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 2026

Condensed Interim Consolidated Statement of Comprehensive Income

	Note	Group Half year ended 30 June 2026 RMB'000	Group Half year ended 30 June 2025 RMB'000
Revenue	3	2,035,710	1,821,858
Cost of sales		(1,272,267)	(1,122,737)
Gross profit		763,443	699,121
Other income			
- Interest		13,678	16,773
- Others		96,958	69,197
Other gains and losses, net		(38,945)	(34,577)
Expenses			
- Administrative		(124,886)	(120,109)
- Finance		(160,757)	(194,646)
Share of profit of joint ventures		3,056	1,485
Profit before income tax		552,547	437,244
Income tax expense		(115,343)	(100,120)
Profit for the period	4	437,204	337,124
Other comprehensive loss			
Item that may be reclassified subsequently to profit or loss:			
Currency translation differences arising from consolidation		(23,014)	(662)
Other comprehensive loss, net of tax		(23,014)	(662)
Total comprehensive income for the period		414,190	336,462
Profit for the period attributable to:			
- equity holders of the Company		426,187	332,018
- non-controlling interests		11,017	5,106
		437,204	337,124
Total comprehensive income for the period attributable to:			
- equity holders of the Company		403,173	331,356
- non-controlling interests		11,017	5,106
		414,190	336,462
Earnings per share attributable to the equity holders of the Company: (RMB cents per share)			
Basic and diluted earnings per share	12	29.72	23.04

Condensed Interim Statement of Financial Position

	Note	Group As at 30.06.26 RMB'000	Group As at 31.12.25 RMB'000	Company As at 30.06.26 RMB'000	Company As at 31.12.25 RMB'000
ASSETS					
Current assets					
Cash and cash equivalents		696,773	511,456	53,418	59,897
Pledged bank deposits		1,235,700	1,544,355	-	-
Trade and other receivables	5	3,680,848	3,373,099	-	-
Amounts due from related parties	6(b)	168,668	268,663	787	816
Service concession receivables	7	68,088	68,088	-	-
Inventories		109,640	98,697	-	-
Total current assets		5,959,717	5,864,358	54,205	60,713
Non-current assets					
Other receivables	5	435,974	449,013	2,576,949	2,486,303
Service concession receivables	7	666,058	675,781	-	-
Property, plant and equipment	8	12,799,451	12,523,938	-	-
Investments in associates		15,288	15,288	-	-
Investments in joint ventures		382,810	289,754	5,039	5,039
Investments in subsidiaries		-	-	601,828	601,828
Investment property		36,086	36,597	-	-
Intangible assets	9	4,346,815	4,363,807	-	-
Total non-current assets		18,682,482	18,354,178	3,183,816	3,093,170
Total assets		24,642,199	24,218,536	3,238,021	3,153,883
LIABILITIES					
Current liabilities					
Trade and other payables		1,795,889	1,943,475	85,592	89,258
Amounts due to related parties	6(b)	2,346	15,426	-	-
Borrowings and lease liabilities	10	4,757,593	4,529,014	1,634,070	1,184,398
Income tax liabilities		220,061	202,046	-	-
Total current liabilities		6,775,889	6,689,961	1,719,662	1,273,656
Net current liabilities		(816,172)	(825,603)	(1,665,457)	(1,212,943)
Non-current liabilities					
Trade and other payables		747,336	658,686	-	-
Borrowings and lease liabilities	10	7,763,259	7,651,080	-	-
Deferred tax liabilities		984,087	972,027	-	-
Provision for major overhauls		38,139	38,139	-	-
Total non-current liabilities		9,532,821	9,319,932	-	-
Total liabilities		16,308,710	16,009,893	1,719,662	1,273,656
NET ASSETS		**8,333,489**	**8,208,643**	**1,518,359**	**1,880,227**
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	11	96	96	96	96
Share premium	11	1,036,850	1,319,477	1,036,850	1,319,477
Treasury shares		(45,633)	(45,633)	(45,633)	(45,633)
Other reserves		1,003,608	1,009,244	1,057,112	1,057,112
Retained profits / (accumulated losses)		6,231,620	5,805,433	(530,066)	(450,825)
		8,226,541	8,088,617	1,518,359	1,880,227
Non-controlling interests		106,948	120,026	-	-
Total equity		**8,333,489**	**8,208,643**	**1,518,359**	**1,880,227**

