted loan agreement with an independent third party (the "Lender") through commissioning a bank to borrow a loan of RMB50,000,000 for a period of three years from 23 April 2013 to 22 April 2016, and extended one year to 21 April 2017 when expired. The loan is secured by a guarantee from the Company. On 26 March 2019, the lender has decided to extend the repayment of this entrusted loan, for which, RMB25,000,000 of the entrusted loan shall be repaid on or before 31 December 2019 while the other RMB25,000,000 to be repaid on or before 31 December 2020. The effective interest rate of the entrusted loan (which also equals contractual interest rate) was 12% (2024: 12%) per annum. During the year ended 31 December 2020, the Group had repaid approximately RMB4,000,000. Approximately RMB46,000,000 of the entrusted loan was overdue as at 30 June 2025 (31 December 2024: RMB46,000,000). The Intermediate People's Court of Shenzhen City rendered a judgement on 21 July 2025 ordering SZ CETH shall repay the principal of approximately RMB46,000,000 and relevant interest at a interest rate of 12% per annum to the Lender, and the Company shall bear joint and several guarantee of the aforementioned SZ CETH's debt. The Company is planning to appeal to the Guangdong Provincial High People's Court.
- (iii) As at 30 June 2025, other loans of approximately HK\$5,479,000 (31 December 2024: HK\$nil) were charged a fixed interest rate of 0.13% per day, other loans of approximately HK\$5,479,000 (31 December 2024: 5,318,000) were charged a fixed interest rate of 15%, other loans of approximately HK\$9,972,000 (31 December 2024: 9,684,000) were charged a fixed interest rate of 15% and an additional default interest rate of 5%, the remaining other loans were charged a fixed interest rate of 12% per annum and an additional fixed default interest rate of 5%. All loans are repayable in full upon the maturity except for other loans of HK\$5,479,000 (31 December 2024: HK\$nil) having no fixed term. Other loans of approximately HK\$5,479,000, HK\$40,000,000, HK\$800,000, approximately HK\$19,158,000, and approximately HK\$9,972,000 are matured on 30 September 2025, 27 September 2026, 30 September 2026, 31 December 2026, and 31 December 2026, respectively of which the other loan of approximately HK\$5,479,000 matured on 30 September 2025 has a payable on demand clause. All other loans are unsecured, except for approximately HK\$5,479,000 is secured by the Company.
- (iv) As at 30 June 2025, the Group have issued one (31 December 2024: one) unlisted straight bonds to one (31 December 2024: one) independent investors in an aggregate principal amount of HK\$3,000,000 (31 December 2024: HK\$3,000,000) (the "Bonds"). The Bonds are unsecured, arranged at a fixed interest rate of 8% per annum and redeemed in full upon the maturity, i.e. three or four years from the date of issue. All outstanding bonds are overdue as at 30 June 2025 and 31 December 2024.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 14. CONVERTIBLE BONDS

On 16 January 2018, the Company issued the convertible bonds in an aggregate principal amount of US\$7,000,000 (equivalent to approximately HK\$54,600,000) with a coupon rate of 8% (the "Convertible Bonds") to the independent third party (the "Original Bondholder"). The Convertible Bonds would mature from the date of issue to 15 January 2021 representing maturity period of 3 years, and can be converted into a maximum of 265,048,544 conversion shares of the Company at the conversion price of HK\$0.206 per conversion shares upon full exercise of the conversion rights within the period of the 12 months after the issue date of the bonds up to the maturity date.

The convertible bonds recognised in the consolidated statement of financial position had been split between liability element and equity component.

On 10 January 2021, the Company and the Original Bondholder verbally agreed to amend the terms and conditions of the Convertible Bonds in order to extend the maturity date and the conversion period of the Convertible Bonds. Accordingly, the Company and the Original Bondholder entered into the deed of amendments on 16 March 2021 to extend (i) the maturity date to 31 July 2021, and (ii) the conversion period to 30 July 2021 (the "CB Extension"). The CB Extension took effect on 18 March 2021. As a result of the CB Extension, the liability and equity components were extinguished by approximately HK\$683,000 and HK\$15,350,000 respectively based on revaluation upon date of the execution, i.e. 18 March 2021. The revaluation was conducted with reference to the independent valuation performed by an independent valuer, Ravia Global Appraisal Advisory Limited under level 2 fair value measurement.

