



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 Half Year Ended 30 June 2025

Condensed Interim Consolidated Statement of Comprehensive Income

		Group Half year ended 30 June 2025 RMB'000	Group Half year ended 30 June 2024 RMB'000
	Note		
Revenue	3	1,821,858	1,811,655
Cost of sales		(1,122,737)	(1,176,443)
Gross profit		699,121	635,212
Other income			
- Interest		16,773	18,090
- Others		69,197	70,942
Other gains and losses, net		(34,577)	(50,166)
Expenses			
- Administrative		(120,109)	(133,588)
- Finance		(194,646)	(231,260)
- Others		-	(8,970)
Share of profit of joint ventures		1,485	2,253
Profit before income tax		437,244	302,513
Income tax expense		(100,120)	(94,737)
Profit for the period	4	337,124	207,776
Other comprehensive (loss)/income			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Currency translation differences arising from consolidation		(662)	(371)
Currency translation differences reclassified to profit or loss on disposal of foreign operations		-	44,964
Other comprehensive (loss)/income, net of tax		(662)	44,593
Total comprehensive income for the period		336,462	252,369
Profit for the period attributable to:			
- equity holders of the Company		332,018	206,906
- non-controlling interests		5,106	870
		337,124	207,776
Total comprehensive income for the period attributable to:			
- equity holders of the Company		331,356	251,499
- non-controlling interests		5,106	870
		336,462	252,369
Earnings per share attributable to the equity holders of the Company: (RMB cents per share)			
Basic and diluted earnings per share	12	23.04	14.23

Condensed Interim Statement of Financial Position

	Note	Group As at 30.06.25 RMB'000	Group As at 31.12.24 RMB'000	Company As at 30.06.25 RMB'000	Company As at 31.12.24 RMB'000
ASSETS					
Current assets					
Cash and cash equivalents		516,289	600,381	222,609	79,610
Pledged bank deposits		1,778,446	1,666,096	-	29,656
Trade and other receivables	5	3,679,220	3,397,587	-	-
Amounts due from related parties	6(b)	271,163	266,285	840	796
Service concession receivables	7	68,088	68,088	-	-
Derivative financial instruments		-	11,140	-	8,711
Inventories		82,880	115,786	-	-
Total current assets		6,396,086	6,125,363	223,449	118,773
Non-current assets					
Other receivables	5	369,914	346,216	2,138,024	2,995,247
Service concession receivables	7	687,180	696,321	-	-
Property, plant and equipment	8	11,820,137	11,118,384	-	-
Investments in associates		15,341	15,341	-	-
Investments in joint ventures		282,932	281,430	5,039	5,039
Investments in subsidiaries		-	-	601,828	1,799,828
Investment property		38,257	36,987	-	-
Intangible assets	9	4,377,950	4,487,036	-	-
Total non-current assets		17,591,711	16,981,715	2,744,891	4,800,114
Total assets		23,987,797	23,107,078	2,968,340	4,918,887
LIABILITIES					
Current liabilities					
Trade and other payables		1,634,449	1,649,711	90,002	1,987,015
Amounts due to related parties	6(b)	8,222	8,514	-	-
Borrowings and lease liabilities	10	5,525,327	5,273,753	938,629	1,454,484
Income tax liabilities		197,309	191,666	-	-
Total current liabilities		7,365,307	7,123,644	1,028,631	3,441,499
Net current liabilities		(969,221)	(998,281)	(805,182)	(3,322,726)
Non-current liabilities					
Trade and other payables		385,528	392,129	-	-
Borrowings and lease liabilities	10	7,413,954	6,954,780	-	-
Deferred tax liabilities		933,906	886,057	-	-
Provision for major overhauls		35,581	35,581	-	-
Total non-current liabilities		8,768,969	8,268,547	-	-
Total liabilities		16,134,276	15,392,191	1,028,631	3,441,499
NET ASSETS		7,853,521	7,714,887	1,939,709	1,477,388
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	11	96	96	96	96
Share premium	11	1,319,477	1,502,120	1,319,477	1,502,120
Treasury shares		(37,544)	(18,346)	(37,544)	(18,346)
Other reserves		865,233	860,291	1,057,112	1,057,112
Retained profits / (accumulated losses)		5,583,654	5,251,636	(399,432)	(1,063,594)
		7,730,916	7,595,797	1,939,709	1,477,388
Non-controlling interests		122,605	119,090	-	-
Total equity		7,853,521	7,714,887	1,939,709	1,477,388

Condensed Interim Consolidated Statement of Changes in Equity

	Attributable to equity holders of the Company												Total Equity RMB'000
	Share capital RMB'000	Share premium RMB'000	Treasury shares RMB'000	Capital reserve RMB'000	Merger reserve RMB'000	Statutory surplus reserve RMB'000	Foreign currency translation reserve RMB'000	Special reserve RMB'000	Other reserve RMB'000	Retained profits RMB'000	Total RMB'000	Non- controlling interests RMB'000	
Group													
At 1 January 2025	96	1,502,120	(18,346)	393,694	(67,592)	444,772	(10,457)	14,569	85,305	5,251,636	7,595,797	119,090	7,714,887
Profit for the period	-	-	-	-	-	-	-	-	-	332,018	332,018	5,106	337,124
Other comprehensive loss for the period	-	-	-	-	-	-	(662)	-	-	-	(662)	-	(662)
Total comprehensive income for the period	-	-	-	-	-	-	(662)	-	-	332,108	331,356	5,106	336,462
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(2,866)	(2,866)
<u>Appropriation and use of safety production expenses</u>													
Appropriation to special reserves	-	-	-	-	-	-	-	15,866	-	-	15,866	-	15,866
Use of special reserves	-	-	-	-	-	-	-	(10,262)	-	-	(10,262)	-	(10,262)
<u>Transactions with owners, recognised directly in equity</u>													
Purchase of treasury shares	-	-	(19,198)	-	-	-	-	-	-	-	(19,198)	-	(19,198)
Dividend paid	-	(182,643)	-	-	-	-	-	-	-	-	(182,643)	-	(182,643)
Capital contribution from non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	1,275	1,275
At 30 June 2025	96	1,319,477	(37,544)	393,694	(67,592)	444,772	(11,119)	20,173	85,305	5,583,654	7,730,916	122,605	7,835,521