Condensed Interim Consolidated Statement of Changes in Equity

	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													
At 1 January 2026	96	1,319,477	(45,633)	393,694	(67,240)	615,752	(35,776)	17,509	85,305	5,805,433	8,088,617	120,026	8,208,643
Profit for the period	-	-	-	-	-	-	-	-	-	426,187	426,187	11,017	437,204
Other comprehensive loss for the period	-	-	-	-	-	-	(23,014)	-	-	-	(23,014)	-	(23,014)
Total comprehensive income for the period	-	-	-	-	-	-	(23,014)	-	-	426,187	403,173	11,017	414,190
<u>Appropriation and use of safety production expenses</u>													
Appropriation to special reserves	-	-	-	-	-	-	-	16,695	-	-	16,695	-	16,695
Use of special reserves	-	-	-	-	-	-	-	(11,812)	-	-	(11,812)	-	(11,812)
<u>Transactions with owners, recognised directly in equity</u>													
Dividend paid	-	(282,627)	-	-	-	-	-	-	-	-	(282,627)	-	(282,627)
<u>Changes in ownership interests in subsidiaries</u>													
Acquisition of additional interest in a subsidiary	-	-	-	-	12,495	-	-	-	-	-	12,495	(24,095)	(11,600)
At 30 June 2026	96	1,036,850	(45,633)	393,694	(54,745)	615,752	(58,790)	22,392	85,305	6,231,620	8,226,541	106,948	8,333,489

	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													
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)	-	-	332,018	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	7,853,521

	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													
At 1 July 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	7,853,521
Profit for the period	-	-	-	-	-	-	-	-	-	392,759	392,759	6,970	399,729
Other comprehensive loss for the period	-	-	-	-	-	-	(24,657)	-	-	-	(24,657)	-	(24,657)
Total comprehensive income for the period	-	-	-	-	-	-	(24,657)	-	-	392,759	368,102	6,970	375,072
<u>Appropriation and use of safety production expenses</u>													
Appropriation to special reserves	-	-	-	-	-	-	-	16,273	-	-	16,273	-	16,273
Use of special reserves	-	-	-	-	-	-	-	(18,937)	-	-	(18,937)	-	(18,937)
<u>Appropriation for statutory surplus reserve</u>													
Appropriation to other reserves	-	-	-	-	-	170,980	-	-	-	(170,980)	-	-	-
<u>Transactions with owners, recognised directly in equity</u>													
Purchase of treasury shares	-	-	(8,089)	-	-	-	-	-	-	-	(8,089)	-	(8,089)
Capital contribution from non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	4,381	4,381
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(13,578)	(13,578)
<u>Changes in ownership interests in subsidiaries</u>													
Additional capital injection from the Group	-	-	-	-	352	-	-	-	-	-	352	(352)	-
At 31 December 2025	96	1,319,477	(45,633)	393,694	(67,240)	615,752	(35,776)	17,509	85,305	5,805,433	8,088,617	120,026	8,208,643

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 2026	96	1,319,477	(45,633)	1,057,112	(450,825)	1,880,227
Loss and total comprehensive loss for the period	-	-	-	-	(79,241)	(79,241)
Transactions with owners, recognised directly in equity						
Dividend paid	-	(282,627)	-	-	-	(282,627)
At 30 June 2026	96	1,036,850	(45,633)	1,057,112	(530,066)	1,518,359
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
Transactions with owners, recognised directly in equity						
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 July 2025	96	1,319,477	(37,544)	1,057,112	(399,432)	1,939,709
Loss and total comprehensive loss for the period	-	-	-	-	(51,393)	(51,393)
Transactions with owners, recognised directly in equity						
Purchase of treasury shares	-	-	(8,089)	-	-	(8,089)
At 31 December 2025	96	1,319,477	(45,633)	1,057,112	(450,825)	1,880,227