On 19 July 2021, the Original Bondholder deposited the bond certificate of the Convertible Bonds with the duly completed form of transfer at the principal place of business of the Company, and the Company issued a new bond certificate in favour of Mr. Zhang Zihong (the "New Bondholder"). On 26 July 2021, the Company and the New Bondholder entered into the deed of amendments in respect of the proposed amendments, pursuant to which the Company agreed with the New Bondholder to amend certain terms and conditions of the Convertible Bonds (The "CB Amendments"), included extending the maturity date to 31 July 2024 and adjusting conversion price to HK\$0.025 per conversion shares. The CB Amendments took effect on 28 September 2021. As a result of the CB Amendments, the liability and equity components were loss on amendments of terms by approximately HK\$15,490,000 based on revaluation upon date of the execution, i.e. 28 September 2021. The valuation was conducted with reference to the independent valuation performed by an independent valuer, Ravia Global Appraisal Advisory Limited under level 2 fair value measurement.

On 29 July 2024, the Company received a conversion notice from one of the Bondholder in respect of the exercise of the conversion rights attached to the convertible bonds with the principle amount of US\$3,500,000 (equivalent to HK\$27,300,000) at the conversion price of HK\$0.5 per conversion share. Accordingly, 54,600,000 conversion shares, representing approximately 21.65% of the total number of issued shares immediately before the conversions and approximately 15.93% of the total number of issued shares enlarged by the issue of the conversion shares immediately after the conversions, were allotted and issued to the Bondholder on 5 August 2024.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 14. CONVERTIBLE BONDS (Continued)

On 30 July 2024, the Company received a conversion notice from one of the Bondholder in respect of the exercise of the conversion rights attached to the convertible bonds with the principle amount of US\$2,300,000 (equivalent to HK\$17,940,000) at the conversion price of HK\$0.5 per conversion share. Accordingly, 35,880,000 conversion shares, representing approximately 14.23% of the total number of issued shares immediately before the conversion and approximately 10.47% of the total number of issued shares enlarged by the issue of the conversion shares immediately after the conversion, were allotted and issued to Bondholder on 5 August 2024.

On 30 July 2024, the Company and the holders of the unconverted Convertible Bonds with principal amount of US\$1,200,000 (the "Unconverted Convertible Bonds") verbally agreed to amend the terms and conditions of the Unconverted Convertible Bond (the "Amendments") in order to extend the maturity date and the conversion period of the Unconverted Convertible Bonds. Accordingly, the Company executed a deed of amendments with each of the Bondholders on 29 November 2024 to amend the terms and conditions of the Unconverted Convertible Bonds, included extended the maturity date to 31 July 2027 and the conversion period to 30 July 2027. The Amendments took effect on 12 December 2024. As a result of the Amendments, the liability and equity components were loss on amendments of terms by approximately HK\$99,000 based on revaluation upon date of the execution, i.e. 12 December 2024. The valuation was conducted with reference to the independent valuation performed by an independent valuer, Ravia Global Appraisal Advisory Limited under level 2 fair value measurement.

The convertible bonds recognised in the condensed consolidated statement of financial position had been split between liability element and equity component, and are calculated as follows:

|  | Liabilities<br>component<br>HK\$'000 | Equity<br>component<br>HK\$'000 | Total<br>HK\$'000 |
|--|--------------------------------------|---------------------------------|-------------------|
| At 1 January 2024 (Audited)                            | 69,662                               | 19,307                          | 88,969            |
| Imputed interest expenses                              | 5,548                                | –                               | 5,548             |
| Less: coupon payable                                   | (6,905)                              | –                               | (6,905)           |
| Less: exercise convertible bond                        | (56,550)                             | (15,997)                        | (72,547)          |
| Less: extinguishment resulted from<br>the CB extension | –                                    | (3,310)                         | (3,310)           |
| Less: loss on amendments of<br>terms of CB             | (1,017)                              | 1,116                           | 99                |
| At 31 December 2024 and<br>1 January 2025 (Audited)    | <b>10,738</b>                        | <b>1,116</b>                    | <b>11,854</b>     |
| Imputed interest expenses                              | <b>536</b>                           | –                               | <b>536</b>        |
| Less: coupon payable                                   | <b>(70)</b>                          | –                               | <b>(70)</b>       |
| At 30 June 2025 (Unaudited)                            | <b>11,204</b>                        | <b>1,116</b>                    | <b>12,320</b>     |

