



ZHENENG JINJIANG ENVIRONMENT HOLDING COMPANY LIMITED

浙能锦江环境控股有限公司

(Company Registration Number: 245144)

(Incorporated in the Cayman Islands on 8 September 2010)

**Unaudited Condensed Interim Financial Statements For The Fourth Quarter And Full Year Ended
31 December 2022**

Condensed Interim Consolidated Statement of Comprehensive Income

	Note	Group	Group	Group	Group
		3 months ended 31 December 2022	3 months ended 31 December 2021	12 months ended 31 December 2022	12 months ended 31 December 2021
		RMB'000	RMB'000	RMB'000	RMB'000
			(Restated)*		(Restated)*
Revenue	3	1,263,896	1,672,156	4,073,855	4,101,098
Cost of sales		(907,432)	(1,361,348)	(2,916,100)	(3,054,992)
Gross profit		356,464	310,808	1,157,755	1,046,106
Other income					
- Interest		6,140	8,329	22,862	11,702
- Others		63,575	39,716	172,135	132,523
Loss allowance recognised on financial assets		(765)	(16,817)	(765)	(16,817)
Other gains and (losses), net		44,278	27,426	(203,016)	41,167
Expenses					
- Administrative		(72,638)	(50,205)	(248,122)	(233,372)
- Finance		(84,584)	(67,250)	(417,443)	(361,676)
- Others		-	(30,203)	-	(30,273)
Share of loss of associates		(38)	(534)	(38)	(534)
Share of profit/(loss) of joint ventures		2,708	(10,973)	2,891	(11,931)
Profit before income tax		315,140	210,297	486,259	576,895
Income tax expense		(32,060)	(37,019)	(141,343)	(130,238)
Profit for the period	4	283,080	173,278	344,916	446,657
Other comprehensive loss					
<i>Item that may be reclassified subsequently to profit or loss:</i>					
Currency translation differences arising from consolidation		(16,331)	(7,757)	(10,112)	(11,172)
Other comprehensive loss, net of tax		(16,331)	(7,757)	(10,112)	(11,172)
Total comprehensive income for the period		266,749	165,521	334,804	435,485
Profit for the period attributable to:					
- equity holders of the Company		277,285	170,011	325,022	432,456
- non-controlling interests		5,795	3,267	19,894	14,201
		283,080	173,278	344,916	446,657
Total comprehensive income for the period attributable to:					
- equity holders of the Company		260,954	162,254	314,910	421,284
- non-controlling interests		5,795	3,267	19,894	14,201
		266,749	165,521	334,804	435,485
Earnings per share attributable to the equity holders of the Company: (RMB cents per share)					
Basic and diluted earnings per share		19.07	11.69	22.35	29.74

* refer to Note 2.4

Condensed Interim Statement of Financial Position

	Group As at 31.12.22 RMB'000	Group As at 31.12.21 RMB'000 (Restated)*	Company As at 31.12.22 RMB'000	Company As at 31.12.21 RMB'000 (Restated)*
Assets				
Current assets				
	627,047	387,801	11,623	15,722
	1,281,047	818,234	86,160	79,423
	2,789,208	2,868,499	-	-
5	248,674	718,976	658	2,258
6	68,088	63,976	-	-
	108,371	62,216	-	-
	<u>5,122,435</u>	<u>4,919,702</u>	<u>98,441</u>	<u>97,403</u>
Non-current assets				
	159,877	152,448	2,995,972	2,116,567
6	743,373	736,432	-	-
7	10,402,440	10,031,413	-	-
	13,755	15,613	-	-
	295,115	204,765	5,039	5,039
	-	-	1,798,280	1,798,280
	27,013	24,875	-	-
8	4,708,883	4,289,074	-	-
	<u>16,350,456</u>	<u>15,454,620</u>	<u>4,799,291</u>	<u>3,919,886</u>
	<u>21,472,891</u>	<u>20,374,322</u>	<u>4,897,732</u>	<u>4,017,289</u>
Current liabilities				
5	37,405	55,680	-	-
	2,094,340	2,160,424	761,330	96,389
9	4,903,709	4,711,448	1,942,533	2,014,633
	130,362	123,057	-	-
	<u>7,165,816</u>	<u>7,050,609</u>	<u>2,703,863</u>	<u>2,111,022</u>
	<u>(2,043,381)</u>	<u>(2,130,907)</u>	<u>(2,605,422)</u>	<u>(2,013,619)</u>
Non-current liabilities				
9	6,344,903	5,777,427	370,313	-
	701,525	618,953	-	-
	357,515	364,020	-	-
	28,425	24,826	-	-
	<u>7,432,368</u>	<u>6,785,226</u>	<u>370,313</u>	<u>-</u>
	<u>14,598,184</u>	<u>13,835,835</u>	<u>3,074,176</u>	<u>2,111,022</u>
	<u>6,874,707</u>	<u>6,538,487</u>	<u>1,823,556</u>	<u>1,906,267</u>
EQUITY				
Capital and reserves attributable to equity holders of the Company				
10	96	96	96	96
	1,601,100	1,601,100	1,601,100	1,601,100
	548,817	515,890	1,057,112	1,057,112
	4,561,996	4,280,013	(834,752)	(752,041)
	6,712,009	6,397,099	1,823,556	1,906,267
	162,698	141,388	-	-
	<u>6,874,707</u>	<u>6,538,487</u>	<u>1,823,556</u>	<u>1,906,267</u>

* refer to Note 2.4 and Note 16

Condensed Interim Consolidated Statement of Changes in Equity

	Attributable to owners of the Company										
	Share capital RMB'000	Share premium RMB'000	Capital reserve RMB'000	Merger reserve RMB'000	Statutory surplus reserve RMB'000	Foreign currency translation reserve RMB'000	Other reserve RMB'000	Retained profits RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total Equity RMB'000
Group											
Balance as previously reported at 1 January 2022	96	1,601,100	393,694	(67,642)	191,243	(57,577)	56,172	4,285,581	6,402,667	142,225	6,544,892
Adoption of amendments to IAS 16	-	-	-	-	-	-	-	(5,568)	(5,568)	(837)	(6,405)
Balance as restated at 1 January 2022	96	1,601,100	393,694	(67,642)	191,243	(57,577)	56,172	4,280,013	6,397,099	141,388	6,538,487
Profit for the period	-	-	-	-	-	-	-	105,484	105,484	2,737	108,221
Other comprehensive loss for the period	-	-	-	-	-	(2,195)	-	-	(2,195)	-	(2,195)
At 31 March 2022	96	1,601,100	393,694	(67,642)	191,243	(59,772)	56,172	4,385,497	6,500,388	144,125	6,644,513
At 1 April 2022	96	1,601,100	393,694	(67,642)	191,243	(59,772)	56,172	4,385,497	6,500,388	144,125	6,644,513
(Loss)/Profit for the period	-	-	-	-	-	-	-	(11,995)	(11,995)	4,837	(7,158)
Other comprehensive income for the period	-	-	-	-	-	794	-	-	794	-	794
At 30 June 2022	96	1,601,100	393,694	(67,642)	191,243	(58,978)	56,172	4,373,502	6,489,187	148,962	6,638,149
At 1 July 2022	96	1,601,100	393,694	(67,642)	191,243	(58,978)	56,172	4,373,502	6,489,187	148,962	6,638,149
(Loss)/Profit for the period	-	-	-	-	-	-	-	(45,752)	(45,752)	6,525	(39,227)
Other comprehensive income for the period	-	-	-	-	-	7,620	-	-	7,620	-	7,620
At 30 September 2022	96	1,601,100	393,694	(67,642)	191,243	(51,358)	56,172	4,327,750	6,451,055	155,487	6,606,542
At 1 October 2022	96	1,601,100	393,694	(67,642)	191,243	(51,358)	56,172	4,327,750	6,451,055	155,487	6,606,542
Profit for the period	-	-	-	-	-	-	-	277,285	277,285	5,795	283,080
Other comprehensive loss for the period	-	-	-	-	-	(16,331)	-	-	(16,331)	-	(16,331)
Transactions with owners, recognised directly in equity											
Appropriation to other reserves	-	-	-	-	43,039	-	-	(43,039)	-	-	-
Capital contribution from non-controlling interests	-	-	-	-	-	-	-	-	-	5,735	5,735
Dividends paid to non-controlling interest	-	-	-	-	-	-	-	-	-	(4,319)	(4,319)
At 31 December 2022	96	1,601,100	393,694	(67,642)	234,282	(67,689)	56,172	4,561,996	6,712,009	162,698	6,874,707

Attributable to owners of the Company

	Share capital	Share premium	Capital reserve	Merger reserve	Statutory surplus reserve	Foreign currency translation reserve	Other reserve	Retained profits	Total	Non-controlling interests	Total Equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Group											
At 1 January 2021	96	1,601,100	393,694	(67,642)	155,288	(46,405)	56,172	3,883,512	5,975,815	127,187	6,103,002
Profit for the period	-	-	-	-	-	-	-	77,048	77,048	3,308	80,356
Other comprehensive loss for the period	-	-	-	-	-	(5,922)	-	-	(5,922)	-	(5,922)
At 31 March 2021	96	1,601,100	393,694	(67,642)	155,288	(52,327)	56,172	3,960,560	6,046,941	130,495	6,177,436
At 1 April 2021	96	1,601,100	393,694	(67,642)	155,288	(52,327)	56,172	3,960,560	6,046,941	130,495	6,177,436
Profit for the period	-	-	-	-	-	-	-	116,808	116,808	4,861	121,669
Other comprehensive loss for the period	-	-	-	-	-	(6,393)	-	-	(6,393)	-	(6,393)
At 30 June 2021	96	1,601,100	393,694	(67,642)	155,288	(58,720)	56,172	4,077,368	6,157,356	135,356	6,292,712
At 1 July 2021	96	1,601,100	393,694	(67,642)	155,288	(58,720)	56,172	4,077,368	6,157,356	135,356	6,292,712
Profit for the period (Restated)	-	-	-	-	-	-	-	68,589	68,589	2,765	71,354
Other comprehensive income for the period	-	-	-	-	-	8,900	-	-	8,900	-	8,900
At 30 September 2021	96	1,601,100	393,694	(67,642)	155,288	(49,820)	56,172	4,145,957	6,234,845	138,121	6,372,966
At 1 October 2021	96	1,601,100	393,694	(67,642)	155,288	(49,820)	56,172	4,145,957	6,234,845	138,121	6,372,966
Profit for the period (Restated)	-	-	-	-	-	-	-	170,011	170,011	3,267	173,278
Other comprehensive loss for the period	-	-	-	-	-	(7,757)	-	-	(7,757)	-	(7,757)
<u>Transactions with owners, recognised directly in equity</u>											
Appropriation to other reserves	-	-	-	-	35,955	-	-	(35,955)	-	-	-
Capital contribution from non-controlling interests	-	-	-	-	-	-	-	-	-	5,265	5,265
Dividends paid to non-controlling interest	-	-	-	-	-	-	-	-	-	(5,265)	(5,265)
At 31 December 2021	96	1,601,100	393,694	(67,642)	191,243	(57,577)	56,172	4,280,013	6,397,099	141,388	6,538,487