Condensed Interim Consolidated Statement of Cash Flows

	Group Half year ended 30 June 2026 RMB'000	Group Half year ended 30 June 2025 RMB'000
Cash flows from operating activities		
Profit before tax	552,547	437,244
Adjustments for:		
- Amortisation of intangible assets	114,401	109,933
- Deferred grant recognised	(19,561)	(12,230)
- Depreciation of investment property	511	562
- Depreciation of property, plant and equipment	330,710	287,669
- Depreciation of right-of-use assets	7,534	7,799
- Finance expenses	160,757	194,646
- Foreign exchange losses	29,389	19,850
- Financial income under service concession arrangements	(25,054)	(24,733)
- Bank interest income	(13,678)	(16,773)
- (Gain)/Loss on disposal of property, plant and equipment	(14)	30
- Loss on change in fair value of derivative financial instruments	-	12,382
- Share of profit of joint ventures	(3,056)	(1,485)
	1,134,486	1,014,894
Change in working capital		
- Trade and other receivables	(371,481)	(318,121)
- Service concession receivables	34,777	33,874
- Inventories	(10,943)	32,906
- Intangible assets	(97,409)	-
- Trade and other payables	(87,101)	(234,680)
- Amount due from related parties	6,995	(4,878)
- Amount due to related parties	(13,080)	(292)
Cash generated from operations	596,244	523,703
Income tax paid	(97,759)	(66,347)
Net cash generated from operating activities	**498,485**	**457,356**
Cash flows from investing activities		
Interest received	13,678	16,773
Additions to property, plant and equipment	(532,931)	(738,762)
Additions to intangible assets - software	(1,816)	(896)
Government grants received for acquisition of property, plant and equipment	95,799	-
Investment in a joint venture	(93,000)	-
Receipt of non-trade amount due from a joint venture	93,000	-
Dividend received from a joint venture	3,000	-
Payment for acquisition of non-controlling interests	(11,600)	-
Change in bank deposits pledged	18,800	(26,940)
Proceed from disposal of property, plant and equipment	3,460	-
Net cash used in investing activities	**(411,610)**	**(749,825)**
Cash flows from financing activities		
Proceeds from borrowings	6,516,134	6,269,627
Repayment of borrowings	(6,269,369)	(5,585,897)
Payment of finance costs	(152,777)	(199,496)
Capital contributions from non-controlling interests	-	1,275
Dividends paid to owners of the Company	(282,627)	(182,643)
Dividends paid to non-controlling interests	-	(2,866)
Pledged bank deposits for borrowings	289,855	(85,410)
Settlement gain from derivative financial instruments	-	19,440
Repayment of lease liabilities	(1,510)	-
Purchase of treasury shares	-	(19,198)
Net cash generated from financing activities	**99,706**	**214,832**
Net increase/(decrease) in cash and cash equivalents	186,581	(77,637)
Cash and cash equivalents		
Cash and cash equivalents at beginning of the period	511,456	600,381
Effects of currency translation on cash and cash equivalents	(1,264)	(6,455)
Cash and cash equivalents at the end of the period	**696,773**	**516,289**

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 2026 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 2026 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 2025. The condensed interim financial statements do not include all the information required for a 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 2025.

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 2026, the Group was in a negative working capital position with the current liabilities of the Group exceeding the current assets by approximately RMB816.2 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 has 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 2026;

(B) the Group has continued to generate operating profits in the half year ended 30 June 2026 and been able to generate positive cash flows from its operations;

(C) as at the date of this announcement, the Group has RMB4,440 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 2026, 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 9 April 2026). RMB540 million has been included in current liabilities as at 30 June 2026;

   (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 broaden 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 cash flow 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 2025.