	Attributable to equity holders of the Company												Total Equity RMB'000
	Share capital RMB'000	Share premium RMB'000	Treasury shares RMB'000	Capital reserve RMB'000	Merger reserve RMB'000	Statutory surplus reserve RMB'000	Foreign currency translation reserve RMB'000	Special reserve RMB'000	Other reserve RMB'000	Retained profits RMB'000	Total RMB'000	Non- controlling interests RMB'000	
Group													
At 1 January 2024	96	1,601,100	-	393,694	(67,642)	281,034	(53,916)	10,146	85,305	4,796,891	7,046,708	122,205	7,168,913
Profit for the period	-	-	-	-	-	-	-	-	-	206,906	206,906	870	207,776
Other comprehensive income for the period	-	-	-	-	-	-	44,593	-	-	-	44,593	-	44,593
Total comprehensive income for the period	-	-	-	-	-	-	44,593	-	-	206,906	251,499	870	252,369
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(3,036)	(3,036)
<u>Appropriation and use of safety production expenses</u>													
Appropriation to special reserves	-	-	-	-	-	-	-	13,833	-	-	13,833	-	13,833
Use of special reserves	-	-	-	-	-	-	-	(8,814)	-	-	(8,814)	-	(8,814)
<u>Transactions with owners, recognised directly in equity</u>													
Purchase of treasury shares	-	-	(1,584)	-	-	-	-	-	-	-	(1,584)	-	(1,584)
Dividends paid	-	(98,980)	-	-	-	-	-	-	-	-	(98,980)	-	(98,980)
At 30 June 2024	96	1,502,120	(1,584)	393,694	(67,642)	281,034	(9,323)	15,165	85,305	5,003,797	7,202,662	120,039	7,322,701
At 1 July 2024	96	1,502,120	(1,584)	393,694	(67,642)	281,034	(9,323)	15,165	85,305	5,003,797	7,202,662	120,039	7,322,701
Profit for the period	-	-	-	-	-	-	-	-	-	411,577	411,577	1,821	413,398
Other comprehensive loss for the period	-	-	-	-	-	-	(1,134)	-	-	-	(1,134)	-	(1,134)
Total comprehensive income for the period	-	-	-	-	-	-	(1,134)	-	-	411,577	410,443	1,821	412,264
<u>Appropriation and use of safety production expenses</u>													
Appropriation to special reserves	-	-	-	-	-	-	-	14,775	-	-	14,775	-	14,775
Use of special reserves	-	-	-	-	-	-	-	(15,371)	-	-	(15,371)	-	(15,371)
<u>Appropriation for statutory surplus reserve</u>													
Appropriation to other reserves	-	-	-	-	-	163,738	-	-	-	(163,738)	-	-	-

	Attributable to equity holders of the Company												
	Share capital RMB'000	Share premium RMB'000	Treasury shares RMB'000	Capital reserve RMB'000	Merger reserve RMB'000	Statutory surplus reserve RMB'000	Foreign currency translation reserve RMB'000	Special reserve RMB'000	Other reserve RMB'000	Retained profits RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total Equity RMB'000
Group													
Transactions with owners, recognised directly in equity													
Purchase of treasury shares	-	-	(16,762)	-	-	-	-	-	-	-	(16,762)	-	(16,762)
Capital contribution from non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	7,564	7,564
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(10,024)	(10,024)
Changes in ownership interests in subsidiaries													
Acquisition of additional interests in a subsidiary	-	-	-	-	50	-	-	-	-	-	50	(310)	(260)
At 31 December 2024	96	1,502,120	(18,346)	393,694	(67,592)	444,772	(10,457)	14,569	85,305	5,251,636	7,595,797	119,090	7,714,887

Condensed Interim Statement of Changes in Equity

	Share capital RMB'000	Share premium RMB'000	Treasury shares RMB'000	Capital reserve RMB'000	Accumulated losses RMB'000	Total Equity RMB'000
Company						
At 1 January 2025	96	1,502,120	(18,346)	1,057,112	(1,063,594)	1,477,388
Profit and total comprehensive income for the period	-	-	-	-	664,162	664,162
<u>Transactions with owners, recognised directly in equity</u>						
Purchase of treasury shares	-	-	(19,198)	-	-	(19,198)
Dividend paid	-	(182,643)	-	-	-	(182,643)
At 30 June 2025	96	1,319,477	(37,544)	1,057,112	(399,432)	1,939,709
At 1 January 2024	96	1,601,100	-	1,057,112	(944,283)	1,714,025
Loss and total comprehensive loss for the period	-	-	-	-	(79,613)	(79,613)
<u>Transactions with owners, recognised directly in equity</u>						
Purchase of treasury shares	-	-	(1,584)	-	-	(1,584)
Dividends paid	-	(98,980)	-	-	-	(98,980)
At 30 June 2024	96	1,502,120	(1,584)	1,057,112	(1,023,896)	1,533,848
At 1 July 2024	96	1,502,120	(1,584)	1,057,112	(1,023,896)	1,533,848
Loss and total comprehensive loss for the period	-	-	-	-	(39,698)	(39,698)
<u>Transactions with owners, recognised directly in equity</u>						
Purchase of treasury shares	-	-	(16,762)	-	-	(16,762)
At 31 December 2024	96	1,502,120	(18,346)	1,057,112	(1,063,594)	1,477,388

Condensed Interim Consolidated Statement of Cash Flows

	Group Half year ended 30 June 2025 RMB'000	Group Half year ended 30 June 2024 RMB'000
Cash flows from operating activities		
Profit before tax	437,244	302,513
Adjustments for:		
- Amortisation of intangible assets	109,933	102,872
- Deferred grant recognised	(12,230)	(17,179)
- Depreciation of investment property	562	492
- Depreciation of property, plant and equipment	287,669	275,775
- Depreciation of right-of-use assets	7,799	8,546
- Finance expenses	194,646	231,260
- Foreign exchange losses	19,850	10,331
- Financial income under service concession arrangements	(24,733)	(24,839)
- Bank interest income	(16,773)	(18,090)
- Impairment loss on advances to suppliers	-	5,500
- Impairment loss on property, plant and equipment	-	3,470
- Loss on disposal of property, plant and equipment	30	219
- Loss on disposal of subsidiaries	-	31,317
- Loss on change in fair value of derivative financial instruments	12,382	9,246
- Share of profit of joint ventures	(1,485)	(2,253)
	1,014,894	919,180
Change in working capital		
- Trade and other receivables	(318,121)	(377,123)
- Service concession receivables	33,874	34,137
- Inventories	32,906	2,105
- Trade and other payables	(234,680)	(98,747)
- Amount due from related parties	(4,878)	(4,749)
- Amount due to related parties	(292)	(1,448)
Cash generated from operations	523,703	473,355
Income tax paid	(66,347)	(44,848)
Net cash generated from operating activities	457,356	428,507
Cash flows from investing activities		
Interest received	16,773	18,090
Additions to property, plant and equipment	(738,762)	(374,799)
Additions to intangible assets - software	(896)	(1,322)
Proceeds from disposal of subsidiaries, net of cash disposed	-	146
Change in bank deposits pledged	(26,940)	(15,240)
Proceed from disposal of property, plant and equipment	-	52
Net cash used in investing activities	(749,825)	(373,073)
Cash flows from financing activities		
Proceeds from borrowings	6,269,627	4,700,988
Repayment of borrowings	(5,585,897)	(3,841,740)
Payment of finance costs	(199,496)	(326,418)
Capital contributions from non-controlling interests	1,275	-
Dividends paid to owners of the Company	(182,643)	(98,980)
Dividends paid to non-controlling interests	(2,866)	(3,036)
Pledged bank deposits for borrowings	(85,410)	(297,590)
Settlement gain from derivative financial instruments	19,440	-
Purchase of treasury shares	(19,198)	(1,580)
Net cash generated from financing activities	214,832	131,644
Net (decrease)/increase in cash and cash equivalents	(77,637)	187,078
Cash and cash equivalents		
Cash and cash equivalents at beginning of the period	600,381	462,426
Effects of currency translation on cash and cash equivalents	(6,455)	356
Cash and cash equivalents at the end of the period	516,289	649,860