Condensed Interim Statement of Changes in Equity

	Share capital RMB'000	Share premium RMB'000	Capital reserve RMB'000	Accumulated losses RMB'000	Total RMB'000
Company					
At 1 January 2022	96	1,601,100	1,057,112	(752,041)	1,906,267
Loss and total comprehensive loss for the period	-	-	-	(12,505)	(12,505)
At 31 March 2022	96	1,601,100	1,057,112	(764,546)	1,893,762
At 1 April 2022	96	1,601,100	1,057,112	(764,546)	1,893,762
Loss and total comprehensive loss for the period	-	-	-	(6,078)	(6,078)
At 30 June 2022	96	1,601,100	1,057,112	(770,624)	1,887,684
At 1 July 2022	96	1,601,100	1,057,112	(770,624)	1,887,684
Loss and total comprehensive loss for the period	-	-	-	(52,976)	(52,976)
At 30 September 2022	96	1,601,100	1,057,112	(823,600)	1,834,708
At 1 October 2022	96	1,601,100	1,057,112	(823,600)	1,834,708
Loss and total comprehensive loss for the period	-	-	-	(11,152)	(11,152)
At 31 December 2022	96	1,601,100	1,057,112	(834,752)	1,823,556
At 1 January 2021	96	1,601,100	1,057,112	(664,591)	1,993,717
Loss and total comprehensive loss for the period	-	-	-	(15,307)	(15,307)
At 31 March 2021	96	1,601,100	1,057,112	(679,898)	1,978,410
At 1 April 2021	96	1,601,100	1,057,112	(679,898)	1,978,410
Loss and total comprehensive loss for the period	-	-	-	(30,293)	(30,293)
At 30 June 2021	96	1,601,100	1,057,112	(710,191)	1,948,117
At 1 July 2021	96	1,601,100	1,057,112	(710,191)	1,948,117
Loss and total comprehensive loss for the period	-	-	-	(18,337)	(18,337)
At 30 September 2021	96	1,601,100	1,057,112	(728,528)	1,929,780
At 1 October 2021	96	1,601,100	1,057,112	(728,528)	1,929,780
Loss and total comprehensive loss for the period	-	-	-	(23,513)	(23,513)
At 31 December 2021	96	1,601,100	1,057,112	(752,041)	1,906,267

Condensed Interim Consolidated Statement of Cash Flows

	Group 3 months ended 31 December 2022 RMB'000	Group 3 months ended 31 December 2021 RMB'000 (Restated)*	Group 12 months ended 31 December 2022 RMB'000	Group 12 months ended 31 December 2021 RMB'000 (Restated)*
Cash flows from operating activities				
Profit before tax	315,140	210,297	486,259	576,895
Adjustments for:				
- Amortisation of intangible assets	37,768	37,141	159,434	149,050
- Deferred grant recognised	(11,240)	(7,586)	(40,294)	(36,781)
- Depreciation of investment property	188	195	911	898
- Depreciation of property, plant and equipment	119,811	128,340	419,753	375,149
- Depreciation of right-of-use assets	22,150	12,994	85,454	81,594
- Finance expenses	84,584	67,250	417,443	361,676
- Foreign exchange (gains)/losses	(64,201)	(32,401)	194,794	(50,166)
- Impairment loss on prepayment	-	1	-	71
- Impairment loss on intangible assets	-	30,202	-	30,202
- Financial income under service concession arrangements	(12,017)	(8,793)	(43,968)	(42,601)
- Bank interest income	(6,140)	(8,329)	(22,862)	(11,702)
- Gain on disposal of shares of an associate	-	-	(421)	-
- Loss allowance on other receivables	-	10,899	-	10,899
- Loss allowance on trade receivables	765	5,918	765	5,918
- Loss on disposal of property, plant and equipment	620	109	651	444
- Loss on disposal of shares of joint venture	-	556	-	556
- Share of (profit)/loss of joint ventures	(2,708)	10,973	(2,891)	11,931
- Share of loss of an associate	38	534	38	534
	484,758	458,300	1,655,066	1,464,567
Change in working capital				
- Trade and other receivables	153,194	(408,228)	(12,928)	(665,846)
- Service concession receivables	27,246	(94,369)	32,915	(101,422)
- Inventories	(39,166)	(5,365)	(46,155)	(5,432)
- Intangible assets	(189,734)	(199,423)	(567,764)	(580,261)
- Trade and other payables	222,708	321,708	181,230	347,554
- Amount due from related parties	48,525	(29,778)	241,271	(69,487)
- Amount due to related parties	1,903	24,442	242	14,298
- Provision for contingent liabilities	-	-	-	(2,400)
Cash generated from operations	709,434	67,287	1,483,877	401,571
Income tax paid	(3,533)	(3,318)	(51,467)	(78,819)
Net cash generated from operating activities	705,901	63,969	1,432,410	322,752
Cash flows from investing activities				
Interest received	375	2,738	17,097	6,111
Additions to property, plant and equipment	(480,461)	(178,932)	(1,057,893)	(1,091,251)
Additions to intangible assets - software	(7,322)	(2,958)	(7,322)	(2,958)
Investment in joint venture	(21,692)	(22,371)	(87,459)	(22,371)
Proceeds from disposal shares of an associate	-	-	2,241	-
Proceeds from disposal of subsidiaries	-	-	114,255	-
Proceeds from disposal of joint venture	-	18,725	-	18,725
Receipt of non-trade amounts due from joint ventures	46,877	-	229,031	-
Change in bank deposits pledged	9,732	24,013	6,552	24,655
Proceeds from closure of WTE plant	-	-	-	9,836
Proceeds from disposal of property, plant and equipment	81	63	383	2,813
Net cash used in investing activities	(452,410)	(158,722)	(783,115)	(1,054,440)

	Group 3 months ended 31 December 2022 RMB'000	Group 3 months ended 31 December 2021 RMB'000	Group 12 months ended 31 December 2022 RMB'000	Group 12 months ended 31 December 2021 RMB'000
		(Restated)*		(Restated)*
Cash flows from financing activities				
Proceeds from borrowings	2,705,714	1,009,543	7,870,654	5,115,390
Repayment of borrowings	(2,313,668)	(777,388)	(7,337,981)	(3,277,050)
Payment of finance costs	(143,919)	(136,442)	(478,550)	(439,559)
Capital contributions from non-controlling interests	1,416	-	1,416	-
Pledged bank deposits for borrowings	(67,175)	(39,334)	(462,007)	(602,591)
Repayment of lease liabilities	804	(1,280)	(5,193)	(35,274)
Net cash generated from/(used in) financing activities	183,172	55,099	(411,661)	760,916
Net increase/(decrease) in cash and cash equivalents	436,663	(39,654)	237,634	29,228
Cash and cash equivalents				
Cash and cash equivalents at beginning of the period	200,083	426,506	387,801	361,313
Effects of currency translation on cash and cash equivalents	(9,699)	949	1,612	(2,740)
Cash and cash equivalents at the end of the period	627,047	387,801	627,047	387,801

* refer to Note 2.4 and Note 16

Notes to the Condensed Interim Consolidated Financial Statements

These notes form an integral part of the condensed interim financial statements.

1. General information

Zheneng Jinjiang Environment Holding Company Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) was incorporated as an exempt company with limited liability in Cayman Islands on 8 September 2010.

The Company was listed on the Mainboard of Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 3 August 2016.

The single largest shareholder is Zhejiang Provincial Energy Group Co., Ltd. (“**Zheneng Group**”), which is controlled by State-owned Assets Supervision and Administration Commission of the People’s Government of Zhejiang Province.

These condensed interim consolidated financial statements as at and for the fourth quarter and full year ended 31 December 2022 comprise the Company and the Group. The principal activity of the Company is that of an investment holding company. The Group is mainly engaged in the generation and sales of electricity and steam, operation of waste-to-energy plants and project management, technical consulting and advisory services and energy management contracting business, principally in the People’s Republic of China (the “**PRC**”).

The condensed interim financial statements have not been audited or reviewed by auditors.

2. Basis of preparation

2.1 Statement of compliance

The condensed interim financial statements as at and for the fourth quarter and full year ended 31 December 2022 have been prepared in accordance with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board, and should be read in conjunction with the Group’s last annual consolidated financial statements as at and for the year ended 31 December 2021. The condensed interim financial statements do not include all the information required for complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2021.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with International Financial Reporting Standards (“**IFRSs**”), except for the adoption of new and amended standards as set out in Note 2.4.

2.2 Basis of measurement

The condensed interim financial statements have been prepared on the historical cost basis except as otherwise disclosed.

The condensed interim financial statements are presented in Renminbi (“**RMB**”), which is the Company’s functional currency. All financial information presented in RMB have been rounded to the nearest thousand, unless otherwise stated.

2.3 Going concern

As of 31 December 2022, the current liabilities of the Group exceeded the current assets by approximately RMB2,043 million. This is mainly due to borrowings due for repayment within the next 12 months and the reclassification of non-current borrowings of approximately RMB148 million to current borrowings as at 31 December 2022, owing to non-compliance of a Financial Covenant (as explained in note 9 to the condensed interim financial statements) and the consequential cross default in relation to other borrowings.

Notwithstanding the above, the Board of Directors of the Company believes that the Company and the Group will be able to continue as a going concern, and have prepared the interim financial statements on a going concern basis, after considering the following:

- (A) the lenders of the borrowings have not called on the repayment of the borrowings mentioned above;
- (B) the Group's ability to finalise and obtain additional financing subsequent to 31 December 2022 including:
 - (i) additional credit facilities from financial institutions; and
 - (ii) as at the date of this announcement, new short-term borrowings of RMB180 million were obtained.
- (C) the Group has continued to generate profits in the full year ended 31 December 2022 and has been able to generate positive cash flows from its operations;
- (D) as at the date of this announcement, the Group has RMB3,860 million of undrawn credit facilities;
- (E) the Company had on 23 December 2022 received a no-objection letter from Shenzhen Stock Exchange ("**SZSE**") to the establishment of an asset-backed securities ("**ABS**") scheme under which up to RMB1 billion in aggregate principal amount of ABS will be issued. The Company intends to submit the application for the listing of the ABS to the SZSE within 12 months from the date of the no-objection letter, the proceeds from the issuance of the ABS will be mainly used for the repayment of the current borrowings, enhance working capital and others, and will help optimize the Group's financing structure;
- (F) the Group has continued to receive financial support, credit support and loans from its largest controlling shareholder, the Zheneng Group, as follows:
 - (i) as of 31 December 2022, the Group has obtained and re-financed working capital loan of RMB540 million (drawn down from the credit line of RMB900 million obtained from Zhejiang Provincial Energy Group Finance Co., Ltd., as announced by the Company on 24 May 2021 and 17 May 2022) from Zheneng Group. RMB540 million has been included in current liabilities as at 31 December 2022;
 - (ii) the credit assessment and credit approval process of the Group's bankers generally involves the relevant banks assessing the Group's credit based on their credit assessment of Zheneng Group, and the relevant banks would typically earmark credit lines to be extended to the Group out of the overall credit lines and limits extended to Zheneng Group; and
 - (iii) Management will continue to actively seek an even greater degree of support from Zheneng Group, which is a state-owned provincial energy enterprise with great financial strength and good credit standing that can enhance the stability of the Group's capital structure. This will help to improve broadening the Group's financing channels and reduce financing costs in relation to the Group's future fund-raising plans, so as to strengthen the working capital position and the relevant financial ratios of the Group.

- (G) Management has reviewed the Group's cash flow projection, which covers a period of at least twelve months from 31 December 2022, and are of the opinion that, taking into account the above-mentioned plans and measures, the Group will have sufficient funds to finance its operations and to meet its financial obligations as and when they fall due within twelve months from 31 December 2022.

The Company will continue to prudently monitor its cashflow to meet its operational needs as well as to service its debt obligations as and when they fall due. The Board will provide updates to shareholders via SGXNET as and when there are material developments on the aforementioned matters.