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 2025. An analysis of revenue is as follows:

Disaggregation of revenue from contracts with customers

	Group 1H2026 RMB'000	Group 1H2025 RMB'000
Waste-to-energy project construction and operation		
Waste-to-energy business		
- Sales of electricity	934,115	884,894
- Sales of steam	436,426	401,721
- Revenue from waste treatment and by-product	533,176	506,719
	1,903,717	1,793,334
Construction services provided under BOT concession agreements		
- Revenue from construction services provided under service concession agreements (Notes 7 and 9)	97,409	-
- Financial income under service concession agreements (Note 7)	25,054	24,733
	122,463	24,733
Total	2,026,180	1,818,067
Project technical and management service, equipment selection and sale and EMC business	9,530	3,791
Total revenue	**2,035,710**	**1,821,858**

Timing of revenue recognition

	Group 1H2026 RMB'000	Group 1H2025 RMB'000
At a point in time		
- Sales of electricity	934,115	884,894
- Sales of steam	436,426	401,721
- Revenue from by-product of waste treatment	100,418	74,811
	1,470,959	1,361,426
Over time		
- Revenue from waste treatment	432,758	431,908
- Revenue from construction services provided under service concession agreements (Notes 7 and 9)	97,409	-
- Project technical and management service and EMC business	9,530	3,791
	539,697	435,699
- Financial income under service concession agreements (Note 7)	25,054	24,733
Total revenue	**2,035,710**	**1,821,858**

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 1H2026 RMB'000	Group 1H2025 RMB'000
Profit for the period has been arrived at after charging/(crediting)		
Amortisation of intangible assets	114,401	109,933
Cost of inventories recognised as expense	368,836	310,572
Depreciation of investment property	511	562
Depreciation of property, plant and equipment	330,710	287,669
Depreciation of right-of-use assets	7,534	7,799
Employee compensation	198,868	190,352
Foreign exchange losses	30,653	26,305
Government grants	(19,561)	(12,230)
Value added tax refund	(53,708)	(33,605)
(Gain)/Loss on disposal of property, plant and equipment	(14)	30
Loss on change in fair value of derivative financial instruments	-	12,382
Under provision of tax in prior years	3,414	4,014

5. Trade and other receivables

	Group As at 30 June 2026 RMB'000	Group As at 31 December 2025 RMB'000
Trade receivables - third parties	3,063,009	2,797,845
Less: Loss allowance	(48,075)	(48,075)
Bills receivables	11,070	5,218
	3,026,004	2,754,988
Amount due from non-controlling interests - trade	76,329	73,065
Total trade and bills receivables	3,102,333	2,828,053
Advances to suppliers (Note (i))	275,034	268,437
Other receivables (Note (ii))	313,243	345,276
Less: Loss allowance	(22,102)	(22,102)
Sub-total of other receivables	291,141	323,174
Other tax recoverable		
- Value added tax recoverable	433,568	368,121
- Others	23	25
Prepayments	14,723	34,302
Total trade and other receivables	4,116,822	3,822,112
Analysed for reporting purposes as:		
- Current assets	3,680,848	3,373,099
- Non-current assets	435,974	449,013
	4,116,822	3,822,112

(i) 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.

(ii) 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.

6. Related party balances and transactions

Zheneng Group is the largest shareholder of the Company whilst Hangzhou Jinjiang Group Co., Ltd. ("**Jinjiang Group**") is another substantial shareholder of the Company (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 1H2026 RMB'000	Group 1H2025 RMB'000
Companies in which Zheneng Group has control over:		
- Purchases of materials	637	944
- Interest expense	5,634	7,004
Companies in which Jinjiang Group has control over:		
- Rental income	(462)	(462)
Joint ventures:		
- Interest income	(3,012)	(4,935)

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

	Group As at 30 June 2026 RMB'000	Group As at 31 December 2025 RMB'000
Trade:		
Amounts due from companies in which the major shareholders have control over	16,983	17,139
Amounts due from joint ventures	1,730	1,730
	18,713	18,869
Non-trade:		
Amounts due from a joint venture	149,955	249,794
	168,668	268,663
Trade:		
Amounts due to companies in which the major shareholders have control over	1,500	14,422
Amounts due to joint ventures	120	120
	1,620	14,542
Non-trade:		
Amounts due to companies in which the major shareholders have control over	296	448
Amounts due to joint ventures	430	436
	726	884
	2,346	15,426

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. During the current period, the Group recovered a total of RMB103 million, comprising both the principal amount of the advances and the related interest.