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 the 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 half year (“**1H**”) ended 30 June 2025 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 half year ended 30 June 2025 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 2024. 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 2024.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with IFRS Accounting Standards, 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 Working capital position

As of 30 June 2025, the Group was in a negative working capital position with the current liabilities of the Group exceeding the current assets by approximately RMB969.2 million. This is mainly due to borrowings due for repayment within the next 12 months.

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 financial statements on a going concern basis, after considering the following:

- (A) the Group's ability to finalise and obtain additional financing, including additional credit facilities from financial institutions subsequent to 30 June 2025;
- (B) the Group has continued to generate operating profits in the half year ended 30 June 2025 and been able to generate positive cash flows from its operations;
- (C) as at the date of this announcement, the Group has RMB4,470 million of undrawn credit facilities; and
- (D) the Group has continued to receive financial support, credit support and loans from its largest shareholder, Zheneng Group, as follows:
 - (i) as of 30 June 2025, the Group has obtained and re-financed a working capital loan of RMB540 million (drawn down from a credit line of RMB900 million obtained from Zhejiang Provincial Energy Group Finance Co., Ltd. (a subsidiary of Zheneng Group), as announced by the Company on 7 April 2025). RMB540 million has been included in current liabilities as at 30 June 2025;
 - (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.

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 standards does not have any material impact on the financial position or financial results of the Group.

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 2024.

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 8 – 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 2024. An analysis of revenue is as follows:

Disaggregation of revenue from contracts with customers

	Group 1H2025 RMB'000	Group 1H2024 RMB'000
Waste-to-energy project construction and operation		
<u>Waste-to-energy business</u>		
- Sales of electricity	884,894	845,221
- Sales of steam	401,721	451,920
- Revenue from waste treatment and by-product	506,719	483,703
	<u>1,793,334</u>	<u>1,780,844</u>
<u>Construction services provided under BOT concession agreements</u>		
- Revenue from construction services provided under service concession agreements (Notes 7 and 9)	-	-
- Financial income under service concession agreements (Note 7)	24,733	24,839
	<u>24,733</u>	<u>24,839</u>
Total	<u>1,818,067</u>	<u>1,805,683</u>
Project technical and management service, equipment selection and sale and EMC business	3,791	5,972
Total revenue	<u>1,821,858</u>	<u>1,811,655</u>

Timing of revenue recognition

	Group 1H2025 RMB'000	Group 1H2024 RMB'000
<u>At a point in time</u>		
- Sales of electricity	884,894	845,221
- Sales of steam	401,721	451,920
- Revenue from by-product of waste treatment	74,811	51,623
	<u>1,361,426</u>	<u>1,348,764</u>
<u>Over time</u>		
- Revenue from waste treatment	431,908	432,080
- Revenue from construction services provided under service concession agreements (Notes 7 and 9)	-	-
- Project technical and management service and EMC business	3,791	5,972
	<u>435,699</u>	<u>438,052</u>
- Financial income under service concession agreements (Note 7)	24,733	24,839
Total revenue	<u>1,821,858</u>	<u>1,811,655</u>

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 1H2025 RMB'000	Group 1H2024 RMB'000
Profit for the period has been arrived at after charging/(crediting)		
Amortisation of intangible assets	109,933	102,872
Cost of inventories recognised as expense	310,572	371,458
Depreciation of investment property	562	492
Depreciation of property, plant and equipment	287,669	275,775
Depreciation of right-of-use assets	7,799	8,546
Employee compensation	190,352	191,030
Foreign exchange losses	26,305	10,687
Government grants	(12,230)	(17,179)
Value added tax refund	(33,605)	(34,268)
Impairment loss on advances to suppliers	-	5,500
Impairment loss on property, plant and equipment	-	3,470
Loss on disposal of property, plant and equipment	30	219
Loss on disposal of subsidiaries	-	31,317
Loss on change in fair value of derivative financial instruments	12,382	9,246
Under provision of tax in prior years	4,014	2,908

5. Trade and other receivables

	Group As at 30 June 2025 RMB'000	Group As at 31 December 2024 RMB'000
Trade receivables – third parties	2,897,923	2,648,271
Less: Loss allowance (Note (i))	(49,645)	(52,475)
Bills receivables	40,849	21,067
	2,889,127	2,616,863
Amount due from non-controlling interests - trade	67,393	59,927
Total trade and bills receivables	2,956,520	2,676,790
Advances to suppliers (Note (ii), (v))	400,646	352,378
Other receivables (Note (iii))	342,176	373,209
Less: Loss allowance (Note (iv))	(24,053)	(24,053)
Sub-total of other receivables	318,123	349,156
Other tax recoverable		
- Value added tax recoverable	338,470	326,404
- Others	17	25
Prepayments	35,358	39,050
Total trade and other receivables	4,049,134	3,743,803
Analysed for reporting purposes as:		
- Current assets	3,679,220	3,397,587
- Non-current assets	369,914	346,216
	4,049,134	3,743,803

- (i) In FY2025, based on negotiations with the customer regarding the settlement of trade receivables, a previously accrued allowance for doubtful debts of RMB2,830,000 was written off in relation to the reduced settlement amount.
- (ii) Advances to suppliers comprise the prepayments agreed in the Group's equipment procurement contracts and project construction contracts for its projects under construction and are unsecured and interest free.
- (iii) Other receivables include staff advances, refundable deposits, compensation receivable on closure of WTE plant, receivable on settled derivative financial instruments, non-trade amount due from non-controlling interests, and others.
- (iv) In FY2024, an impairment loss of RMB5,478,000 was recognised on other receivables due to financial difficulties of customers.
- (v) As at 31 December 2024, impairment loss of RMB9,152,000 was recognised on the prepayment for equipment procurement as these were deemed irrecoverable based on the arbitration outcomes.