The interest charged for the period is calculated by applying an effective interest 9.92% to the liability component for the period.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 15. SHARE CAPITAL

|                                  | No. of shares<br>'000 | Amount<br>HK\$'000 |
|----------------------------------|-----------------------|--------------------|
| <b>Authorised:</b>               |                       |                    |
| Ordinary shares of HK\$0.50 each | 1,000,000             | 500,000            |
| <b>Issued and fully paid:</b>    |                       |                    |
| Ordinary shares                  |                       |                    |
| At 31 December 2024 (Audited)    | 342,698               | 171,349            |
| At 30 June 2025 (Unaudited)      | 342,698               | 171,349            |

## 16. SHARE-BASED PAYMENTS

### Equity-settled share option scheme

The Company operates a share option scheme (the "Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants of the Scheme include Directors, employees and consultants of the Company and its subsidiaries. The Scheme became effective on 10 September 2010 and remained in force for ten years from that date. Details of the Scheme were disclosed in the Company's consolidated financial statements for the year ended 31 December 2024.

The following share options were outstanding under the Scheme during the reporting period:

| Grantee  | Date of grant | Exercisable period              | Exercise price | Outstanding at<br>1 January<br>2025 | Forfeited<br>during<br>the period | Outstanding at<br>30 June<br>2025 |
|--|---------------|---------------------------------|----------------|-------------------------------------|-----------------------------------|-----------------------------------|
| Directors  | 11 May 2020   | From 11 May 2020 to 10 May 2030 | HK\$0.50       | 2,088,000                           | –                                 | 2,088,000                         |
| Directors  | 11 May 2020   | From 11 May 2021 to 10 May 2030 | HK\$0.50       | 1,044,000                           | –                                 | 1,044,000                         |
| Directors  | 11 May 2020   | From 11 May 2022 to 10 May 2030 | HK\$0.50       | 1,044,000                           | –                                 | 1,044,000                         |
| Employees  | 11 May 2020   | From 11 May 2020 to 10 May 2030 | HK\$0.50       | 648,000                             | –                                 | 648,000                           |
| Employees  | 11 May 2020   | From 11 May 2021 to 10 May 2030 | HK\$0.50       | 480,000                             | –                                 | 480,000                           |
| Employees  | 11 May 2020   | From 11 May 2022 to 10 May 2030 | HK\$0.50       | 480,000                             | –                                 | 480,000                           |
| Consultants  | 11 May 2020   | From 11 May 2020 to 10 May 2030 | HK\$0.50       | 4,832,000                           | –                                 | 4,832,000                         |
| Consultants  | 11 May 2020   | From 11 May 2021 to 10 May 2030 | HK\$0.50       | 96,000                              | –                                 | 96,000                            |
| Consultants  | 11 May 2020   | From 11 May 2022 to 10 May 2030 | HK\$0.50       | 96,000                              | –                                 | 96,000                            |
|  |               |                                 |                | 10,808,000                          | –                                 | 10,808,000                        |
| Exercisable at the beginning and end of the period |               |                                 |                | 10,808,000                          |                                   | 10,808,000                        |

# MANAGEMENT DISCUSSION AND ANALYSIS

## RESULTS

During the six months ended 30 June 2025, the Group recorded a revenue of approximately HK\$18,984,000, representing a slight decrease of 0.6% as compared to approximately HK\$19,099,000 for the six months ended 30 June 2024. However, due to intensified competition in wastewater treatment industry, the Group's gross profit for the period reduced to approximately HK\$5,551,000 representing a decrease of 21.0% as compared to approximately HK\$7,027,000 for the six months ended 30 June 2024. The Group's loss attributable to owners of the Company for the period increased to approximately HK\$27,457,000 (six months ended 30 June 2024: HK\$6,470,000). The Group's loss increased mainly due to 1) the appreciation of RMB over HK dollar which resulted to increase in exchange loss from RMB denominated payables and debts; 2) the decrease in gross profit from wastewater treatment segment; and 3) increase in administrative expenses attributable to the newly established energy management segment.