2.4 New and amended standards adopted by the Group

A number of new standards and amendments to standards have become applicable for the current reporting period. The adoption of these new or amended IFRS and IFRIC did not result in substantial changes to the Group's accounting policies and had no material effect on the amounts reported for the current or prior financial years except for the Amendment to IAS 16 *Property, Plant and Equipment (Proceeds before Intended Use)*.

The amendment to IAS 16 prohibits an entity from deducting from the cost of an item of property, plant and equipment any proceeds received from selling items produced while the entity is preparing the asset for its intended use. The proceeds from selling such samples and the costs relating to items produced are now recognised in profit or loss. This amendment also clarifies that an entity is 'testing whether the asset is functioning properly' when it assesses the technical and physical performance of the asset. The financial performance of the asset is not relevant to this assessment.

Entities must disclose separately the amount of proceeds and cost relating to items produced that are not an output of the entity's ordinary activities.

Entities should apply the amendment retrospectively, but only to property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments.

Impact on the comparatives for the 31 December 2022 Financial Statements

	31 December 2021 RMB'000
Group Statement of Comprehensive Income	
Increase in revenue - sales of electricity	12,577
Increase in revenue - revenue from waste treatment	28,145
Increase in cost of sales	(47,127)
Decrease in profit for the period attributable to shareholders of the Company	(5,568)
Decrease in profit for the period attributable to non-controlling interests	(837)
Decrease in basic and diluted earnings per share	(0.38)
Group Statement of Financial Position	
Decrease in property, plant and equipment	(6,405)
Decrease in net assets	(6,405)
Decrease in retained profits	(5,568)
Decrease in non-controlling interests	(837)
Decrease in total equity	(6,405)
Group Consolidated Statement of Cash Flows	
Decrease in net cash generated from operating activities	(6,405)
Decrease in net cash used in investing activities	6,405

2.5 Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2021.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial period are included in the following notes:

- Note 3 – Service concession arrangements
- Note 7 – Impairment of property, plant and equipment

3. Revenue

The Group's operations and main revenue streams are those described in the last annual financial statements for the year ended 31 December 2021. An analysis of revenue is as follows:

Disaggregation of revenue from contracts with customers

	Group 3 months ended 31 December 2022 RMB'000	Group 3 months ended 31 December 2021 RMB'000	Group 12 months ended 31 December 2022 RMB'000	Group 12 months ended 31 December 2021 RMB'000
		(Restated)		(Restated)
Waste-to-energy project construction and operation				
<u>Waste-to-energy business</u>				
- Sales of electricity	466,509	385,231	1,613,648	1,478,600
- Sales of steam	239,805	154,492	735,725	484,183
- Revenue from waste treatment	249,191	249,617	985,802	942,177
	<u>955,505</u>	<u>789,340</u>	<u>3,335,175</u>	<u>2,904,960</u>
Construction services provided under BOT concession agreements				
- Revenue from construction services provided under service concession agreements	215,898	531,605	593,928	692,461
- Financial income under service concession agreements	12,017	8,793	43,968	42,601
	<u>227,915</u>	<u>540,398</u>	<u>637,896</u>	<u>735,062</u>
Total	<u>1,183,420</u>	<u>1,329,738</u>	<u>3,973,071</u>	<u>3,640,022</u>
Project technical and management service, equipment selection and sale and EMC business	80,476	342,418	100,784	461,076
Total revenue	<u>1,263,896</u>	<u>1,672,156</u>	<u>4,073,855</u>	<u>4,101,098</u>

Timing of revenue recognition

	Group 3 months ended 31 December 2022 RMB'000	Group 3 months ended 31 December 2021 RMB'000	Group 12 months ended 31 December 2022 RMB'000	Group 12 months ended 31 December 2021 RMB'000
		(Restated)		(Restated)
<u>At a point in time</u>				
- Sales of electricity	466,509	385,231	1,613,648	1,478,600
- Sales of steam	239,805	154,492	735,725	484,183
- Equipment selection and sale	69,881	290,782	69,881	378,006
	<u>776,195</u>	<u>830,505</u>	<u>2,419,254</u>	<u>2,340,789</u>
<u>Over time</u>				
- Revenue from waste treatment	249,191	249,617	985,802	942,177
- Revenue from construction services provided under service concession agreements	215,898	531,605	593,928	692,461
- Project technical and management service and EMC business	10,595	51,636	30,903	83,070
	<u>475,684</u>	<u>832,858</u>	<u>1,610,633</u>	<u>1,717,708</u>
- Financial income under service concession agreements	12,017	8,793	43,968	42,601
Total revenue	<u>1,263,896</u>	<u>1,672,156</u>	<u>4,073,855</u>	<u>4,101,098</u>

A breakdown of sales and operating profit after tax as follows:-

	Group 31 Dec 2022 RMB '000	Group 31 Dec 2021 RMB '000	% Increase/ (Decrease)
		(Restated)	
(a) Sales reported for first half year	1,839,303	1,613,252	14.0
(b) Operating profit after tax before deducting non-controlling interests reported for first half year	101,063	202,025	(50.0)
(c) Sales reported for second half year	2,234,552	2,487,846	(10.2)
(d) Operating profit after tax before deducting non-controlling interests reported for second half year	243,853	244,632	(0.3)

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4. Profit for the period

The following significant items have been included in arriving at profit for the period:

	Group 3 months ended 31 December 2022 RMB'000	Group 3 months ended 31 December 2021 RMB'000	Group 12 months ended 31 December 2022 RMB'000	Group 12 months ended 31 December 2021 RMB'000
		(Restated)		(Restated)
Profit for the period has been arrived at after charging (crediting):				
Amortisation of intangible assets	37,768	37,141	159,434	149,050
Cost of inventories recognised as expense	329,173	558,083	856,116	942,417
Depreciation of investment property	188	195	911	898
Depreciation of property, plant and equipment	119,811	128,340	419,753	375,149
Depreciation of right-of-use assets	22,150	12,994	85,454	81,594
Employee compensation	102,447	98,250	373,300	366,365
Foreign exchange (gains)/losses	(52,270)	(27,983)	195,414	(42,059)
Government grants	(11,240)	(7,586)	(40,294)	(36,781)
Government tax refund	(20,334)	(9,686)	(43,734)	(25,199)
Gain on disposal of shares of an associate	-	-	(421)	-
Impairment loss on intangible assets	-	30,202	-	30,202
Impairment loss on prepayments	-	1	-	71
Loss allowance recognised on financial assets	765	16,817	765	16,817
Loss on disposal on property, plant and equipment	620	109	651	444
Loss on disposal of shares of joint venture	-	556	-	556
Under provision of tax in prior years	3,943	1,320	2,083	1,008

5. Related party balances and transactions

Zheneng Group is the largest shareholder of the Group whilst Hangzhou Jinjiang Group Co., Ltd. (“**Jinjiang Group**”) is the second largest shareholder of the Group (collectively known as the “**major shareholders**”).

- (a) In addition to the information disclosed in Note 9 on borrowings from Zheneng Group, the following transactions took place between the Group and its related parties at terms agreed between the parties.

	Group 12 months ended 31 December 2022 RMB'000	Group 12 months ended 31 December 2021 RMB'000
Companies in which Zheneng Group has control over:		
- Purchases of materials	83,403	39,475
- Interest expense	23,606	29,248
	<hr/>	<hr/>
Companies in which Jinjiang Group has control over:		
- Purchases of materials	14,591	38,088
- Revenue from EMC business	(6,690)	(56,422)
- Rendering of technical and management services	(1,451)	(4,436)
	<hr/>	<hr/>
Joint ventures:		
- Interest income	(20,311)	(28,163)
	<hr/>	<hr/>

- (b) The Group had the following balances with related parties:

	Group As at 31 December 2022 RMB'000	Group As at 31 December 2021 RMB'000
Trade:		
Amounts due from companies in which major shareholders have control over	13,181	197,743
Amounts due from joint ventures	7,215	10,513
	<hr/>	<hr/>
Non-trade:		
Amounts due from companies in which major shareholders have control over	-	6,329
Amounts due from joint ventures	228,278	504,391
	<hr/>	<hr/>
	<hr/>	<hr/>
Trade:		
Amounts due to companies in which major shareholders have control over	35,505	50,252
Amounts due to joint ventures	51	448
	<hr/>	<hr/>
	<hr/>	<hr/>
Non-trade:		
Amounts due to companies in which major shareholders have control over	1,414	4,345
Amounts due to joint ventures	435	635
	<hr/>	<hr/>
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The non-trade amounts due from joint ventures are the interest-bearing advances to the joint venture, Zibo Green New Energy Co., Ltd. (31 December 2021: Zibo Green New Energy Co., Ltd. and Hohhot Jiasheng New Energy Co., Ltd.), for financing the construction and operating costs of their WTE facilities.

6. Service concession receivables

	Group As at 31 December 2022 RMB'000	Group As at 31 December 2021 RMB'000
Service concession receivables	811,461	800,408
Less: Amount due within one year shown under current assets	(68,088)	(63,976)
Service concession receivables due after one year	<u>743,373</u>	<u>736,432</u>
Expected collection schedule is analysed as follows		
Within 1 year	68,088	63,976
Within 2 to 5 years	232,485	209,308
Over 5 years	510,888	527,124
	<u>811,461</u>	<u>800,408</u>

7. Property, plant and equipment

	Property, plant and equipment RMB'000	Right-of-use assets RMB'000	Total RMB'000
	(Restated)		(Restated)
Group			
Cost			
At 1 January 2021	9,538,176	2,318,791	11,856,967
Additions	1,154,274	60,322	1,214,596
Disposals/Written off	(103,207)	-	(103,207)
Exchange difference	(2,881)	(1,839)	(4,720)
At 31 December 2021	<u>10,586,362</u>	<u>2,377,274</u>	<u>12,963,636</u>
Additions	866,815	14,666	881,481
Disposals/Written off	(5,421)	-	(5,421)
Exchange difference	(4,729)	(282)	(5,011)
At 31 December 2022	<u>11,443,027</u>	<u>2,391,658</u>	<u>13,834,685</u>
Accumulated depreciation			
At 1 January 2021	(1,763,068)	(774,797)	(2,537,865)
Depreciation for the year	(375,149)	(81,594)	(456,743)
Disposals/Written off	88,554	-	88,554
Exchange difference	1,321	-	1,321
At 31 December 2021	<u>(2,048,342)</u>	<u>(856,391)</u>	<u>(2,904,733)</u>
Depreciation for the year	(419,753)	(85,454)	(505,207)
Disposals/Written off	4,387	-	4,387
Exchange difference	798	-	798
At 31 December 2022	<u>(2,462,910)</u>	<u>(941,845)</u>	<u>(3,404,755)</u>
Accumulated impairment			
At 1 January 2021,			
At 31 December 2021/31 December 2022	<u>(27,490)</u>	-	<u>(27,490)</u>
Carrying values			
At 31 December 2022	<u>8,952,627</u>	<u>1,449,813</u>	<u>10,402,440</u>
At 31 December 2021	<u>8,510,530</u>	<u>1,520,883</u>	<u>10,031,413</u>

Impairment of property, plant and equipment

The Group regularly reviews whether there are any indicators of impairment and recognises an impairment loss if the recoverable amount of an asset is lower than its carrying amount. The Group tests for impairment for property, plant and equipment whenever there is an indication that the asset may be impaired. Where there are indicators of impairment, management assess the recoverable amount based on the higher of value in use and fair value less costs to sell.

Based on the impairment assessment carried out by management, no impairment loss was recognised for the full year ended 31 December 2022 and 31 December 2021.