6. Related party balances and transactions

As of 30 June 2025, 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 10 on borrowings from Zheneng Group, the following transactions took place between the Group and its related parties at terms agreed between the parties.

	Group 1H2025 RMB'000	Group 1H2024 RMB'000
Companies in which Zheneng Group has control over:		
- Purchases of materials	944	974
- Interest expense	7,004	9,407
Companies in which Jinjiang Group has control over:		
- Rendering of technical and management services	-	(20)
- Rental income	(462)	(462)
Joint ventures:		
- Interest income	(4,935)	(4,935)

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

	Group As at 30 June 2025 RMB'000	Group As at 31 December 2024 RMB'000
Trade:		
Amounts due from companies in which the major shareholders have control over	15,831	15,699
Amounts due from joint ventures	2,395	2,628
	18,226	18,327
Non-trade:		
Amounts due from a joint venture	252,937	247,958
	271,163	266,285
Trade:		
Amounts due to companies in which the major shareholders have control over	6,751	7,314
Amounts due to joint ventures	120	120
	6,871	7,434
Non-trade:		
Amounts due to companies in which the major shareholders have control over	915	645
Amounts due to joint ventures	436	435
	1,351	1,080
	8,222	8,514

The non-trade amounts due from a joint venture are the interest-bearing advances to the joint venture, Zibo Green New Energy Co., Ltd., for financing the construction and operating costs of its WTE facility.

7. Service concession receivables

	Group As at 30 June 2025 RMB'000	Group As at 31 December 2024 RMB'000
Service concession receivables	755,268	764,409
Less: Amount due within one year shown under current assets	(68,088)	(68,088)
Service concession receivables due after one year	687,180	696,321
Expected collection schedule is analysed as follows		
Within 1 year	68,088	68,088
Within 2 to 5 years	232,485	232,485
Over 5 years	454,695	463,836
	755,268	764,409

8. Property, plant and equipment

	Property, plant and equipment RMB'000	Right-of-use assets RMB'000	Total RMB'000
Group			
Cost			
At 1 January 2024	14,152,031	611,787	14,763,818
Additions	912,575	33,938	946,513
Transfer between property, plant and equipment	(14,003)	-	(14,003)
Transfer to investment property	(14,106)	-	(14,106)
Transfer to intangible assets	(3,005)	-	(3,005)
Disposals	(14,478)	-	(14,478)
Disposal of subsidiaries	(93,496)	-	(93,496)
Exchange difference	(1,809)	(1,142)	(2,951)
At 31 December 2024	14,923,709	644,583	15,568,292
Additions	1,003,381	-	1,003,381
Disposals	(5,912)	-	(5,912)
Exchange difference	(1,420)	(1,706)	(3,126)
At 30 June 2025	15,919,758	642,877	16,562,635
Accumulated depreciation			
At 1 January 2024	(3,763,767)	(141,009)	(3,904,776)
Depreciation for the year	(565,729)	(15,598)	(581,327)
Transfer between property, plant and equipment	14,003	-	14,003
Transfer to investment property	4,105	-	4,105
Disposals	10,986	-	10,986
Disposal of subsidiaries	32,885	-	32,885
Exchange difference	14	-	14
At 31 December 2024	(4,267,503)	(156,607)	(4,424,110)
Depreciation for the year	(287,669)	(7,799)	(295,468)
Disposals	2,878	-	2,878
At 30 June 2025	(4,552,294)	(164,406)	(4,716,700)
Accumulated impairment			
At 1 January 2024	(23,124)	-	(23,124)
Impairment losses	(2,674)	-	(2,674)
At 31 December 2024 and 30 June 2025	(25,798)	-	(25,798)
Carrying values			
At 30 June 2025	11,341,666	478,471	11,820,137
At 31 December 2024	10,630,408	487,976	11,118,384

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 assesses 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 half year ended 30 June 2025.

During the financial year ended 31 December 2024, an impairment loss of RMB2,674,000 was recognised in respect of power plant equipment in the PRC based on the outcome of arbitration.

9. Intangible assets

	Group As at 30 June 2025 RMB'000	Group As at 31 December 2024 RMB'000
Software	20,597	21,652
Service concession arrangement (Note (a))	4,357,353	4,465,384
	4,377,950	4,487,036
(a) Service concession arrangement		
Cost		
At 1 January 2025/1 January 2024	5,564,229	5,730,605
Additions	-	40,596
Disposal of subsidiaries	-	(206,972)
At 30 June 2025/31 December 2024	5,564,229	5,564,229
Accumulated amortisation		
At 1 January 2025/1 January 2024	(1,098,845)	(908,298)
Amortisation	(108,031)	(199,542)
Disposal of subsidiaries	-	8,995
At 30 June 2025/31 December 2024	(1,206,876)	(1,098,845)
Accumulated impairment		
At 1 January 2025/1 January 2024	-	(197,977)
Written off	-	197,977
At 30 June 2025/31 December 2024	-	-
Net book value	4,357,353	4,465,384

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 for concession periods 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 2025 and 2024 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 2024, upon completion of the transfer of the equity interest in the Indian subsidiaries, the related impairment losses have been disposed. No impairment loss was recognised for the half year ended 30 June 2025.

10. Borrowings and lease liabilities

	Group As at 30 June 2025 RMB'000	Group As at 31 December 2024 RMB'000
Amount repayable within one year or less, or on demand		
- Secured borrowings	3,281,514	3,249,443
- Unsecured borrowings	2,242,112	2,022,609
- Lease liabilities	1,701	1,701
	<u>5,525,327</u>	<u>5,273,753</u>
Amount repayable after one year		
- Secured borrowings	6,197,974	5,558,485
- Unsecured borrowings	1,215,638	1,395,995
- Lease liabilities	342	300
	<u>7,413,954</u>	<u>6,954,780</u>
Total borrowings and lease liabilities, net of transaction costs	<u>12,939,281</u>	<u>12,228,533</u>

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 borrowings of the Group are borrowings with an aggregate principal amount of RMB540,000,000 (31 December 2024: RMB540,000,000) from a subsidiary of Zheneng Group, namely Zhejiang Provincial Energy Group Finance Co., Ltd.

11. Share capital and share premium

	Group and Company		
	No. of ordinary shares	Share capital RMB'000	Share premium RMB'000
Fully paid ordinary shares			
As at 1 January 2024 and as at 31 December 2024	1,445,327,400	96	1,502,120
Less: Treasury shares	(7,928,700)	-	-
Less: Dividend paid	-	-	(182,643)
As at 30 June 2025, excluding treasury shares	<u>1,437,398,700</u>	<u>96</u>	<u>1,319,477</u>

Fully paid ordinary shares have a par value of US\$0.00001 (2024: US\$0.00001), carry one vote per share and carry a right to dividend, amounting to equivalent RMB96,000 (2024: RMB96,000).