## BUSINESS REVIEW AND OUTLOOK

### Business Review

In the first half of 2025, the Group achieved high-quality growth in its green business by focusing on "stabilizing environmental protection business and catapulting energy business". Through continuous technological innovation and service development, the Group will consolidate its market share in wastewater treatment. Furthermore, the Group will vigorously develop its virtual power plant business and actively explore the synergistic value of energy, water resources, and carbon emission reduction. The Group is committed to building a uniquely competitive "water-energy-carbon" closed-loop industrial chain, contributing systematic solutions to the realization of China's "dual carbon" goals.

### *Wastewater Treatment:*

In the first half of the year, we successfully completed key projects in core cities such as Shanghai and Shenzhen. During the same period, we also completed the construction of the Group's first fully underground new sewage treatment facility. While steadily developing new markets, the implementation of the State Council's "Plan to Promote Large-Scale Equipment Upgrades" has led to a surge in demand for environmental protection equipment upgrades. The Company will focus on opportunities in the existing equipment upgraded market.

### *Energy Management:*

Since the Group began developing its energy management business last year, it has actively engaged in communication and business collaboration with local governments, industry associations, energy companies, and large power retail companies. In the first half of 2025, the Group acquired more contracts for providing services relating to electricity trading, and the power transformer substation managed and operated by the Group in Yinchuan, Ningxia, began to stably supply power to downstream users. The Group's energy management project in Guangzhou was also completed and officially began operations. Revenue from energy management reached over HK\$1.1 million in the first half of the year, demonstrating continuing positive development.



## MANAGEMENT DISCUSSION AND ANALYSIS

### Business Outlook

China is firmly advancing energy structural transformation, deepening environmental protection and power market reforms, creating an urgent need for new energy consumption, and highlighting the growing value of carbon assets. Since the beginning of this year, the National Development and Reform Commission, the National Energy Administration, and the Ministry of Industry and Information Technology have successively issued numerous documents encouraging the development of new energy and virtual power plants. Facing a continuously favorable policy environment and market opportunities, the Group remains positive and optimistic about its business development in the second half of the year. The Group will continue to focus on its core business and strengthen its core competitiveness. In the second half of the year, the Group will seize the advantages of equipment upgrades and the development of new power systems, achieving high-quality business growth through technological integration and model innovation.

### LIQUIDITY

The Group continued to make improvement and maintain a liquid position. As at 30 June 2025, cash and bank balances of the Group was approximately HK\$1,705,000 (31 December 2024: HK\$892,000).

As at 30 June 2025, the Group had total assets of approximately HK\$31,924,000 (31 December 2024: HK\$37,227,000) and current liabilities less total assets of approximately HK\$448,167,000 (31 December 2024: HK\$416,714,000). The Group's gearing ratio, being the ratio of the total debts to total assets, was 517.30% (31 December 2024: 434.27%).

The Group's total debts for the period amounted to approximately HK\$165,142,000 (31 December 2024: HK\$161,666,000). The Group's debts are denominated in Renminbi and Hong Kong dollars, mainly comprising term loans bearing fixed and variable interest rates, an entrusted loan at fixed interest rate and convertible bonds at fixed rate. The Group will continue its effort in using long term liabilities to replace its current liabilities and raise further capital when appropriate to improve the overall liquidity of the Group.

The Group's cash and bank balances as at 30 June 2025 consisted of about 94.49% in Renminbi and 5.50% in Hong Kong dollars.

### CHARGE ON ASSETS

As at 30 June 2025, the Group did not have any charge on its assets (31 December 2024: Nil).



## MANAGEMENT DISCUSSION AND ANALYSIS

### FOREIGN CURRENCY EXPOSURE

The Group had major investments, accounts receivable, bank balances, accounts payable and certain borrowings denominated in Renminbi, hence the Group had direct exposure to foreign exchange fluctuation. During the period under review, the Group did not use any foreign currency derivative product to hedge its exposure to currency risk. However, the management managed and monitored the exposure to ensure appropriate measures were implemented on a timely and effective manner.