8. Intangible assets

	Group As at 31 December 2022 RMB'000	Group As at 31 December 2021 RMB'000
Software	14,487	8,993
Service concession arrangement (Note (a))	4,694,396	4,280,081
	<u>4,708,883</u>	<u>4,289,074</u>
 (a) Service concession arrangement		
Cost		
Beginning of financial period	4,876,119	4,294,085
Additions	571,363	582,034
End of financial period	<u>5,447,482</u>	<u>4,876,119</u>
Accumulated amortisation		
Beginning of financial period	(565,836)	(419,397)
Amortisation	(157,048)	(146,439)
End of financial period	<u>(722,884)</u>	<u>(565,836)</u>
Accumulated impairment		
Beginning of financial period	(30,202)	-
Impairment losses	-	(30,202)
End of financial period	<u>(30,202)</u>	<u>(30,202)</u>
Net book value	<u>4,694,396</u>	<u>4,280,081</u>

The Group entered into service concession agreements with the local government authorities, pursuant to the design, construction, operation and maintenance of waste-to-energy plants during the concession period ranging from 21 years to 30 years, starting from the commencement date of commercial operation.

Service concession construction revenue (as detailed in Note 3) recorded in 2022 and 2021 represents the revenue recognised during the construction stage of the service concession period.

The right that the Group has received to charge for the sale of electricity and waste treatment has been recognised as an intangible asset at the fair value of the construction services provided and is amortised over the operating period of the waste-to-energy plant on a straight-line basis from the date on which the waste-to-energy plant commences operation.

During the financial year ended 31 December 2021, the Group was unable to reach mutual agreement with the Gwalior government regarding compensation for the cessation of a BOT project in India, and had notified the Gwalior government of its intention to initiate arbitration proceedings in connection therewith and has applied to the High Court of Delhi to appoint arbitrators. The Group made a commercial decision to cease operations of this BOT project due to its long-term negative cashflow arising from the small scale of operations in the Gwalior region, the back-loading of waste treatment fees to after commencement of operations of the waste treatment facility, the high cost of waste collection and transportation and certain cash deductions made by the local government due to inadequate coverage of waste collection. This resulted in the Gwalior government taking over the waste collection and transportation operations and project assets and later enforcing the deposit for performance bond relating to this BOT project. Given the uncertainty in terms of the timeline and outcome of such arbitration proceedings, an impairment loss of RMB30,202,000 on the intangible assets relating to the BOT project was recognised for the year ended 31 December 2021. In addition, an impairment loss of RMB10,899,000 was recognised in connection with the enforcement of the deposit for performance bond relating to this project (under trade and other receivables).

No impairment loss was recognised for the full year ended 31 December 2022.

9. Bank borrowings and lease liabilities

	Group As at 31 December 2022 RMB'000	Group As at 31 December 2021 RMB'000
Amount repayable within one year or less, or on demand		
- Secured borrowings	4,747,549	4,678,388
- Unsecured borrowings	153,703	28,025
- Lease liabilities	2,457	5,035
	4,903,709	4,711,448
Amount repayable after one year		
- Secured borrowings	6,296,153	5,533,145
- Unsecured borrowings	48,750	241,825
- Lease liabilities	-	2,457
	6,344,903	5,777,427
Total borrowings and lease liabilities, net of transaction costs	11,248,612	10,488,875

The carrying amount of borrowings approximate their fair value. The borrowings are secured by the pledge of certain property, plant and equipment, trade receivables, shares of a subsidiary, bank deposits, investment property, right-of-use assets and intangible assets.

Included in the above are borrowings with an aggregate principal amount of RMB540,000,000 (31 December 2021: RMB840,000,000) from subsidiaries of Zheneng Group, namely Zhejiang Provincial Energy Group Finance Co., Ltd. (31 December 2021: Zhejiang Provincial Energy Group Finance Co., Ltd. and Shanghai Puneng Finance Leasing Co., Ltd.).

Included in the borrowings as at 31 December 2022 is an amount of RMB1,224,480,000 (31 December 2021: RMB1,312,828,000) under a syndicated term loan facility arranged by Standard Chartered Bank (Hong Kong) Limited (the "Agent") of up to US\$270,000,000 (the "Facility"), which requires that Zheneng Group maintains more than 25% shareholding interest in the Company. The borrowings of RMB1,224,480,000 are due for repayment by July 2023 and had been fully classified as current liabilities as at 31 December 2022. As of the date of this announcement, the Company has repaid RMB231,108,000 of the above Facility in January 2023 according to the repayment plan.

Furthermore, under the terms of the Facility, the Company has to ensure that the ratio of its consolidated net debt to consolidated total equity does not exceed 125% for the period from 1 January 2021 to 31 December 2021 and 100% for the periods from 1 January 2022 to 31 December 2022 and 1 January 2023 to 23 July 2023 (“**Financial Covenant**”). The aforesaid ratio had exceeded 125% and 100% respectively for the financial year ended 31 December 2021 and 31 December 2022 resulting in non-compliance by the Company of the Financial Covenant. Due to the non-compliance of the Financial Covenant, the banks are contractually entitled to request for immediate repayment of the outstanding borrowings with covenant breaches. Accordingly, as of 31 December 2021, the non-current portion of the borrowings with covenant breaches of the Group amounting to RMB1,184,002,000 were reclassified as current liabilities. Under the terms of the Facility, the Agent of the Facility may, at its discretion and if so directed by lenders representing two-thirds of the total commitments under the Facility, by notice call for repayment ahead of the stipulated repayment dates. As of the date of this report, the Group has not received any notice for the accelerated repayment from the Agent.

10. Share capital

	Group and Company	
	No. of ordinary shares	Share Capital RMB'000
Fully paid ordinary shares		
As at 1 January 2021, as at 31 December 2021 and as at 31 December 2022	1,454,024,700	96

Fully paid ordinary shares have a par value of US\$0.00001 (2021: US\$0.00001), carry one vote per share and carry a right to dividend, amounting to equivalent RMB96,000 (2021: RMB96,000).

There were no changes in the share capital of the Company in the fourth quarter ended 31 December (“**4Q**”) 2022.

The total number of issued Shares as at 31 December 2022 and 31 December 2021 was 1,454,024,700.

The Company had no convertibles, treasury shares or subsidiary holdings as at 31 December 2022 and 31 December 2021.

11. Earnings per share

	Group 12 months ended 31 December 2022	Group 12 months ended 31 December 2021 (Restated)
Basic and fully diluted earnings per share (RMB cents)	22.35	29.74
Weighted average number of shares	1,454,024,700	1,454,024,700

The earnings per share was computed based on the weighted average number of shares for the period.

The total number of issued shares as at 31 December 2022 and 31 December 2021 was 1,454,024,700.

12. Net asset value

	Group As at 31 December 2022	Group As at 31 December 2021	Company As at 31 December 2022	Company As at 31 December 2021
		(Restated)		
Net asset value per share (RMB cents)	472.81	449.68	125.41	131.10
Number of shares in issue at the end of the period	1,454,024,700	1,454,024,700	1,454,024,700	1,454,024,700

The net asset value per share as at 31 December 2022 and 31 December 2021 were computed based on the number of shares in issue at the end of the period.

The total number of issued shares as at 31 December 2022 and 31 December 2021 was 1,454,024,700.

13. Fair value measurements

The fair value of financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis or using prices or rates from observable current market transactions as input.

Management has assessed that the carrying amounts of the other financial assets and financial liabilities recorded at amortised cost in the condensed interim financial statements approximate their fair values at the end of the reporting period.

14. Commitments

Capital expenditures contracted for at the balance sheet date but not recognised in the financial statements, excluding those relating to investments in associates and investments in joint ventures, are as follows:

	Group As at 31 December 2022 RMB'000	Group As at 31 December 2021 RMB'000
Property, plant and equipment	253,393	816,755

15. Segment information

The Group's reportable and operating segments are as follows:

- (1) Waste-to-energy project construction and operation
 - Comprise sales of electricity and steam, waste treatment and provision of construction services and financial income under service concession arrangements.
- (2) Project technical and management service, equipment selection and sale and EMC business
 - Comprise of service income

	Waste-to-energy project construction and operation RMB '000	Project technical and management service, equipment selection and sale and EMC business RMB '000	Total RMB '000
1 January 2022 to 31 December 2022			
Segment revenue			
External revenue	3,973,071	100,784	4,073,855
Inter-segment revenue	-	356,798	356,798
	<u>3,973,071</u>	<u>457,582</u>	<u>4,430,653</u>
Elimination	-	(356,798)	(356,798)
Revenue	<u>3,973,071</u>	<u>100,784</u>	<u>4,073,855</u>
Segment profit			
Government grants and VAT refund	1,135,071	22,684	1,157,755
Loss on disposal of property, plant and equipment	82,241	1,787	84,028
Loss allowance recognised on financial assets	(651)	-	(651)
Gain on disposal of shares of an associate			(765)
Foreign exchange loss			421
Other income			(195,414)
Administrative expenses			103,597
Finance costs			(248,122)
Share of loss of associates			(417,443)
Share of profit of joint ventures			(38)
Profit before tax			<u>2,891</u>
			<u>486,259</u>
As at 31 December 2022			
Assets and Liabilities			
Segment assets	18,006,210	697,781	18,703,991
Unallocated			2,768,900
Consolidated total assets			<u>21,472,891</u>
Segment liabilities	13,005,918	674,232	13,680,150
Unallocated			918,034
Consolidated total liabilities			<u>14,598,184</u>
1 January 2022 to 31 December 2022			
Other segment information			
Depreciation and amortisation	646,776	18,776	665,552
Additions to non-current assets	1,449,054	11,670	1,460,724

	Waste-to- energy project construction and operation RMB '000	Project technical and management service, equipment selection and sale and EMC business RMB '000	Total RMB '000
1 January 2021 to 31 December 2021 (Restated)			
Segment revenue			
External revenue	3,640,022	461,076	4,101,098
Inter-segment revenue	-	503,858	503,858
	<u>3,640,022</u>	<u>964,934</u>	<u>4,604,956</u>
Elimination	-	(503,858)	(503,858)
Revenue	<u>3,640,022</u>	<u>461,076</u>	<u>4,101,098</u>
Segment profit			
Government grants and VAT refund	968,003	78,103	1,046,106
Loss on disposal on property, plant and equipment	60,264	1,716	61,980
Other gains relating to closure of WTE plant	(444)	-	(444)
Impairment loss on intangible assets	2,750	-	2,750
Impairment loss on prepayment	(30,202)	-	(30,202)
Loss on disposal of shares of joint venture	(71)	-	(71)
Administrative expenses			(556)
Foreign exchange gains			(233,372)
Other income			42,059
Loss allowance recognised on financial assets			79,603
Finance costs			(16,817)
Share of loss of associates			(361,676)
Share of loss of joint ventures			(534)
Profit before tax			<u>(11,931)</u>
			<u>576,895</u>
As at 31 December 2021			
Assets and Liabilities			
Segment assets	16,536,928	1,593,395	18,130,323
Unallocated			2,243,999
Consolidated total assets			<u>20,374,322</u>
Segment liabilities	11,938,893	1,046,589	12,985,482
Unallocated			850,353
Consolidated total liabilities			<u>13,835,835</u>
1 January 2021 to 31 December 2021			
Other segment information			
Depreciation and amortisation	574,828	31,863	606,691
Additions to non-current assets	1,789,969	10,404	1,800,373

All assets are allocated to reportable segments other than investments in joint ventures and associates, other tax recoverable, pledged bank deposits, cash and cash equivalents and the non-trade related balances due from related parties and non-controlling interests.

All liabilities are allocated to reportable segments other than income tax liabilities, other tax liabilities, dividend payable, deferred tax liabilities and the non-trade related balances due to related parties.