7. Service concession receivables

	Group As at 30 June 2026 RMB'000	Group As at 31 December 2025 RMB'000
Service concession receivables	735,996	745,719
Less: Loss allowance	(1,850)	(1,850)
Less: Amount due within one year shown under current assets	(68,088)	(68,088)
Service concession receivables due after one year	666,058	675,781
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	435,423	445,146
	735,996	745,719

8. Property, plant and equipment

	Property, plant and equipment RMB'000	Right-of-use assets RMB'000	Total RMB'000
<u>**Group**</u>			
Cost			
At 1 January 2025	14,923,709	644,583	15,568,292
Additions	2,012,871	25,185	2,038,056
Transfer to expenses	(1,002)	-	(1,002)
Disposals	(20,277)	-	(20,277)
Exchange difference	(2,580)	(4,567)	(7,147)
At 31 December 2025	16,912,721	665,201	17,577,922
Additions	657,397	-	657,397
Disposals	(3,935)	-	(3,935)
Transfer	(76,105)	-	(76,105)
Exchange difference	(37,974)	(5,284)	(43,258)
At 30 June 2026	17,452,104	659,917	18,112,021
Accumulated depreciation			
At 1 January 2025	(4,267,503)	(156,607)	(4,424,110)
Depreciation for the year	(598,946)	(15,599)	(614,545)
Disposals	10,464	-	10,464
Exchange difference	5	-	5
At 31 December 2025	(4,855,980)	(172,206)	(5,028,186)
Depreciation for the year	(330,710)	(7,534)	(338,244)
Disposals	3,553	-	3,553
Transfer	76,105	-	76,105
At 30 June 2026	(5,107,032)	(179,740)	(5,286,772)
Accumulated impairment			
At 1 January 2025, 31 December 2025 and 30 June 2026	(25,798)	-	(25,798)
Carrying amount			
At 30 June 2026	12,319,274	480,177	12,799,451
At 31 December 2025	12,030,943	492,995	12,523,938

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 2026 and financial year ended 31 December 2025.

9. Intangible assets

	Group As at 30 June 2026 RMB'000	Group As at 31 December 2025 RMB'000
Software	17,635	19,222
Service concession arrangement (Note (a))	4,329,180	4,344,585
	4,346,815	4,363,807

(a) Service concession arrangement

	Group As at 30 June 2026 RMB'000	Group As at 31 December 2025 RMB'000
Cost		
At 1 January 2026/1 January 2025	5,641,001	5,564,229
Additions	97,409	76,772
At 30 June 2026/31 December 2025	5,738,410	5,641,001
Accumulated amortisation		
At 1 January 2026/1 January 2025	(1,296,416)	(1,098,845)
Amortisation	(112,814)	(197,571)
At 30 June 2026/31 December 2025	(1,409,230)	(1,296,416)
Carrying amount	4,329,180	4,344,585

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 2026 and 2025 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.

No impairment loss was recognised for the half year ended 30 June 2026 and the financial year ended 31 December 2025.

10. Borrowings and lease liabilities

	Group As at 30 June 2026 RMB'000	Group As at 31 December 2025 RMB'000
Amount repayable within one year or less, or on demand		
- Secured borrowings	2,469,975	2,633,466
- Unsecured borrowings	2,287,613	1,895,543
- Lease liabilities	5	5
	4,757,593	4,529,014
Amount repayable after one year		
- Secured borrowings	6,252,319	5,970,868
- Unsecured borrowings	1,510,940	1,675,891
- Lease liabilities	-	4,321
	7,763,259	7,651,080
Total borrowings and lease liabilities, net of transaction costs	12,520,852	12,180,094

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 2025: 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 2025	1,445,327,400	96	1,502,120
Less: Treasury shares	(11,206,900)	-	-
Less: Dividends paid	-	-	(182,643)
As at 31 December 2025	1,434,120,500	96	1,319,477
Less: Dividend paid	-	-	(282,627)
As at 30 June 2026, excluding treasury shares	1,434,120,500	96	1,036,850

Fully paid ordinary shares have a par value of US$0.00001 (2025: US$0.00001), carry one vote per share and carry a right to dividend, amounting to equivalent RMB96,000 (2025: RMB96,000).