There were no changes in the share capital of the Company during the half year ended 30 June 2025.

The total number of issued shares excluding treasury shares as at 30 June 2025 was 1,437,398,700 (31 December 2024: 1,445,327,400).

As at 30 June 2025, the Company held 16,626,000 (30 June 2024: 806,100) treasury shares which represented 1.16% (30 June 2024: 0.06%) of the total number of issued shares (excluding treasury shares).

There were no sales, transfers, disposal, cancellation and/or use of treasury shares during the half year ended 30 June 2025.

The Company had no convertibles or subsidiary holdings as at 30 June 2025 and 30 June 2024.

12. Earnings per share

	Group 1H2025	Group 1H2024
Basic and fully diluted earnings per share (RMB cents)	23.04	14.23
Weighted average number of shares (excluding treasury shares)	1,441,182,329	1,453,973,654

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

13. Net asset value

	Group As at 30 June 2025	Group As at 31 December 2024	Company As at 30 June 2025	Company As at 31 December 2024
Assets				
Net asset value per share (RMB cents)	546.37	533.78	134.95	102.22
Number of shares in issue (excluding treasury shares) at the end of the period	1,437,398,700	1,445,327,400	1,437,398,700	1,445,327,400

The net asset value per share as at 30 June 2025 and 31 December 2024 were computed based on the number of shares in issue (excluding treasury shares) at the end of the period.

14. 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. The fair values of derivative assets and liabilities (forward exchange contracts) are based on banks' quotes.

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.

15. 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 30 June 2025 RMB'000	Group As at 31 December 2024 RMB'000
Property, plant and equipment	1,962,794	2,603,647

16. 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, construction services provided and financial income under service concession.
- (2) Project technical and management service, equipment selection and sale and EMC business comprise 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 2025 to 30 June 2025			
Segment revenue			
External revenue	1,818,067	3,791	1,821,858
Inter-segment revenue	-	107,240	107,240
	1,818,067	111,031	1,929,098
Elimination	-	(107,240)	(107,240)
Revenue	1,818,067	3,791	1,821,858
Cost of inventories recognised as expense	310,367	205	310,572
Employee compensation	189,146	1,206	190,352
Segment profit	698,086	1,035	699,121
Government grants and VAT refund	45,667	168	45,835
Loss on disposal on property, plant and equipment	(30)	-	(30)
Foreign exchange losses			(26,305)
Loss on change in fair value of derivative financial instruments			(12,382)
Other income and other gain/(loss)			44,275
Administrative expenses			(120,109)
Finance costs			(194,646)
Share of profit of joint ventures			1,485
Profit before tax			437,244
As at 30 June 2025			
Assets and Liabilities			
Segment assets	20,436,414	619,635	21,056,049
Unallocated			2,931,748
Consolidated total assets			23,987,797
Segment liabilities	14,175,502	705,075	14,880,577
Unallocated			1,253,699
Consolidated total liabilities			16,134,276
1 January 2025 to 30 June 2025			
Other segment information			
Depreciation and amortisation	401,876	4,087	405,963
Additions to non-current assets	1,003,259	122	1,003,381

	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 2024 to 30 June 2024			
Segment revenue			
External revenue	1,805,683	5,972	1,811,655
Inter-segment revenue	-	12,874	12,874
	1,805,683	18,846	1,824,529
Elimination	-	(12,874)	(12,874)
Revenue	1,805,683	5,972	1,811,655
Cost of inventories recognised as expense	371,098	360	371,458
Employee compensation	190,359	671	191,030
Segment profit	634,586	626	635,212
Government grants and VAT refund	51,273	174	51,447
Loss on disposal on property, plant and equipment	(219)	-	(219)
Impairment loss on property, plant and equipment	(3,470)	-	(3,470)
Impairment loss on advances to suppliers	(5,500)	-	(5,500)
Loss on disposal of subsidiaries	(31,317)	-	(31,317)
Foreign exchange losses			(10,687)
Loss on change in fair value of derivative financial instruments			(9,246)
Other income			38,888
Administrative expenses			(133,588)
Finance costs			(231,260)
Share of loss of joint ventures			2,253
Profit before tax			302,513
As at 31 December 2024			
Assets and Liabilities			
Segment assets	19,571,014	636,261	20,207,275
Unallocated			2,899,803
Consolidated total assets			23,107,078
Segment liabilities	13,608,238	622,838	14,231,076
Unallocated			1,161,115
Consolidated total liabilities			15,392,191
1 January 2024 to 30 June 2024			
Other segment information			
Depreciation and amortisation	383,713	3,972	387,685
Additions to non-current assets	430,064	2,078	432,142

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, 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

For the half year ended 30 June 2025 and 2024, there was no single customer that accounted for 10% or more of the Group's revenue for the two reportable and operating segments.

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

1H2025 vs 1H2024

Revenue

	1H2025 RMB'000	%	1H2024 RMB'000	%	Change %
Waste-to-energy project construction and operation					
<u>Waste-to-energy business</u>					
- Sales of electricity	884,894	48.6	845,221	46.7	4.7
- Sales of steam	401,721	22.1	451,920	24.9	(11.1)
- Revenue from waste treatment and by-product	506,719	27.8	483,703	26.7	4.8
	<u>1,793,334</u>	98.4	<u>1,780,844</u>	98.3	0.7
 <u>Construction services provided under BOT concession agreements</u>					
- Financial income under service concession agreements	24,733	1.4	24,839	1.4	(0.4)
	<u>24,733</u>	1.4	<u>24,839</u>	1.4	(0.4)
Total	<u>1,818,067</u>	99.8	<u>1,805,683</u>	99.7	0.7
 Project technical and management service, equipment selection and sale and EMC business	3,791	0.2	5,972	0.3	(36.5)
Total revenue	<u>1,821,858</u>	100.0	<u>1,811,655</u>	100.0	0.6

Details of the electricity generated and supplied, steam supplied and waste treated for 1H2025 and 1H2024 are as follows:

	Group 1H2025	Group 1H2024	Change %
Electricity generated ('000 KWh)	2,204,891	2,061,695	6.9
On-grid electricity supplied ('000 KWh)	1,773,036	1,643,024	7.9
Steam supplied ('000 tonnes)	2,586	2,641	(2.1)
Waste treated ('000 tonnes)	6,460	6,226	3.8