### EMPLOYEES AND REMUNERATION POLICY

The total number of employees of the Group as at 30 June 2025 was 71 (31 December 2024: 67). The Group remunerates its employees based on their performance, work experience and the prevailing market price. The remuneration packages include basic salary, double pay, commission, insurance and mandatory provident fund. The Group operates a share option scheme for the purpose of providing incentives and rewards to eligible Directors and employees of the Group to recognise their contribution to the success of the Group. The packages are reviewed annually by the management and the remuneration committee. The Group provides employees with a set of comprehensive development and training plans, including company regulation and policy training, work skills training and management training. The training improves our employees' abilities in various ways and enhances the team spirit inside the Group.



## ADDITIONAL INFORMATION

### DIRECTORS' AND CHIEF EXECUTIVE'S INTEREST IN SHARES AND UNDERLYING SHARES

As at 30 June 2025, the Directors and chief executive of the Company had the following interests or short positions in the shares, underlying shares and debentures of the Company or any associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) as recorded in the register of Directors' and chief executive's interests required to be kept under section 352 of the SFO, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers set out in the Listing Rules (the "Model Code"), to be notified to the Company and the Stock Exchange were as follows:

#### Long position

##### *Interests in issued shares of the Company*

| Name of Director             | Capacity                                  | No. of ordinary shares interested | % of the Company's issued share capital |
|------------------------------|---|-----------------------------------|---|
| Xu Zhongping ( <i>Note</i> ) | Interest held by a controlled corporation | 89,309,000                        | 26.06%                                  |
|                              | Beneficial owner                          | 2,204,921                         | 0.64%                                   |
|                              |   | 91,513,921                        | 26.70%                                  |
| Yang Baodong                 | Beneficial owner                          | 39,600                            | 0.01%                                   |
| Hu Yueyue                    | Beneficial owner                          | 400,000                           | 0.12%                                   |

*Note:* These 53,429,000 shares were held under the name of Gentle International Holdings Limited ("Gentle"). Classy Jade Limited ("Classy Jade") owns 60% of the issued share capital of Gentle and Classy Jade held 35,880,000 shares. Mr. Xu Zhongping is the controlling shareholder of Classy Jade. Mr. Xu was therefore deemed to be interested in the said 53,429,000 shares held by Gentle and 35,880,000 shares held by Classy Jade under Part XV of the SFO.

Apart from the foregoing, as at 30 June 2025, none of the Directors, the chief executive or any of their spouses or children under eighteen years of age has interests in the shares, underlying shares and debentures of the Company, or any of its associated corporations, as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.



## ADDITIONAL INFORMATION

### SHARE OPTIONS SCHEME

#### 2010 Share option scheme

The Company has, in accordance with Chapter 17 of the Listing Rules, adopted a share option scheme (the "2010 Share Option Scheme"), as approved by the shareholders of the Company at the extraordinary general meeting held on 10 September 2010. The Directors are given a general mandate to invite eligible participants to take up options at the subscription price as prescribed under the 2010 Share Option Scheme to subscribe for shares of the Company. The purpose of the share option scheme is to enable the Group to grant options to the eligible participants including employees, executive and non-executive Directors, suppliers and customers and shareholders of any members of the Group and any persons or entities that provided research, development or other technical support to the Group or any other group or classes of participants determined by the Directors as incentive or rewards for their contribution to the Group. The 2010 Share Option Scheme has become valid and effective for a period of ten years ended on 9 September 2020.

The exercise price of options is the highest of the nominal value of the shares, the closing price of the shares on the Stock Exchange on the date of offer and the average closing price of the shares on the Stock Exchange for the five business days immediately preceding the date of offer. Each option gives the holder the right to subscribe for one ordinary share in the Company.

The total number of securities available for issue under the share option scheme as at 30 June 2025 was 10,808,000 shares which represents 3.15% of the issued share capital of the Company as at 30 June 2025. Should they be fully exercised, the Company will receive HK\$5,404,000 (before issue expenses). Among all the share options outstanding as at 30 June 2025, 7,568,000 share options are vested from the date of grant and 3,240,000 options are divided in two equal installments with the first and second installments to be vested in one and two years from the date of grant, respectively. The options are exercisable after the vesting date but within a period of ten years from the date of grant. The number of securities issued and to be issued upon exercise of the options granted to each participant in any 12-month period is limited to 1% of the Company's ordinary shares in issue.