There were no changes in the share capital of the Company during the half year ended 30 June 2026.

The total number of issued shares excluding treasury shares as at 30 June 2026 was 1,434,120,500 (31 December 2025: 1,434,120,500).

As at 30 June 2026, the Company held 19,904,200 (30 June 2025: 16,626,000) treasury shares which represented 1.37% (30 June 2025: 1.16%) 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 2026.

The Company had no convertibles or subsidiary holdings as at 30 June 2026 and 30 June 2025.

12. Earnings per share

	Group 1H2026	Group 1H2025
Basic and fully diluted earnings per share (RMB cents)	29.72	23.04
Weighted average number of shares (excluding treasury shares)	1,434,120,500	1,441,182,329

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 2026	Group As at 31 December 2025	Company As at 30 June 2026	Company As at 31 December 2025
Assets				
Net asset value per share (RMB cents)	573.63	564.01	105.87	131.11
Number of shares in issue (excluding treasury shares) at the end of the period	1,434,120,500	1,434,120,500	1,434,120,500	1,434,120,500

The net asset value per share as at 30 June 2026 and 31 December 2025 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.

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 2026 RMB'000	Group As at 31 December 2025 RMB'000
Property, plant and equipment	1,177,827	1,724,985

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 2026 to 30 June 2026			
Segment revenue			
External revenue	2,026,180	9,530	2,035,710
Inter-segment revenue	-	82,726	82,726
	2,026,180	92,256	2,118,436
Elimination	-	(82,726)	(82,726)
Revenue	2,026,180	9,530	2,035,710
Cost of inventories recognised as expense	368,553	283	368,836
Employee compensation	196,162	2,706	198,868
Segment profit	758,120	5,323	763,443
Government grants and VAT refund	73,190	79	73,269
Gain on disposal on property, plant and equipment	14	-	14
Foreign exchange losses			(30,653)
Other income and other gain/(loss)			29,061
Administrative expenses			(124,886)
Finance costs			(160,757)
Share of profit of joint ventures			3,056
Profit before tax			552,547
As at 30 June 2026			
Assets and Liabilities			
Segment assets	21,259,111	453,395	21,712,506
Unallocated			2,929,693
Consolidated total assets			24,642,199
Segment liabilities	14,783,751	209,500	14,993,251
Unallocated			1,315,459
Consolidated total liabilities			16,308,710
1 January 2026 to 30 June 2026			
Other segment information			
Depreciation and amortisation	447,507	5,649	453,156
Additions to non-current assets	754,783	49	754,832

	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 31 December 2025			
Assets and Liabilities			
Segment assets	20,810,045	429,698	21,239,743
Unallocated			2,978,793
Consolidated total assets			24,218,536
Segment liabilities	13,897,232	823,853	14,721,085
Unallocated			1,288,808
Consolidated total liabilities			16,009,893
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

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.

Information about major customers

For the half year ended 30 June 2026 and 2025, there was no single customer that accounted for 10% or more of the Group's revenue for the two reportable and operating segments.

Geographical information

The Group's operations are mainly located in the PRC. The Group's revenue from external customers and information about its non-current assets by geographical location of the assets are detailed below:

	Revenue RMB'000	Non-current assets RMB'000
30 June 2026		
PRC	2,035,710	18,098,907
Indonesia	-	554,420
Others	-	29,155
	2,035,710	18,682,482
31 December 2025		
PRC	3,784,870	17,796,164
Indonesia	-	527,305
Others	-	30,709
	3,784,870	18,354,178