Gross profit and gross profit margin

	Gross Profit (RMB '000)		Gross Profit Margin	
	1H2025	1H2024	1H2025	1H2024
WTE business (excluding gross profit from construction services provided under BOT concession agreements)	673,353	609,747	37.55%	34.24%
Construction services provided under BOT concession agreements	-	-	N.A	N.A
Financial income under service concession agreements	24,733	24,839	N.A	N.A
Project technical and management service and EMC business	1,035	626	27.30%	10.48%
Total	<u>699,121</u>	<u>635,212</u>	<u>38.37%</u>	<u>35.06%</u>

The increase in gross profit by RMB63.9 million from RMB635.2 million in 1H2024 to RMB699.1 million in 1H2025 and the increase in gross profit margin by 3.31% 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 by RMB12.5 million from RMB1,780.8 million in 1H2024 to RMB1,793.3 million in 1H2025. This was mainly attributable to (i) improved operational efficiency following technical upgrades and management optimisation at existing WTE plants, (ii) enhanced efficiency following the expansion or upgrade to grate furnace systems, and (iii) increase in revenue from slag by-products.

The gross profit of our WTE business (excluding gross profit from construction services provided under BOT concession agreements) increased by RMB63.6 million or 10.4% from RMB609.7 million in 1H2024 to RMB673.3 million in 1H2025, mainly due to:

1. The improvement in operating efficiency after the expansion and upgrade to grate furnace systems contributed an increase of RMB22.0 million in gross profit in 1H2025 as compared to 1H2024, mainly from Shijiazhuang Jiasheng WTE Facility in Hebei Province and the Wuhan Jinjiang WTE Facility in Hubei Province.
2. The gross profit of Zhuji Bafang Facility in Zhejiang Province increased by RMB11.2 million in 1H2025 as compared to 1H2024, mainly due to increase of RMB2.1 million in gross profit from the effect of steam prices declining in tandem with coal prices, and increase of RMB9.1 million in gross profit due to a reduction in major overhaul and other expenses.
3. The gross profit of the other existing WTE facilities increased by RMB30.5 million in 1H2025 as compared to 1H2024. The increases are mainly due to (i) increase of RMB11.7 million in gross profit due to improved per-tonne supply following technical upgrades and management optimisation, (ii) increase of RMB5.0 million in gross profit due to greater availability of resources such as waste and alternative fuels, as well as higher power generation, (iii) increase of RMB23.2 million in gross profit due to increase in revenue from slag by-products, and (iv) increase of RMB10.2 million in gross profit due to enhanced cost control over environmental auxiliary materials, which led to a reduction in related expenses. However, the increase was partially offset by (i) decrease of RMB9.4 million in gross profit due to weaker demand from heating customers amid market fluctuations, (ii) decrease of RMB6.4 million in gross profit due to the expiry of national and provincial subsidies for certain companies led to a reduction in electricity prices, and (iii) decrease of RMB3.8 million in gross profit attributable to other cost fluctuations.

The gross profit margin increased from 34.24% in 1H2024 to 37.55% in 1H2025. As mentioned above, this is mainly due to higher tonnage supply of existing plants, enhanced operational efficiency following expansion or technical upgrades, and increase in revenue from slag by-products.

Construction services provided under BOT concession agreements

No construction services were provided under BOT concession agreements in 1H2025, as there was no BOT project construction during this period. The revenue from financial income under service concession agreements decreased by RMB0.1 million in 1H2025 as compared to 1H2024.

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 increased from RMB0.6 million in 1H2024 to RMB1.0 million in 1H2025. This was mainly due to fluctuations in the project technical and management services.

Other income

	Group 1H2025 RMB'000	Group 1H2024 RMB'000	Increase / (Decrease) RMB'000	Change +/(-) %
Bank interest income	16,773	18,090	(1,317)	(7.3)
Government grants	12,230	17,179	(4,949)	(28.8)
Value added tax refund	33,605	34,268	(663)	(1.9)
Gain on sales of scrap materials	18,427	14,560	3,867	26.6
Interest income from joint ventures and others	4,935	4,935	-	-
Other income	85,970	89,032	(3,062)	(3.4)

Other income decreased by RMB3.1 million or 3.4% from RMB89.0 million in 1H2024 to RMB85.9 million in 1H2025, mainly due to (i) decrease of RMB4.9 million in government grants, and (ii) decrease of RMB1.3 million in bank interest income, which was partially offset by (iii) increase of RMB3.9 million in gain on sales of scrap materials in 1H2025.

Other gains and losses, net

	Group 1H2025 RMB'000	Group 1H2024 RMB'000	Increase / (Decrease) RMB'000	Change +/(-) %
Foreign exchange losses	(26,305)	(10,687)	(15,618)	N.A
Loss on change in fair value of derivative financial instruments	(12,382)	(9,246)	(3,136)	N.A
Loss on disposal of property, plant and equipment	(30)	(219)	189	N.A
Loss on disposal of subsidiaries	-	(31,317)	31,317	N.A
Others	4,140	1,303	2,837	217.7
Other gains and losses, net	(34,577)	(50,166)	15,589	N.A

In 1H2025, the Group recorded a net other loss of RMB34.6 million, compared to a net loss of RMB50.2 million in 1H2024, resulting in an increase in total profit of RMB15.6 million. This was mainly due to (i) the absence of a RMB31.3 million loss on the disposal of Indian subsidiaries recorded in 1H2024, which did not recur in the current period, thereby increasing profit by RMB31.3 million in 1H2025. However, the increase was partially offset by (ii) loss of RMB12.4 million from the change in fair value of derivative financial instruments in 1H2025 (comprising the settlement gain/loss net of the fair value gain of RMB 11.14 million recognised at the end of 2024), resulting in a decrease of RMB3.1 million in total profit as compared to 1H2024, and (iii) increase in foreign exchange losses, which reduced total profit by RMB15.6 million compared to 1H2024. The foreign exchange loss in 1H2025 mainly arose from the repayment of US\$200 million in loans through foreign currency purchases during the period.

Administrative expenses

Administrative expenses decreased RMB13.5 million from RMB133.6 million in 1H2024 to RMB120.1 million in 1H2025, mainly due to lower management costs following the disposal of the India projects.

Finance costs

Finance costs decreased RMB36.7 million from RMB231.3 million in 1H2024 to RMB194.6 million in 1H2025, mainly due to the reduction in financing costs following the decline in domestic loan interest rates in line with the loan prime rate (LPR), as well as the Group's proactive refinancing of loans ahead of their scheduled maturities, along with other related initiatives.

Other expenses

In 1H2024, the Group recognised an impairment of RMB5.5 million on irrevocable prepayment for relevant equipment procurement, and an impairment loss of RMB3.5 million on property, plant and equipment recognised in accordance with the outcome of arbitration. No such impairment losses were recorded in the current period.