Geographical information

Most of the Group's revenue is generated from sales and the provision of services in the PRC based on where products are sold or services are rendered, and most of the Group's identifiable assets and liabilities are located in the PRC.

Information about major customers

In 2022 and 2021, there was no single customer that accounted for 10% or more of the Group's revenue for the two reportable and operating segments.

16. Comparative information

Change in classification

Certain reclassifications have been made to the prior year's financial statements to enhance comparability with current year's financial statements. As a result, certain line items have been amended on the face of the consolidated statement of financial position of the Group, statement of financial position of the Company and consolidated statement of cash flows of the Group. Comparative figures have been adjusted to conform with current year's presentation as follows:

	As at 31.12.21 As previously reported RMB'000	Reclassi- -fication RMB'000	As at 31.12.21 As currently reported RMB'000
Group			
Consolidated Statement of Financial Position			
Assets			
Current assets			
Trade and other receivables	2,438,221	430,278	2,868,499
Amounts due from non-controlling interests	25,896	(25,896)	-
Contract assets	17,832	(17,832)	-
Other tax recoverable	386,550	(386,550)	-
Liabilities			
Current liabilities			
Amounts due to non-controlling interests	4,507	(4,507)	-
Lease liabilities	5,035	(5,035)	-
Trade and other payables	2,077,756	82,668	2,160,424
Borrowings	4,706,413	(4,706,413)	-
Deferred grant	17,065	(17,065)	-
Other tax liabilities	61,096	(61,096)	-
Borrowings and lease liabilities	-	4,711,448	4,711,448
Non-current liabilities			
Borrowings	5,774,970	(5,774,970)	-
Lease liabilities	2,457	(2,457)	-
Deferred grant	364,020	(364,020)	-
Borrowings and lease liabilities	-	5,777,427	5,777,427
Trade and other payables	-	364,020	364,020
Company			
Statement of Financial Position			
Assets			
Non-current assets			
Other receivables	-	2,116,567	2,116,567
Amount due from subsidiaries	2,116,567	(2,116,567)	-
Liabilities			
Current liabilities			
Amount due to subsidiaries	85,884	(85,884)	-
Trade and other payables	10,505	85,884	96,389
Borrowings	2,014,633	(2,014,633)	-
Borrowings and lease liabilities	-	2,014,633	2,014,633

	3 months ended 31 December 2021			12 months ended 31 December 2021		
	As previously reported RMB'000	Reclassi- -fication RMB'000	As currently reported RMB'000	As previously reported RMB'000	Reclassi- -fication RMB'000	As currently reported RMB'000
Group						
Consolidated Statement of Cash Flows						
Cash flows from operating activities						
Change in working capital						
- Trade and other receivables	(430,790)	22,562	(408,228)	(680,025)	14,179	(665,846)
- Contract assets	64,674	(64,674)	-	63,708	(63,708)	-
- Other tax recoverable	(42,128)	42,128	-	(55,747)	55,747	-
- Trade and other payables	285,060	36,648	321,708	310,519	37,035	347,554
- Other tax liabilities	2,352	(2,352)	-	(17,773)	17,773	-
- Amount due from non- controlling interests	16	(16)	-	6,218	(6,218)	-
- Deferred grants	34,296	(34,296)	-	54,808	(54,808)	-

These amounts are reclassifications within the statement of financial position and statement of cash flows and do not have any effect on the statement of comprehensive income for the year ended 31 December 2021. The third statement of financial position at the beginning of the preceding reporting year is not presented because above reclassification have no material effect on the information in the statement of financial position at the beginning of the preceding period.

Other Information Required Under Appendix 7.2 of the Listing Manual of the SGX-ST

1. Review of performance of the Group

Consolidated Statement of Comprehensive Income

4Q2022 vs 4Q2021

Revenue

	3 months ended 31 December 2022		3 months ended 31 December 2021		Change
	RMB'000	%	RMB'000	%	%
			(Restated)		
Waste-to-energy project construction and operation					
<u>Waste-to-energy business</u>					
- Sales of electricity	466,509	36.9	385,231	23.0	21.1
- Sales of steam	239,805	19.0	154,492	9.3	55.2
- Revenue from waste treatment	249,191	19.7	249,617	14.9	(0.2)
	<u>955,505</u>	75.6	<u>789,340</u>	47.2	21.1
<u>Construction services provided under BOT concession agreements</u>					
- Revenue from construction services provided under service concession agreements	215,898	17.1	531,605	31.8	(59.4)
- Financial income under service concession agreements	12,017	1.0	8,793	0.5	36.7
	<u>227,915</u>	18.0	<u>540,398</u>	32.3	(57.8)
Total	<u>1,183,420</u>	93.6	<u>1,329,738</u>	79.5	(11.0)
Project technical and management service, equipment selection and sale and EMC business	80,476	6.4	342,418	20.5	(76.5)
Total revenue	<u>1,263,896</u>	100.0	<u>1,672,156</u>	100.0	(24.4)

Details of the electricity generated and supplied, steam supplied and waste treated for 4Q2022 and 4Q2021 are as follows:

	Group 3 months ended 31 December 2022	Group 3 months ended 31 December 2021	Change %
Electricity generated ('000 KWh)	1,135,715	857,844	32.4
On-grid electricity supplied ('000 KWh)	891,214	649,988	37.1
Steam supplied ('000 tonnes)	1,058	781	35.5
Waste treated ('000 tonnes)	3,589	2,942	22.0

Gross profit and gross profit margin

	Gross Profit (RMB '000)		Gross Profit Margin	
	3 months ended 31 December 2022	3 months ended 31 December 2021 (Restated)	3 months ended 31 December 2022	3 months ended 31 December 2021 (Restated)
WTE business (excluding gross profit from construction services provided under BOT concession agreements)	303,681	186,840	31.78%	23.67%
Construction services provided under BOT concession agreements	22,975	72,660	10.64%	13.67%
Financial income under service concession agreements	12,017	8,793	N.A	N.A
Project technical and management service and EMC business	17,791	42,515	22.11%	12.42%
Total	356,464	310,808	28.20%	18.59%

The increase in gross profit by RMB45.7 million from RMB310.8 million in 4Q2021 to RMB356.5 million in 4Q2022 and increase in gross profit margin by 9.61% are mainly attributable to:

WTE business (excluding gross profit from construction services provided under BOT concession agreements)

Revenue from our WTE business (excluding revenue from construction services provided under BOT concession agreements) increased RMB166.2 million or 21.1% from RMB789.3 million in 4Q2021 to RMB955.5 million in 4Q2022. This was mainly attributable to (i) revenue from waste treatment and sales of electricity increasing by RMB80.9 million due the technical transformation and optimization of the power plant management, and (ii) an increase in the unit price of heat supply at Zhuji Bafang WTE Facility in Zhejiang Province due to higher coal prices and the increase in steam supplied in 4Q2022 as compared to 4Q2021, which resulted in sales of steam increasing by RMB85.3 million.

The gross profit of our WTE business (excluding gross profit from construction services provided under BOT concession agreements) increased by RMB116.9 million or 62.5% from RMB186.8 million in 4Q2021 to RMB303.7 million in 4Q2022, which is mainly due to:

1. The gross profit of WTE plants put into trial operation and commencement of WTE plants (includes Baishan Green Energy WTE Facility in Jilin Province, Leting Jinhuan New Energy WTE Facility in Hebei Province and others) increased by RMB15.3 million in 4Q2022 as compared to 4Q2021.
2. The gross profit of Zhuji Bafang WTE Facility increased RMB22.6 million in 4Q2022 as compared to 4Q2021, mainly due to the increase of RMB26.7 million in gross profit of coal-fired units, which was in turn mainly due to the (a) increase of RMB56.8 million in gross profit due to the increase in steam supply, and (b) increase of RMB11.8 million in gross profit of electricity generated, and partially offset by the (c) decrease of RMB8.2 million in gross profit due to the effect from coal and steam price, (d) decrease of RMB33.1 million in gross profit due to increase in coal consumption.
3. The gross profit of the other WTE facilities increased by RMB78.9 million. The increase is mainly due to (i) increase of RMB30.6 million in gross profit due to the increase in contribution per waste treatment unit and increase in waste treatment capacity after the optimization of the power plant management and upgrading of the WTE facilities, (ii) increase of RMB10.3 million in gross profit due to an increase in the revenue from treatment of fly ash at the Wuhu Jinjiang WTE Facility in Anhui Province due to receipt of 2021 fly ash subsidy confirmation document, (iii) increase of RMB10.4 million in gross profit due to the reduction in fly ash disposal costs in some WTE facilities as compared to 4Q2021, (iv) increase of RMB19.0 million in gross profit due to increase in revenue from electricity and steam supply as a result of increased in waste treated, and (v) increase of RMB10.1 million in gross profit due to the decrease in power plant overhaul costs as scheduled in 4Q2022 as compared to 4Q2021.

The gross profit margin increased from 23.67% in 4Q2021 to 31.78% in 4Q2022. This is mainly due to (i) the increase in gross profit after the technical transformation and optimization of the power plant management in 4Q2022, and (ii) the increase in steam supplied in Zhuji Bafang WTE Facility.

Construction services provided under BOT concession agreements

The gross profit from construction services provided under BOT concession agreements (including financial income) decreased RMB46.5 million from RMB81.5 million in 4Q2021 to RMB35.0 million in 4Q2022. The gross profit from the construction services provided under BOT concession agreements decreased RMB49.7 million in 4Q2022 as compared to 4Q2021 and the gross profit from financial income under service concession agreements increased from RMB3.2 million in 4Q2022 as compared to 4Q2021. Due to the increase in the proportion of financial income, the gross profit margin including financial income increased from 15.07% in 4Q2021 to 15.35% in 4Q2022.

Project technical and management services, equipment selection and sale and EMC business

The gross profit from project technical and management services, equipment selection and sale and EMC business decreased 58.2% or RMB24.7 million from RMB42.5 million in 4Q2021 to RMB17.8 million in 4Q2022. The gross profit margin increased from 12.42% to 22.11% mainly due to the increase in gross profit of the equipment selection and sales and offset by the significant reduction in EMC business in 4Q2022 as the Company having agreed a one-time buyout settlement of the future service benefits in 4Q2021

Other income

	Group 4Q2022 RMB'000	Group 4Q2021 RMB'000	Increase / (Decrease) RMB'000	Change +/(-) %
Bank interest income	6,140	8,329	(2,189)	(26.3)
Government grants	11,240	7,586	3,654	48.2
Value added tax refund	20,334	9,686	10,648	109.9
Gain on sales of scrap materials	27,484	16,914	10,570	62.5
Interest income from joint ventures and others	4,517	5,530	(1,013)	(18.3)
Other income	69,715	48,045	21,670	45.1

Other income increased RMB21.7 million or 45.1% from RMB48.0 million in 4Q2021 to RMB69.7 million in 4Q2022, mainly due to (i) increase of RMB10.6 million in value added tax refund, and (ii) increase of RMB10.6 million in gain on sales of scrap materials due to the Group strengthening the recycling of scrap metal and other materials, as well as increasing the sales of scrap materials through bidding.