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

1H2026 vs 1H2025

Revenue

	1H2026 RMB'000	%	1H2025 RMB'000	%	Change %
Waste-to-energy project construction and operation					
Waste-to-energy business					
- Sales of electricity	934,115	45.9	884,894	48.6	5.6
- Sales of steam	436,426	21.4	401,721	22.1	8.6
- Revenue from waste treatment and by-product	533,176	26.2	506,719	27.8	5.2
	1,903,717	93.5	1,793,334	98.4	6.2
Construction services provided under BOT concession agreements					
- Revenue from construction services provided under service concession agreements	97,409	4.8	-	-	-
- Financial income under service concession agreements	25,054	1.2	24,733	1.4	1.3
	122,463	6.0	24,733	1.4	395.1
Total	2,026,180	99.5	1,818,067	99.8	11.4
Project technical and management service, equipment selection and sale and EMC business	9,530	0.5	3,791	0.2	151.4
Total revenue	2,035,710	100.0	1,821,858	100.0	11.7

Details of the electricity generated and supplied, steam supplied and waste treated for 1H2026 and 1H2025 are as follows:

	Group 1H2026	Group 1H2025	Change %
Electricity generated ('000 KWh)	2,409,593	2,204,891	9.3
On-grid electricity supplied ('000 KWh)	1,953,048	1,773,036	10.2
Steam supplied ('000 tonnes)	2,767	2,586	7.0
Waste treated ('000 tonnes)	6,729	6,460	4.2

Gross profit and gross profit margin

	Gross Profit (RMB '000)		Gross Profit Margin	
	1H2026	1H2025	1H2026	1H2025
WTE business (excluding gross profit from construction services provided under BOT concession agreements)	719,780	673,353	37.81%	37.55%
Construction services provided under BOT concession agreements	13,286	-	13.64%	N.A
Financial income under service concession agreements	25,054	24,733	N.A	N.A
Project technical and management service and EMC business	5,323	1,035	55.86%	27.30%
Total	763,443	699,121	37.50%	38.37%

The increase in gross profit by RMB64.3 million from RMB699.1 million in 1H2025 to RMB763.4 million in 1H2026 and the decrease in gross profit margin by 0.87%. The decrease in gross profit margin was due to the lower gross profit margin of the construction services provided under BOT concession agreements compared with 1H2025, which lowered the Group's overall gross profit margin. Excluding the impact of the construction services provided under BOT concession agreements on the overall gross profit margin, the changes in gross profit were mainly attributable to:

<u>WTE business (excluding gross profit from construction services provided under BOT concession agreements)</u>

Revenue from our WTE business (excluding revenue from construction services provided under BOT concession agreements) increased by RMB110.4 million from RMB1,793.3 million in 1H2025 to RMB1,903.7 million in 1H2026. This was mainly attributable to (i) improved operational efficiency following technical upgrades and management optimisation at existing WTE plants, (ii) enhanced operating efficiency following the expansion projects and grate furnace upgrades, 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 RMB46.4 million or 6.9% from RMB673.4 million in 1H2025 to RMB719.8 million in 1H2026, mainly due to:

1. The improvement in operating efficiency following the expansion projects and grate furnace upgrades resulted in an increase in gross profit of RMB18.8 million in 1H2026 as compared to 1H2025, mainly driven by the 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 decreased by RMB8.5 million in 1H2026 as compared to 1H2025, mainly due to change in the coal-linked electricity pricing mechanism to a competitive bidding mechanism, resulting in lower electricity revenue, which together reduced gross profit by RMB5.9 million, and fluctuations in waste availability and the temporary reduction in capacity resulting from technical upgrades to the waste incineration units, which reduced gross profit by RMB2.6 million.

3. The gross profit of the other existing WTE facilities increased by RMB36.2 million in 1H2026 as compared to 1H2025. The increase was mainly attributable to (i) increase of RMB10.0 million in gross profit due to higher electricity generation per tonne of waste processed following technical upgrades and management optimisation, (ii) increase of RMB25.6 million in gross profit due to higher revenue from slag by-products, (iii) increase of RMB9.8 million in gross profit due to continued cost control over environmental protection consumables, resulting in lower related costs as compared to 1H2025, and (iv) increase of RMB6.3 million in gross profit due to the expansion of the steam customer base and higher steam demand from existing customers. These increases were partially offset by decrease of RMB15.5 million in gross profit due to lower electricity tariffs following the expiry of national and provincial subsidies for certain facilities.