Profit before tax

As a result of the foregoing, profit before tax increased RMB134.7 million from RMB302.5 million in 1H2024 to RMB437.2 million in 1H2025.

Income tax expense

Income tax expenses increased RMB5.4 million to RMB100.1 million in 1H2025 as compared to 1H2024 mainly due to the increase in total profit of profitable enterprises in China. In 1H2025, 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 increased from RMB252.4 million in 1H2024 to RMB336.5 million in 1H2025.

Statement of Financial Position

	30 June 2025 RMB Million	31 December 2024 RMB Million	Increase / (Decrease) RMB Million	Increase / (Decrease) %
Current assets	6,396.1	6,125.4	270.7	4.4
Non-current assets	17,591.7	16,981.7	610.0	3.6
Total assets	23,987.8	23,107.1	880.7	3.8
Current liabilities	7,365.3	7,123.6	241.7	3.4
Non-current liabilities	8,769.0	8,268.6	500.4	6.1
Total liabilities	16,134.3	15,392.2	742.1	4.8
Capital and reserves	7,853.5	7,714.9	138.6	1.8

Current assets

The increase is mainly due to (i) the increase of RMB281.6 million or 8.3% in trade and other receivables from RMB3,397.6 million as at 31 December 2024 to RMB3,679.2 million as at 30 June 2025, mainly due to higher receivables from governments, (ii) the increase of RMB112.3 million or 6.7% in pledged bank deposits from RMB1,666.1 million as at 31 December 2024 to RMB1,778.4 million as at 30 June 2025, and this was partially offset by (iii) the decrease of RMB84.1 million or 14.0% in cash and cash equivalents from RMB600.4 million as at 31 December 2024 to RMB516.3 million as at 30 June 2025.

Non-current assets

The main changes were due to property, plant and equipment recognised in accordance with the construction progress of new and reconstruction of BOO and the amortisation of BOT projects during the period. In particular, (i) property, plant and equipment increased by RMB701.7 million from RMB11,118.4 million as at 31 December 2024 to RMB11,820.1 million as at 30 June 2025, due to the construction progress of newly built and expanded BOO projects such as the Wuhan Jinjiang WTE Facility, Gaobeidian Resource Recycling Project and Palembang WTE project in Indonesia, and (ii) this was partially offset by the decrease of RMB109.0 million in intangible assets from RMB4,487.0 million as at 31 December 2024 to RMB4,378.0 million as at 30 June 2025, due to the amortisation of intangible assets.

Current liabilities

The increase is mainly due to (i) current borrowings and lease liabilities increasing RMB251.6 million or 4.8% from RMB5,273.7 million as at 31 December 2024 to RMB5,525.3 million as at 30 June 2025, and this was partially offset by (ii) the decrease of RMB15.3 million or 0.9% in trade and other payables from RMB1,649.7 million as at 31 December 2024 to RMB1,634.4 million as at 30 June 2025, mainly due to the reduction in payables for production-related expenses.

Non-current liabilities

The increase is mainly due to (i) deferred tax liabilities increasing RMB47.8 million or 5.4% from RMB886.1 million as at 31 December 2024 to RMB933.9 million as at 30 June 2025, mainly due to taxable temporary differences, and (ii) non-current borrowings and lease liabilities increasing RMB459.2 million or 6.6% from RMB6,954.8 million as at 31 December 2024 to RMB7,414.0 million as at 30 June 2025.

Capital and reserves

The increase of RMB138.6 million or 1.8% from RMB7,714.9 million as at 31 December 2024 to RMB7,853.5 million as at 30 June 2025 mainly due to the profit for the period of RMB336.5 million and partially offset by dividend payment of RMB182.6 million.

Consolidated Statement of Cashflows

	Group 1H2025 RMB Million
Net cash from operating activities	457.4
Net cash used in investing activities	(749.8)
Net cash from financing activities	214.8
Cash and cash equivalents at beginning of the period	600.4
Effects of currency translation on cash and cash equivalents	(6.5)
Cash and cash equivalents at the end of the period	<u>516.3</u>

In 1H2025, operating cash inflow was RMB457.4 million. This is due to (i) operating cash inflow of RMB1,014.9 million before changes in working capital, after excluding non-recurring and non-cash gains/losses, (ii) decrease in cash inflow by RMB385.3 million arising from changes in trade and other receivables/payables and inventory balances, (iii) increase in activities for the construction of BOT projects (including expansion project of Yunnan Green Energy WTE Facility in Kunming City, Yunnan Province, Linzhou Jiashang WTE Facility in Henan Province, and others) resulting in operating cash outflow of RMB105.9 million, and (iv) income tax payments amounting to RMB66.35 million.

In 1H2025, investing cash outflow was RMB749.8 million. This was primarily attributable to capital expenditures of RMB738.8 million for the construction of fixed assets (including Gaobeidian Resource Recycling Project, Palembang WTE project in Indonesia, Wuhan Jinjiang WTE Facility, and others) and payments for equipment.

In 1H2025, financing cash inflow was RMB214.8 million. This is due to (i) new borrowings of RMB6,269.6 million, including the renewal of loans, new borrowings, project financing, as well as new or refinanced lease financing, partially offset by (ii) cash outflows of RMB85.4 million from the increase in pledged bank deposits for borrowings, (iii) repayment or early repayment of borrowings and finance costs of RMB5,785.4 million, (iv) dividend paid of RMB182.6 million, and (v) share repurchase payments amounting to RMB19.2 million.

Bank balances and cash as at 30 June 2025 was RMB516.3 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

In 1H2025, the Chinese government's macroeconomic policies demonstrated significant efficacy, sustaining a stable and positive economic trajectory. The national economy exhibited remarkable resilience and vitality, withstanding pressures and overcoming challenges. Overall economic performance remained stable with progressive improvements, as evidenced by a 5.3% year-on-year increase in GDP, representing a 0.3 percentage point acceleration compared to both the same period last year and the full year of 2024.

The energy sector witnessed substantial progress in high-quality development, with domestic energy production maintaining steady growth and energy supply security reaching new heights. Concurrently, energy conservation and carbon reduction efforts progressed steadily, accelerating the transition toward green and low-carbon development.