The 2010 Share Option Scheme had expired on 9 September 2020.

The details of share options granted by the Company under the 2010 Shares Option Scheme up to 30 June 2025 are set out in note 16 to the condensed consolidated financial statements.

## ADDITIONAL INFORMATION

### SHARE OPTIONS SCHEME (Continued)

#### 2010 Share option scheme (Continued)

The following table discloses movements in the Company's share options outstanding during the reporting period:

| Name or category of participant       | Number of share options |                           |                             |                           |                             | At 30 June 2025 | Date of grant of share options | Exercise period of share options | Exercise price of share options HK\$ per share |
|---------------------------------------|-------------------------|---------------------------|-----------------------------|---------------------------|-----------------------------|-----------------|--------------------------------|----------------------------------|--|
|                                       | At 1 January 2025       | Granted during the period | Exercised during the period | Expired during the period | Forfeited during the period |                 |                                |                                  |  |
| <b>Directors</b>                      |                         |                           |                             |                           |                             |                 |                                |                                  |  |
| Mr. Xu Zhongping                      | 912,000                 | -                         | -                           | -                         | -                           | 912,000         | 11 May 2020                    | 11.5.2020 to 10.5.2030           | 0.50   |
|                                       | 456,000                 | -                         | -                           | -                         | -                           | 456,000         | 11 May 2020                    | 11.5.2021 to 10.5.2030           | 0.50   |
|                                       | 456,000                 | -                         | -                           | -                         | -                           | 456,000         | 11 May 2020                    | 11.5.2022 to 10.5.2030           | 0.50   |
|                                       | 1,824,000               | -                         | -                           | -                         | -                           | 1,824,000       |                                |                                  |  |
| Mr. Yang Baodong                      | 912,000                 | -                         | -                           | -                         | -                           | 912,000         | 11 May 2020                    | 11.5.2020 to 10.5.2030           | 0.50   |
|                                       | 456,000                 | -                         | -                           | -                         | -                           | 456,000         | 11 May 2020                    | 11.5.2021 to 10.5.2030           | 0.50   |
|                                       | 456,000                 | -                         | -                           | -                         | -                           | 456,000         | 11 May 2020                    | 11.5.2022 to 10.5.2030           | 0.50   |
|                                       | 1,824,000               | -                         | -                           | -                         | -                           | 1,824,000       |                                |                                  |  |
| Mr. Ma Tianfu                         | 264,000                 | -                         | -                           | -                         | -                           | 264,000         | 11 May 2020                    | 11.5.2020 to 10.5.2030           | 0.50   |
|                                       | 132,000                 | -                         | -                           | -                         | -                           | 132,000         | 11 May 2020                    | 11.5.2021 to 10.5.2030           | 0.50   |
|                                       | 132,000                 | -                         | -                           | -                         | -                           | 132,000         | 11 May 2020                    | 11.5.2022 to 10.5.2030           | 0.50   |
|                                       | 528,000                 | -                         | -                           | -                         | -                           | 528,000         |                                |                                  |  |
| <b>Other employees</b>                |                         |                           |                             |                           |                             |                 |                                |                                  |  |
| In aggregate                          | 648,000                 | -                         | -                           | -                         | -                           | 648,000         | 11 May 2020                    | 11.5.2020 to 10.5.2030           | 0.50   |
|                                       | 480,000                 | -                         | -                           | -                         | -                           | 480,000         | 11 May 2020                    | 11.5.2021 to 10.5.2030           | 0.50   |
|                                       | 480,000                 | -                         | -                           | -                         | -                           | 480,000         | 11 May 2020                    | 11.5.2022 to 10.5.2030           | 0.50   |
|                                       | 1,608,000               | -                         | -                           | -                         | -                           | 1,608,000       |                                |                                  |  |
| <b>Suppliers of goods or services</b> |                         |                           |                             |                           |                             |                 |                                |                                  |  |
| In aggregate                          | 4,832,000               | -                         | -                           | -                         | -                           | 4,832,000       | 11 May 2020                    | 11.5.2020 to 10.5.2030           | 0.50   |
|                                       | 96,000                  | -                         | -                           | -                         | -                           | 96,000          | 11 May 2020                    | 11.5.2021 to 10.5.2030           | 0.50   |
|                                       | 96,000                  | -                         | -                           | -                         | -                           | 96,000          | 11 May 2020                    | 11.5.2022 to 10.5.2030           | 0.50   |
|                                       | 5,024,000               | -                         | -                           | -                         | -                           | 5,024,000       |                                |                                  |  |
| <b>Total</b>                          | 10,808,000              | -                         | -                           | -                         | -                           | 10,808,000      |                                |                                  |  |