Other gains and (losses), net

	Group 4Q2022 RMB'000	Group 4Q2021 RMB'000	Increase / (Decrease) RMB'000	Change +/(-) %
Other gains relating to closure of WTE plant	-	2,750	(2,750)	N.A
Foreign exchange gain	52,270	27,983	24,287	86.8
Loss on disposal of property, plant and equipment	(620)	(109)	(511)	>100.0
Loss on disposal of shares of joint venture	-	(556)	556	N.A
Others	(7,372)	(2,642)	(4,730)	>100.0
Other gains and (losses), net	44,278	27,426	16,852	61.4

Other gains and (losses) increased RMB16.9 million from other gains of RMB27.4 million in 4Q2021 to RMB44.3 million in 4Q2022, mainly due to increase of RMB24.3 million in foreign exchange gain from RMB28.0 million in 4Q2021 to RMB52.3 million in 4Q2022 due to the depreciation of the United States Dollar against the Chinese Renminbi in 4Q2022, resulting in a unrealised foreign exchange gain in respect of the Group's net foreign currency liabilities (being mainly syndicated term loan facility and other borrowings of US\$340 million).

Administrative expenses

Administrative expenses increased RMB22.4 million from RMB50.2 million in 4Q2021 to RMB72.6 million in 4Q2022, mainly due to the commencement of operations of the Linzhou Jiasheng WTE Facility in Henan Province and Leting Jinhuan New Energy WTE Facility in Hebei Province.

Finance costs

Finance costs increased RMB17.3 million from RMB67.3 million in 4Q2021 to RMB84.6 million in 4Q2022, mainly due to the increase in interest expense after the commissioning of some expansion projects for which interest expenses were previously capitalized and one-time handling fee for bills payable of RMB9.8 million incurred in 4Q2022.

Profit before tax

As a result of the foregoing, profit before tax increased RMB104.8 million from RMB210.3 million in 4Q2021 to RMB315.1 million in 4Q2022.

Income tax expense

Income tax expense decreased RMB4.9 million from RMB37.0 million in 4Q2021 to RMB32.1 million in 4Q2022. In 4Q2022, Group's high-tech enterprises continued to enjoy tax incentives and some of the Group's WTE facilities continued to enjoy preferential tax rates during the exemptions period.

Total comprehensive income for the period

As a result of the foregoing, total comprehensive income of RMB165.5 million in 4Q2021 increased to total comprehensive income of RMB266.7 million in 4Q2022.

Full year ended 31 December (“FY”) 2022 vs FY2021

Revenue

	12 months ended 31 December 2022		12 months ended 31 December 2021		Change %
	RMB'000	%	RMB'000	%	
			(Restated)		
Waste-to-energy project construction and operation					
<u>Waste-to-energy business</u>					
- Sales of electricity	1,613,648	39.6	1,478,600	36.1	9.1
- Sales of steam	735,725	18.1	484,183	11.8	52.0
- Revenue from waste treatment	985,802	24.2	942,177	23.0	4.6
	<u>3,335,175</u>	<u>81.9</u>	<u>2,904,960</u>	<u>70.8</u>	<u>14.8</u>
<u>Construction services provided under BOT concession agreements</u>					
- Revenue from construction services provided under service concession agreements	593,928	14.6	692,461	16.9	(14.2)
- Financial income under service concession agreements	43,968	1.1	42,601	1.0	3.2
	<u>637,896</u>	<u>15.7</u>	<u>735,062</u>	<u>17.9</u>	<u>(13.2)</u>
Total	<u>3,973,071</u>	<u>97.5</u>	<u>3,640,022</u>	<u>88.8</u>	<u>9.1</u>
Project technical and management service, equipment selection and sale and EMC business	100,784	2.5	461,076	11.2	(78.1)
Total revenue	<u>4,073,855</u>	<u>100.0</u>	<u>4,101,098</u>	<u>100.0</u>	<u>(0.7)</u>

Details of the electricity generated and supplied, steam supplied and waste treated for FY2022 and FY2021 are as follows:

	Group		Change %
	12 months ended 31 December 2022	12 months ended 31 December 2021	
Electricity generated ('000 KWh)	3,764,085	3,479,556	8.2
On-grid electricity supplied ('000 KWh)	2,909,251	2,625,784	10.8
Steam supplied ('000 tonnes)	3,524	2,936	20.0
Waste treated ('000 tonnes)	12,629	11,589	9.0

Gross profit and gross profit margin

	Gross Profit (RMB '000)		Gross Profit Margin	
	12 months ended 31 December 2022	12 months ended 31 December 2021	12 months ended 31 December 2022	12 months ended 31 December 2021
		(Restated)		(Restated)
WTE business (excluding gross profit from construction services provided under BOT concession agreements)	1,016,565	830,801	30.48%	28.60%
Construction services provided under BOT concession agreements	74,538	94,601	12.55%	13.66%
Financial income under service concession agreements	43,968	42,601	N.A	N.A
Project technical and management service and EMC business	22,684	78,103	22.51%	16.94%
Total	<u>1,157,755</u>	<u>1,046,106</u>	<u>28.42%</u>	<u>25.51%</u>

The increase in gross profit by RMB111.6 million from RMB1,046.1 million in FY2021 to RMB1,157.8 million in FY2022 and the increase in gross profit margin by 2.91% are mainly attributable to:

WTE business (excluding gross profit from construction services provided under BOT concession agreements)

Revenue from our WTE business (excluding revenue from construction services provided under BOT concession agreements) increased RMB430.2 million or 14.8% from RMB2,905.0 million in FY2021 to RMB3,335.2 million in FY2022. This was mainly attributable to (i) waste treated (including waste collection and transportation operations in India) increasing by 2.3% in FY2022 as compared to FY2021, which was due to commencement of operations of the Linzhou Jiasheng WTE Facility in Henan Province and Leting Jinhuan New Energy WTE Facility in Hebei Province, increase in waste collection in India and the technical transformation and optimization of the power plant management, which resulted in revenue from waste treatment and sales of electricity increasing by RMB178.7 million, and (ii) increase in steam supplied at Zhuji Bafang WTE Facility in Zhejiang Province in FY2022 as compared to FY2021, which resulted the increase in sales of steam by a total of RMB251.5 million.

The gross profit of our WTE business (excluding gross profit from construction services provided under BOT concession agreements) increased by RMB185.8 million or 22.4% from RMB830.8 million in FY2021 to RMB1,016.6 million in FY2022, which is mainly due to:

1. The gross profit of WTE plants put into trial operation and commencement of WTE plants (includes Baishan Green Energy WTE Facility in Jilin Province, Leting Jinhuan New Energy WTE Facility in Hebei Province and others) increased by RMB20.2 million in FY2022 as compared to FY2021.
2. The Zhuji Bafang WTE Facility's cogeneration business is heavily influenced by the fluctuation of coal price. In FY2021, coal prices increased significantly and the Group started to flexibly adjust the production method in the face of continued rise in coal price from the third quarter of 2021, by adjusting part of the steam supply from coal to WTE units in order to reduce the negative impact of the increase in coal prices on gross profit. The gross profit increased RMB70.7 million in FY2022 as compared to FY2021, mainly due to (i) increase of RMB30.6 million in gross profit due to the increase of income after the adjustment of steam supply towards WTE units, (ii) increase of RMB44.4 million in gross profit from the coal-fired unit mainly due to (a) increase of RMB11.9 million in gross profit due to the increase in steam price as a result of the increase in coal price, (b) increase of RMB72.5 million due to the increase in steam supply, and (c) the increase in gross profit was offset by the decrease of RMB4.3 million in gross profit due to increase in coal consumption.
3. The gross profit of the other WTE facilities increased by RMB94.8 million. The increase is mainly due to (i) increase of RMB105.3 million in gross profit due to the increase in contribution per waste treatment unit and increase in waste treatment capacity after the optimization of the power plant management and upgrading of the WTE facilities, (ii) increase of RMB10.3 million in gross profit due to an increase in the revenue from treatment of fly ash at the Wuhu Jinjiang WTE Facility in Anhui Province due to receipt of 2021 fly ash subsidy confirmation document, and (iii) increase of RMB37.3 million in gross profit due to the reduction in fly ash disposal costs in some WTE facilities as compared to FY2021. This was partially offset by (i) decrease of RMB27.6 million in gross profit due to the decrease in the volume of waste collected as a result of the COVID-19 pandemic situation and environmental control in Lianyungang Sunrise WTE Facility in Jiangsu Province, Tangshan Jiasheng WTE Facility in Hebei Province, Songyuan Xinxiang WTE Facility in Jilin Province and others, (ii) decrease of RMB19.4 million in gross profit due to the increase in power plant overhaul costs as scheduled in FY2022 as compared to FY2021, and (iii) decrease of RMB11.1 million in gross profit due to the increase in coal price.

The gross profit margin increased from 28.60% in FY2021 to 30.48% in FY2022. As mentioned above, this is mainly due to (i) the increase in gross profit after the technical transformation and optimization of the power plant management in FY2022, and (ii) the increase in steam supplied in Zhuji Bafang WTE Facility.

Construction services provided under BOT concession agreements

The gross profit from construction services provided under BOT concession agreements (including financial income) decreased RMB18.7 million from RMB137.2 million in FY2021 to RMB118.5 million in FY2022. The gross profit from the construction services provided under BOT concession agreements decreased RMB20.1 million in FY2022 as compared to FY2021 and the gross profit from financial income under service concession agreements increased by RMB1.4 million. The gross profit margin including financial income has decreased from 18.67% in FY2021 to 18.58% in FY2022 mainly due to the decrease in BOT construction income of approximately RMB8.0 million due to the scrapping of some assets and equipment of Xishan Green Energy WTE Facility in Yunnan Province.

Project technical and management services, equipment selection and sale and EMC business

The gross profit from project technical and management services, equipment selection and sale and EMC business decreased 71.0% or RMB55.4 million from RMB78.1 million in FY2021 to RMB22.7 million in FY2022. This was mainly due to the Company having agreed a one-time buyout settlement of the future service benefits in 4Q2021. The decrease was partially offset by the increase in gross profit of equipment selection and sale as compared to FY2021.

Other income

	Group FY2022 RMB'000	Group FY2021 RMB'000	Increase / (Decrease) RMB'000	Change +/(-) %
Bank interest income	22,862	11,702	11,160	95.4
Government grants	40,294	36,781	3,513	9.6
Value added tax refund	43,734	25,199	18,535	73.6
Gain on sales of scrap materials	67,440	42,163	25,277	60.0
Interest income from joint ventures and others	20,667	28,380	(7,713)	(27.2)
Other income	194,997	144,225	50,772	35.2

Other income increased RMB50.8 million or 35.2% from RMB144.2 million in FY2021 to RMB195.0 million in FY2022, mainly due to (i) increase of RMB11.2 million in bank interest income in line with the increase in bank deposits, (ii) increase of RMB18.5 million in value added tax refund, and (iii) increase of RMB25.3 million in gain on sales of scrap materials in FY2022 due to the Group strengthening the recycling of scrap metal and other materials, as well as increasing the sales of scrap materials through bidding. The increase in other income was partially offset by the decrease of RMB7.7 million in interest income from joint venture in FY2022 following the receipt of non-trade amounts due from a joint venture, Hohhot Jiasheng New Energy Co., Ltd. and partial repayment of advances from Zibo Green New Energy Energy Co., Ltd.

Loss allowance recognised on financial assets

Loss allowance recognised on financial assets of RMB0.7 million in FY2022 is due to expected credit losses recognised for trade receivables. The loss allowance in FY2021 mainly due to (i) loss allowance on trade receivables of RMB5.9 million based on expected credit losses; and (ii) impairment loss for deposit for performance bond of RMB10.9 million due to the cessation of operations of the Gwalior Project in India (refer to note 8 of the condensed interim financial statements).