The Group highlights the following recent developments in governmental policies in the PRC relevant to its industry:

- The Ministry of Ecology and Environment ("**MEE**") issued the "Implementation Opinions on the Construction of Pilot Zones for a Beautiful China" which harmonises various initiatives for building a Beautiful China. The MEE, in collaboration with relevant departments, has introduced a series of action plans covering the development of beautiful cities and villages, as well as critical areas such as clean energy, environmental governance, green manufacturing, and green transportation.
- The National Development and Reform Commission ("**NDRC**") and the Ministry of Finance issued the "Notice on Implementing the Large-scale Equipment Upgrading and Consumer Goods Trade-in Policy with Greater Efforts in 2025" (the "**Notice**"), expanding the scope of the policy to new sectors such as electronic information, production safety, and facility agriculture. Environmental infrastructure (including waste-to-energy) continued to be a key support area. Additionally, through ultra-long-term special government bonds and central budgetary investments, investment subsidies and loan interest subsidies are provided to equipment upgrading projects. The Notice facilitates WTE facilities in applying for ultra-long-term special government bonds, which may be used to finance equipment upgrades such as incinerators, exhaust gas treatment systems, and intelligent control systems.
- The NDRC and other departments jointly issued the "Opinions on Promoting the High-Quality Development of the Green Electricity Certificate Market", opining for the acceleration of a mechanism to promote green energy consumption and enhance the development of the green certificate market. It states that by 2027, the trading system of the green certificate market will be basically completed, with a well-established mechanism combining mandatory and voluntary green electricity consumption, along with comprehensive systems for accounting, certification, and identification. It also states that greater linkage with other mechanisms, promotion of international application, and free nationwide circulation of green certificates will be achieved. This will support the market for green certificates and allow WTE enterprises whose subsidies have been reduced to increase operating income through green certificates sales.
- The NDRC and the National Energy Administration issued the "Notice on the Orderly Promotion of Green Electricity Direct Connection Development", allowing new energy projects such as WTE projects to supply power to a single user through dedicated connection lines, bypassing the public grid, and enabling physical traceability of green electricity. Accordingly, waste incineration power plants may supply power directly to high-energy-consuming users such as data centers and industrial parks, and charge a premium above the benchmark price.

(B) Operational Matters

In 1H2025, faced with challenges from industry transformation and intensified resource competition, the Group focused on high-quality development and comprehensively coordinated its management and operation. This led to the timely commissioning of ongoing projects and the orderly planning of preparatory projects.

The kitchen waste treatment project of Zibo Green Energy WTE Facility in Zichuan, Shandong Province was successfully put into operation, increasing daily waste treatment capacity by 200 tonnes. To further enhance the operational stability and cost-efficiency of the facilities, achieve comprehensive and efficient utilization of solid waste resources, and actively respond to the national ultra-long-term bond policy, technical upgrade projects are planned for the Zibo Green Energy WTE Facility and the Gaomi Lilangmingde WTE Facility in Shandong Province, the Suizhou Green Energy WTE Facility in Heilongjiang Province, and the Boiler #0 of Bazhong Power Plant in Zhejiang Province. The upgrades will involve converting certain fluidized bed boilers to grate furnaces, and are expected to increase the waste treatment capacity by 500 tonnes per day. In addition, as part of the third-phase expansion project of the Yinchuan Zhongke WTE Facility in Ningxia Hui Autonomous Region, the Group has signed a supplementary agreement to the concession agreement with the local government, further clarifying the responsibilities and obligations of all parties and laying a solid foundation for the high-quality advancement of the project.

The Group is also closely following up on the compensation for the closure of the Old Zibo New Energy WTE Facility in Zibo City, Shandong Province, and Old Kunming Wuhua WTE Facility in Kunming, Yunnan Province. The Group has completed soil remediation for the Old Zibo New Energy WTE Facility and passed on-site acceptance. The assessment report on the remediation effect has been submitted to the Shandong Provincial Environmental Protection Department, and it is expected that land acquisition and storage can be completed within 2025, following which the Group may apply to the local government for compensation for the closure of the Old Zibo New Energy WTE Facility. Due to the sluggish real estate market in recent years, there have been difficulties in the auction of land, putting significant pressure on Kunming city's finances. After communication with the Kunming Soil Storage Center, it was agreed that the land acquisition and storage procedures and compensation negotiations would only begin after a buyer submits a bid to purchase the Old Kunming Wuhua WTE Facility's land. While continuing to promote the land acquisition and storage work, the Company is exploring an asset revitalization plan to address these challenges.

As of 30 June 2025, the Group has invested in 27 operational WTE facilities, 4 kitchen waste treatment facilities and 8 waste resource recycling facilities in the PRC with a total installed waste treatment capacity of 44,605 tonnes per day and installed capacity of 921MW. Furthermore, the Group has 6 projects under construction, 16 WTE projects in the preparatory stage in the PRC and overseas. 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 58,205 tonnes per day and 1,212MW upon the completion of these projects.

The Group continues to regard technology and management as core drivers of its growth, and is committed to leveraging innovation for sustainable development. In 1H2025, the project "Intelligent Optimization Control Technology and Application for the Entire Process of Solid Waste Energy Conversion with Multi-Data Coupling" that the Group participated in was awarded the First Prize for Scientific and Technological Progress by the China Environmental Protection Association for the year 2024. At the same time, the Group actively fulfills its social responsibilities, raising public awareness of environmental protection. The Tangshan Jiasheng WTE Facility in Hebei Province and the Baishan Green Energy WTE Facility in Jilin Province have been included in the list of national environmental protection facilities open for public tours. The inclusion of these facilities in the aforesaid list is a strong recognition of the Group's commitment towards its environmental and social objectives, which include raising public awareness of environmental protection. As of now, a total of 13 WTE facilities have been listed by the Ministry of Ecology and Environment as national facilities open for public tours.

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.

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. Dividends, if any, will usually be recommended in the announcement of the full year financial statements.

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
Purchases of materials from:			
Zhejiang Petroleum Fuel Oil Sales Co., Ltd.	Associate of Zheneng Group	-	451
Zhejiang Petroleum Integrated Energy Sales Co., Ltd.	Associate of Zheneng Group	-	493
Interest expenses to:			
Zhejiang Provincial Energy Group Finance Co., Ltd.	Associate of Zheneng Group	11,581	-
Interest income from:			
Zibo Green New Energy Co., Ltd.	Associate of Mr. Dou Zhenggang, a controlling shareholder of the Company	5,231	-
Total		16,812	944

Note: For interest income, the value of interest can be determined only after the quarter as the interest rate is based on the interest rate agreed in the financing agreement signed between Zibo Green New Energy Co., Ltd. and the third-party financial institution, and will be reviewed every quarter. Accordingly, disclosure of the aggregate value is based on the actual amount incurred for the period.

8. Negative Confirmation by the Board pursuant to Rule 705(5).

The Board has confirmed that to the best of its knowledge, nothing has come to its attention which may render the unaudited interim financial results of the Group for the half year ended 30 June 2025 to be false or misleading in any material aspect.

9. 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.

BY ORDER OF THE BOARD

Wei Dongliang
Executive Chairman
9 August 2025