## ADDITIONAL INFORMATION

### SHARE OPTIONS SCHEME (Continued)

#### 2010 Share option scheme (Continued)

Save as disclosed above, at no time during the the reporting period was the Company, or any of its holding company, subsidiaries or fellow subsidiaries a party to any arrangement to enable the Directors to acquire benefits by means of acquisition of shares or debentures of the Company or any other body corporate.

### SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES

As at 30 June 2025, the following persons, other than the Directors or chief executive of the Company, had interest or short positions in the shares and underlying shares in the Company as recorded in the register required to be kept under section 336 of the SFO:

|                     | Capacity                       | No. of ordinary<br>shares of<br>the Company<br>interested | % of the<br>Company's<br>issued shares<br>capital |
|---------------------|--------------------------------|---|---|
| Gentle              | Beneficial owner <i>(Note)</i> | 53,429,000  | 15.59   |
| Classy Jade Limited | Beneficial owner <i>(Note)</i> | 35,880,000  | 10.47   |
| Xu Zhongping        | Beneficial owner               | 2,204,921   | 0.64  |
| Zhang Zihong        | Beneficial owner               | 88,580,000  | 25.85   |

*Note:* Classy Jade owns 60% of the issued share capital of Gentle. Mr. Xu Zhongping is the controlling shareholder of Classy Jade and was therefore deemed to be interested in the said 53,429,000 shares held by Gentle and 35,880,000 shares held by Classy Jade under Part XV of the SFO.

Save as disclosed above, as at 30 June 2025, so far as is known to the Directors, no person (other than the Directors whose interests are set out in the section headed "Directors' and Chief Executive's Interests in Shares and Underlying Shares" above) had an interest or a short position in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO.

### EVENTS AFTER THE REPORTING PERIOD

There have been no significant events of the Group from 30 June 2025 until the date of this report.

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

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the period under review.



## ADDITIONAL INFORMATION

### CORPORATE GOVERNANCE

The Company recognises the importance of good corporate governance to the Company's stable growth and has devoted considerable efforts to identifying and formulating corporate governance practices appropriate to the Company's needs.

The Company has complied with the code provisions as set out in Appendix C1 of the Listing Rules, throughout the six months ended 30 June 2025.

### INTERNAL CONTROLS

The Board is responsible for maintaining an adequate internal control system to safeguard shareholder investments and the assets of the Company and with the support of the Audit Committee, reviewing the effectiveness of such system on an annual basis.

The internal control system of the Group is designed to facilitate effective and efficient operations, to ensure reliability of financial reporting and compliance with applicable laws and regulations, to identify and manage potential risks and to safeguard assets of the Group. The senior management shall review and evaluate the control process and monitor any risk factors on a regular basis and a formal internal audit department was set up in 2019 to report to the Audit Committee on any findings and measures to address the variances and identified risks.

The Group established internal audit department to manage, implement and monitor internal control process. In 2020, the Board approved and internally issued Corporate Governance Manual and a complaint mailbox to further strengthen the internal control system and minimize the occurrence of wrongdoings and misconduct. The Board and the relevant committees perform periodic reviews on the effectiveness of the internal control system of the Group, and no material deficiencies have been identified.

### MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as its code of conduct in respect of Directors' dealings in the Company's securities. Specific enquiry has been made of all the Directors who have confirmed that they have complied with the required standard set out in the Model Code throughout the six months ended 30 June 2025.

### AUDIT COMMITTEE

The Company's Audit Committee is composed of three independent non-executive Directors of the Company. The Audit Committee has reviewed with the management the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters including the review of the unaudited interim financial statements for the six months ended 30 June 2025.

By order of the Board  
**China Environmental Technology Holdings Limited**  
**Xu Jinping**  
*Chairman*

Hong Kong, 29 August 2025