Other gains and (losses), net

	Group FY2022 RMB'000	Group FY2021 RMB'000	Increase / (Decrease) RMB'000	Change +/(-) %
Other gains relating to closure of WTE plant	-	2,750	(2,750)	N.A
Foreign exchange (losses)/gain	(195,414)	42,059	(237,473)	N.A
Loss on disposal of property, plant and equipment	(651)	(444)	(207)	46.6
Loss on disposal of shares of joint venture	-	(556)	556	N.A
Gain on disposal of shares of an associate	421	-	421	N.A
Others	(7,372)	(2,642)	(4,730)	>100.0
Other gains and (losses), net	(203,016)	41,167	(244,183)	N.A

Other gains and (losses) decreased RMB244.2 million from other gains of RMB41.2 million in FY2021 to other losses of RMB203.0 million in FY2022, mainly due to decrease of RMB237.5 million in other gains due to the appreciation of the United States Dollar against the Chinese Renminbi in FY2022, which resulted in a substantial unrealised foreign exchange loss of RMB195.4 million in respect of the Group's net foreign currency liabilities (being mainly syndicated term loan facility and other borrowings of US\$340 million), as compared to FY2021, when the depreciation of the United States Dollar against the Chinese Renminbi in FY2021 resulted in an exchange gain of RMB42.1 million in respect of the Group's net foreign currency liabilities.

Administrative expenses

Administrative expenses increased RMB14.8 million from RMB233.4 million in FY2021 to RMB248.1 million in FY2022, mainly due to the commencement of operations of the Linzhou Jiasheng WTE Facility in Henan Province and Leting Jinhuan New Energy WTE Facility in Hebei Province and increase in handling fees from financial institutions.

Finance costs

Finance costs increased RMB55.7 million from RMB361.7 million in FY2021 to RMB417.4 million in FY2022, mainly due to the increase in interest expenses after the commencement of operations of the Linzhou Jiasheng WTE Facility in Henan Province and Leting Jinhuan New Energy WTE Facility in Hebei Province, the interest expenses of which previously were capitalized, and the increase of loan scale in FY2022.

Expenses – others

In 2021, an impairment of RMB30.2 million was recognised on the assets relating to Gwalior BOT project (refer to note 8 of the condensed interim financial statements). There is no such event in 2022.

Profit before tax

As a result of the foregoing, profit before tax decreased RMB90.6 million or 15.7% from RMB576.9 million in FY2021 to RMB486.3 million in FY2022.

Income tax expense

Income tax expenses increased RMB11.1 million from RMB130.2 million in FY2021 to RMB141.3 million in FY2022 mainly due to the increase in total profit before foreign exchange losses. In FY2022, Group's high-tech enterprises continued to enjoy tax incentives and some of the Group's WTE facilities continued to enjoy preferential tax rates during the exemptions period.

Total comprehensive income for the period

As a result of the foregoing, total comprehensive income for the period decreased from RMB435.5 million in FY2021 to RMB334.8 million in FY2022.

Statement of Financial Position

	31 December 2022	31 December 2021	Increase / (Decrease)	Increase / (Decrease)
	RMB Million	RMB Million	RMB Million	%
		(Restated)		
Current assets	5,122.4	4,919.7	202.7	4.1
Non-current assets	16,350.5	15,454.6	895.9	5.8
Total assets	21,472.9	20,374.3	1,098.6	5.4
Current liabilities	7,165.8	7,050.6	115.2	1.6
Non-current liabilities	7,432.4	6,785.2	647.2	9.5
Total liabilities	14,598.2	13,835.8	762.4	5.5
Capital and reserves	6,874.7	6,538.5	336.2	5.1

Current assets

The increase is mainly due to (i) pledged bank deposits increasing RMB462.8 million or 56.6% from RMB818.2 million as at 31 December 2021 to RMB1,281.0 million as at 31 December 2022, mainly due to the increase in deposits for loan deposits made during the period, (ii) increase of RMB239.2 million or 61.7% in cash and cash equivalents from RMB387.8 million as at 31 December 2021 to RMB627.0 million as at 31 December 2022. This was partially offset by the amount due from related parties and joint ventures, which includes interest-bearing advances to joint ventures decreasing RMB470.3 million or 65.4% from RMB719.0 million as at 31 December 2021 to RMB248.7 million as at 31 December 2022, mainly due to (a) full repayment of RMB151.8 million, including interest portion, from non-trade amounts due from a joint venture, Hohhot Jiasheng New Energy Co., Ltd., (b) receipt of RMB135.2 million from non-trade amounts due from a joint venture, Zibo Green New Energy Co., Ltd., and (c) the receipt of some energy management contract fees.

Non-current assets

The increase is attributable to an increase in property, plant and equipment and intangible assets recognized according to the construction progress of new and BOT projects. In particular, (i) property, plant and equipment increased RMB371.0 million or 3.7% from RMB10,031.4 million as at 31 December 2021 to RMB10,402.4 million as at 31 December 2022 due to the new, upgraded and expanded facilities, (ii) intangible assets increased RMB419.8 million or 9.8% from RMB4,289.1 million as at 31 December 2021 to RMB4,708.9 million as at 31 December 2022, arising from the BOT projects, including Songyuan Xinxiang Resource Recycling Project in Jilin Province, Expansion Project of Yunnan Green Energy WTE Facility and Jinghong Jiasheng WTE Project in Xishuangbanna Dai Autonomous Prefecture, Yunnan Province and others, and (iii) investment in joint ventures increased RMB90.3 million from RMB204.8 million as at 31 December 2021 to RMB295.1 million as at 31 December 2022 due to the proportional capital contribution in joint ventures during the period.

Current liabilities

The increase is mainly due to current borrowings and lease liabilities increasing RMB192.3 million or 4.1% from RMB4,711.4 million as at 31 December 2021 to RMB4,903.7 million as at 31 December 2022. This was partially offset by the decrease in trade and other payables of RMB66.1 million or 3.1% from RMB2,160.4 million as at 31 December 2021 to RMB2,094.3 million as at 31 December 2022 due to decrease in construction payables recorded in accordance with contractual payment terms.

Non-current liabilities

The increase is mainly due to non-current borrowings and lease liabilities increasing RMB567.5 million or 9.8% from RMB5,777.4 million as at 31 December 2021 to RMB6,344.9 million as at 31 December 2022 due to the increase of project loans for facilities such as Shijiazhuang Jinhuan Resource Recycling Project in Hebei Province, Jinghong Jiasheng WTE Facility in Xishuangbanna Dai Autonomous Prefecture, Yunnan Province, Zhongwei Green Energy WTE Facility in Ningxia Hui Autonomous Region, and Baishan Green Energy WTE Facility in Jilin Province, and leases for some power plants.

Capital and reserves

The increase of RMB336.2 million or 5.1% from RMB6,538.5 million as at 31 December 2021 to RMB6,874.7 million as at 31 December 2022 is due to the retained earnings for FY2022.

Consolidated Statement of Cashflows

	Group 3 months ended 31 December 2022 RMB Million	Group 12 months ended 31 December 2022 RMB Million
Net cash from operating activities	705.9	1,432.4
Net cash used in investing activities	(452.4)	(783.1)
Net cash from/(used in) financing activities	183.1	(411.7)
Cash and cash equivalents at beginning of the period	200.1	387.8
Effects of currency translation on cash and cash equivalents	(9.7)	1.6
Cash and cash equivalents at the end of the period	627.0	627.0

In 4Q2022, operating cash inflow was RMB705.9 million. This is mainly due to (i) operating cash inflow before movements in working capital of RMB484.8 million after deducting abnormal gains and losses without cash flow, (ii) cash inflow due to the increase in trade and other payables and decrease in trade and other receivables, and amounts due from related parties, (iii) increase in activities for the construction of BOT projects (which includes, Zhongwei Green Energy WTE Facility in Ningxia Hui Autonomous Region, Expansion Project of Yunnan Green Energy WTE Facility, Jinghong Jiasheng WTE Facility in Xishuangbanna Dai Autonomous Prefecture, Yunnan Province and others), resulting in operating cash outflow of RMB108.1 million, and (iv) payment of income tax resulting a cash outflow of RMB3.53 million.

In FY2022, operating cash inflow was RMB1,432.4 million. This is mainly due to (i) operating cash inflow before movements in working capital of RMB1,655.1 million after deducting abnormal gains and losses without cash flow, (ii) increase in cash inflow due to increase in trade and other payables and decrease in amounts due from related parties, (iii) increase in activities for the construction of BOT projects (which includes, Zhongwei Green Energy WTE Facility in Ningxia Hui Autonomous Region, Expansion Project of Yunnan Green Energy WTE Facility, Jinghong Jiasheng WTE Facility in Xishuangbanna Dai Autonomous Prefecture, Yunnan Province and others), resulting in operating cash outflow of RMB448.0 million, and (iv) payment of income tax resulting a cash outflow of RMB51.7 million.

In 4Q2022, investing cash outflow was RMB452.4 million. This is mainly due to (i) investments in property, plant and equipment of RMB480.5 million which includes the payment for equipment and construction for the Baishan Green Energy WTE Facility in Jilin Province, Shijiazhuang Gaocheng Resource Recycling Project in Hebei Province, Zhuji Bafang WTE Facility in Shaoxing City, Zhejiang Province and others, and (ii) this was partially offset by receipt of non-trade amounts due from joint ventures of RMB46.9 million in 4Q2022.

In FY2022, investing cash outflow was RMB783.1 million. This is mainly due to (i) investments in property, plant and equipment of RMB1,057.9 million which includes the payment for equipment and construction for the Shijiazhuang Jinhuan Resource Recycling Project in Hebei Province, Reconstruction Project of Wuhu Jinjiang WTE Facility in Anhui Province, Baishan Green Energy WTE Facility in Jilin Province, Shijiazhuang Jiasheng WTE Facility in Hebei Province, and others, (ii) proportional capital contribution in joint venture of RMB87.5 million, (iii) receipt of the final payment of RMB114.3 million in FY2022 for the disposal of 70% interest in Zibo Green New Energy Co., Ltd. and Hohhot Jiasheng New Energy Co., Ltd., and (iv) receipt of non-trade amounts due from joint ventures of RMB140.2 million and RMB88.0 million from Hohhot Jiasheng New Energy Co., Ltd. and Zibo Green New Energy Co., Ltd. respectively.

In 4Q2022, financing cash inflow was RMB183.1 million. This is mainly due to the new borrowings amounting to RMB2,705.7 million, including renewal of loans, new borrowings, project financing, new leases for Hankou Jinjiang WTE Facility in Hubei Province and incremental leases for Lianyungang Sunrise WTE Facility in Jiangsu Province. However, this was offset by (i) the repayment of borrowings and interest of RMB2,457.6 million, and (ii) the increase of pledged bank deposits for borrowings.

In FY2022, financing cash outflow was RMB411.7 million. This is mainly due to the (i) repayment of borrowings and interest of RMB7,816.5 million, and (ii) the increase of pledged bank deposits for borrowings. However, this was offset by the new borrowings amounting to RMB7,870.6 million, including renewal of loans, new borrowings and project financing for Shijiazhuang Jinhuan Resource Recycling Project in Hebei Province, Leting Jinhuan New Energy WTE Facility in Hebei Province, Zhongwei Green Energy WTE Facility in Ningxia Hui Autonomous Region, Baishan Green Energy WTE Facility in Jilin Province, and new leases for Wuhu Jinjiang WTE Facility in Anhui Province, Shijiazhuang Jiasheng WTE Facility in Hebei Province, Gaomi Lilangmingde WTE Facility in Shandong Province.

Bank balances and cash as at 31 December 2022 was RMB627.0 million.

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

Not applicable.

3. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

(A) Economic Outlook and Environmental Policies in the PRC

2022 saw the culmination of changes which were decades in the making and a once-in-a-century pandemic. In the face of a challenging international environment and the arduous tasks of reform, development and stability within China, the Chinese government persisted with integrating pandemic prevention and control with economic and social development, effectively responded to internal and external challenges, and sustained the growth of the national economy in spite of such pressures. The economic output reached a new level and new achievements were made in high-quality development with overall economic and social harmony and stability. The national economy achieved a 3.0% year-on-year growth in nominal gross domestic product in 2022. However, considering the increasing complexities and challenges arising from the international environment, and that the prospects for domestic economic recovery are still uncertain, the Chinese government continues to seek progress while maintaining stability, promote overall economic improvement, and strive to achieve effective qualitative improvement and reasonable quantitative growth.

In October 2022, the Report to the 20th National Congress of the Communist Party of China (CPC) listed the promotion of the harmonious coexistence of humanity and nature as one of the essential requirements of Chinese modernization, stressing once again the principle that lucid waters and lush mountains are invaluable assets, and that harmony between humanity and nature must be maintained in long term development planning. 2023 will be the first year of the full implementation of the guiding principles of the 20th CPC National Congress. Under the backdrop of "Carbon Neutrality and Carbon Peaking", the government's policy to encourage the development of the WTE industry and the entire environmental protection industry remains unchanged.

In November 2022, the National Development and Reform Commission, the Ministry of Housing and Urban-Rural Development, the Ministry of Ecology and Environment, the Ministry of Finance, and the People's Bank of China jointly issued the Guiding Opinions on Strengthening the Construction of County-level Domestic Waste Incineration and Treatment Facilities (the "**Guiding Opinions**", Fagaihuanzi [2022] No. 1746), which prioritises the construction of domestic waste incineration and treatment facilities in county-level regions (including county-level cities). According to the Guiding Opinions, waste incineration facilities should be built in the Yangtze River Economic Belt, the Yellow River basin, cities which prioritise household waste sorting, areas for the construction of "waste-free cities" and other county-level areas which meet the relevant conditions. In January 2023, the Implementation Plan for Improving the Weak Points of County-level Domestic Waste Incineration and Treatment Facilities was further issued, which set new requirements for promoting the construction of county-level domestic waste incineration and treatment facilities.

In November 2022, the Central Budget and Final Accounts Platform of the Ministry of Finance issued the Notice on Advancing the Local Budget of 2023 Renewable Energy Price Additional Subsidies (Caijian [2022] No. 384, the "Notice"). According to the Notice, grid companies should allocate subsidies to power generation projects that have been included in the list of renewable energy power generation subsidy projects. Recently, the Group has recovered a large sum of National Renewable Energy Subsidies ("**National Subsidies**"). The Group's 15 WTE facilities published in the National Subsidies list realized a recovery of RMB369 million and RMB461 million in National Subsidies in the fourth quarter and full year of 2022 respectively. During FY2022 and January 2023, the Group has recovered a total of RMB583 million of National Subsidies.

(B) Operational Matters

The operating enterprises of the Group, on top of ensuring normal and stable operation, also seek to strengthen technological innovation, improve their overall market competitiveness, and facilitate the high-quality development of the Group through applying for accreditation as National High-tech Enterprises. In 4Q2022, Xishan Green Energy WTE Facility and Kunming Wuhua WTE Facility in Yunnan Province and Hankou WTE Facility and Wuhan Jinjiang WTE Facility in Hubei Province successfully passed the review process for accreditation as National High-tech Enterprises. Yinchuan Zhongke WTE Facility in Ningxia Hui Autonomous Region, Lianyungang Sunrise WTE Facility in Jiangsu Province and Gaomi Lilangmingde WTE Facility in Shandong Province were newly accredited as "National High-tech Enterprises", further enhancing the Group's market competitiveness and brand. To date, 15 subsidiaries of the Group have been accredited as National High-tech Enterprises.

In 4Q2022, Tangshan Jiasheng WTE Facility in Hebei Province and Lianyungang Sunrise WTE Facility in Jiangsu Province were also awarded the title of Provincial-level Specialized Enterprise. To date, five subsidiaries of the Group have been awarded such title. Specialized Enterprise refers to small and medium-sized enterprises which exhibit the characteristics of "professionalism, refinement, uniqueness and novelty", and which are also model enterprises that focus on market segmentation, strong innovation ability, high market share, mastery of key core technologies and excellent quality and results.

The Group's project construction is progressing on schedule in an orderly manner. The Reconstruction Project of Tianjin Sunrise WTE Facility to replace the original three furnaces and two units with two new grate furnaces and one unit commenced official construction in 4Q2022 and is expected to be completed in 2024.

In addition, the Group is also continuing to follow up on the progress of compensation for the closure of the Old Kunming Wuhua WTE Facility in Kunming, Yunnan Province. The local government has engaged a third-party asset appraisal company to conduct an overall appraisal of the assets of the Old Kunming Wuhua WTE Facility. The Group is still in negotiation with the local government on the compensation for the closure of the Old Kunming Wuhua WTE Facility, and the compensation agreement is currently expected to be signed by the end of 2023.

Overall, as of 31 December 2022, the Group has invested in 25 operational WTE facilities, 2 kitchen waste treatment facilities and 9 waste resource recycling facilities in the PRC with a total installed waste treatment capacity of 41,955 tonnes per day. Furthermore, the Group has 5 WTE projects under construction and 15 WTE projects, 3 kitchen waste treatment projects and 1 waste resources project in the preparatory stage in the PRC and overseas, which are undergoing active preparatory work. Taking into consideration all its projects in operation, under construction and in the planning phase, the Group's total installed waste treatment capacity is expected to reach 62,220 tonnes per day upon the completion of these projects.

(C) Update on the Group's Operations in relation to the COVID-19 Situation

In 4Q2022, the COVID-19 pandemic affected most of the provinces in China, and the Chinese government dynamically optimized and adjusted pandemic prevention and control measures. Despite the short-term impact of the pandemic, the Group has been working together to overcome difficulties. All facilities have maintained normal and stable operation, processing the local waste in a timely manner and in accordance with the disposal standards. Zheneng Jinjiang Environment continued to win the honor of "Top 50 Environmental Enterprises in China" issued by the Environment Chamber of Commerce of the All-China Federation of Industry and Commerce in 4Q2022, and the "Top 10 Influential Enterprises of Solid Waste in 2022" issued by E20 Environmental platform.

At present, the overall pandemic in China has subsided, with the pandemic situation in all regions continuing to show a steady decline. The Group will continue to take preventive and control measures in strict accordance with the adjusted requirements of the local government to ensure the safety of Group's employees. The Company will announce any material developments regarding its business and operations in a timely manner in compliance with Rule 703 of the Listing Manual.

4. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion: -

- (a) Updates on the efforts taken to resolve each outstanding audit issue.**
- (b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.**

This is not required for any audit issue that is a material uncertainty relating to going concern.

Not applicable as the Group's latest financial statements are not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

Under Rule 705(2) of the Listing Manual of the SGX-ST ("**Listing Manual**"), the Company is required to announce its financial statements on a quarterly basis ("**Quarterly Reporting**") as its auditors had stated that a material uncertainty relating to going concern exists in the Company's latest financial statements ("**Emphasis of Matter**"). Under Rule 705(2A) of the Listing Manual, the Company had a grace period of one year commencing on 9 June 2020 (being the date of the Emphasis of Matter) to comply with the Quarterly Reporting requirement, and the Company must continue to comply with the Quarterly Reporting requirement for so long as any condition in Rule 705(2) is met. Accordingly, as the aforesaid grace period has expired and the Emphasis of Matter (being a condition in Rule 705(2)) is still subsisting, the Company will continue to carry out Quarterly Reporting for so long as any condition in Rule 705(2) is met.

5. If a decision regarding dividend has been made:-

- (a) Whether an interim (final) ordinary dividend has been declared (recommended); and**

No dividends have been declared or recommended for the current reporting period.

- (b)(i) Amount per share (cents)**

Not applicable.

- (b)(ii) Previous corresponding period (cents)**

None.

- (c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of the shareholders, this must be stated).**

Not applicable.

- (d) The date the dividend is payable.**

Not applicable.

- (e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.**

Not applicable.

6. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for that decision.

No dividend has been recommended for the current reporting period as the Group is in the process of investing in its pipeline of new and expansion projects in China with a view of achieving sustainable and long-term growth of its business. These projects require considerable financial resources, and in view of the current macroeconomic uncertainty and global recessionary risks, the Group's priority is to manage its cash flow prudently and responsibly so as to ensure that its financial commitments are met.

7. Interested Person Transactions

The Group has obtained a general mandate from shareholders for Interested Person Transactions (IPTs), the aggregate value of such transactions as required under Rule 920(1)(a)(ii).

Name of interested person	Nature of Relationship	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) RMB'000	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000) RMB'000
Energy management contracting services provided to:			
Cayman Shanxian Energy Comprehensive Utilisation Co., Ltd.	Associate of Mr. Dou Zhenggang, a controlling shareholder of the Company ("Mr. Dou")	-	3,037
Jilin Shuangjia Environmental Protection Energy Utilization Co., Ltd.*	Associate of Mr. Dou	-	1,315
Purchases of materials from:			
Hangzhou Jinjiang Group Environment Technology Co., Ltd.	Associate of Mr. Dou	-	2,800
Zhejiang Petroleum Integrated Energy Sales Co., Ltd	Associate of Zheneng Group	-	6,008
Zhejiang Zheneng Oil New Energy Co., Ltd.	Associate of Zheneng Group	-	3,269
Purchases of coal from:			
Zhejiang Zheneng Fuxing Fuel Co., Ltd.	Associate of Zheneng Group	-	63,137
Hangzhou Huawang Shiye Group Co., Ltd.	Associate of Mr. Dou	-	12,608
Purchase of equipment from:			
Zhejiang Zheneng Hicom Technology Co., Ltd.	Associate of Zheneng Group	2,540	-
Interest expenses to:			
Zhejiang Provincial Energy Group Finance Co., Ltd.	Associate of Zheneng Group	22,680	-
Rental income from:			
Cayman Shanxian Energy Comprehensive Utilisation Co., Ltd.	Associate of Mr. Dou	2,987	-
Operations and maintenance services to:			
Hangzhou Jinjiang Group Environment Technology Co., Ltd.	Associate of Mr. Dou	-	499

Name of interested person	Nature of Relationship	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) RMB'000	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000) RMB'000
WTE project consulting services:			
Hangzhou Deyi Investment Management Co., Ltd.	Associate of Mr. Dou	3,600	-
Total		31,807	92,673

* Due to subsequent changes in shareholding, Jilin Shuangjia Environmental Protection Energy Utilization Co., Ltd. has ceased to be an associate of Mr. Dou since 31 March 2022.

Note: For purchases of coal, the framework agreement signed between the parties only indicates the unit price of coal and the value of each transaction is determined only when orders are placed. For energy management contracting services, the aggregate value of each project can be determined only after the service has been provided and the Group's share of the energy savings for that particular project has been computed. Accordingly, for these categories of transactions, disclosure of the aggregate value is based on the actual amount incurred for the period.

8. Confirmation pursuant to Rule 720 (1) of the Listing Manual.

The Company confirms that it has procured the undertakings from all its Directors and Executive Officers in the format set out in Appendix 7.7 pursuant to Rule 720(1) of the Listing Manual.

9. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704 (13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Pursuant to Rule 704(13) of the Listing Manual, the Company confirms that there is no person occupying a managerial position in the Company or in any of its principal subsidiaries, who is a relative of a Director or Chief Executive Officer or Substantial Shareholder of the Company.

BY ORDER OF THE BOARD

Wei Dongliang
Executive Chairman
27 February 2023