The gross profit margin increased from 37.55% in 1H2025 to 37.81% in 1H2026. As mentioned above, this is mainly due to higher electricity generation per tonne of waste processed at existing WTE facilities, enhanced operational efficiency following expansion or technical upgrades, and higher revenue from slag by-products.

<u>Construction services provided under BOT concession agreements</u>

The gross profit from construction services provided under BOT concession agreements (including financial income) increased by RMB13.6 million from RMB24.7 million in 1H2025 to RMB38.3 million in 1H2026. This was primarily due to an increase in BOT project construction activities in 1H2026, whereas there were no BOT construction activities in 1H2025.

<u>Project technical and management services, equipment selection and sale and EMC business</u>

The gross profit from project technical and management services, equipment selection and sale and EMC business increased from RMB1.0 million in 1H2025 to RMB5.3 million in 1H2026. This was mainly due to fluctuations in the project technical and management services.

Other income

	Group	Group		
	1H2026	1H2025	Increase / (Decrease)	Change
	RMB'000	RMB'000	RMB'000	+/(-) %
Bank interest income	13,678	16,773	(3,095)	(18.5)
Government grants	19,561	12,230	7,331	59.9
Value added tax refund	53,708	33,605	20,103	59.8
Gain on sales of scrap materials	20,677	18,427	2,250	12.2
Interest income from joint ventures and others	3,012	4,935	(1,923)	(39.0)
Other income	110,636	85,970	24,666	28.7

Other income increased by RMB24.7 million or 28.7%, from RMB85.9 million in 1H2025 to RMB110.6 million in 1H2026, mainly due to (i) increase of RMB20.1 million in value added tax refund, and (ii) increase of RMB7.3 million in government grants.

Other gains and losses, net

	Group	Group		
	1H2026	1H2025	Increase / (Decrease)	Change
	RMB'000	RMB'000	RMB'000	+/(-) %
Foreign exchange losses	(30,653)	(26,305)	(4,348)	16.5
Loss on change in fair value of derivative financial instruments	-	(12,382)	12,382	N.A
Loss on disposal of property, plant and equipment	14	(30)	44	N.A
Others	(8,306)	4,140	(12,446)	N.A
Other gains and losses, net	(38,945)	(34,577)	(4,368)	12.6

In 1H2026, the Group recorded a net other loss of RMB38.9 million, compared to a net other loss of RMB34.6 million in 1H2025, resulting in a decrease in total profit of RMB4.3 million. This was mainly due to (i) increase in other losses of RMB12.4 million, mainly due to donation made by the Group's WTE facilities and other related expenses incurred in 1H2026, and (ii) higher foreign exchange losses resulting from the depreciation of the Indonesian Rupiah and the US dollar reduced total profit by RMB4.3 million compared with 1H2025. However, the increase was partially offset by the absence of the RMB12.4 million loss arising from changes in the fair value of derivative financial instruments in 1H2025, which did not recur in the current period, thereby increasing profit by RMB12.4 million in 1H2026.

Administrative expenses

Administrative expenses increased by RMB4.8 million from RMB120.1 million in 1H2025 to RMB124.9 million in 1H2026, mainly due to increase in staff headcount for new projects in line with project progress, resulting in higher staff costs accrued in 1H2026 compared with 1H2025.

Finance costs

Finance costs decreased by RMB33.8 million from RMB194.6 million in 1H2025 to RMB160.8 million in 1H2026, mainly due to the reduction in financing costs following reduction in the loan prime rate (LPR) and the Group’s proactive refinancing of loans ahead of their scheduled maturities, and other financing optimisation measures, including negotiating lower interest rates with banks.

Profit before tax

As a result of the foregoing, profit before tax increased by RMB115.3 million from RMB437.2 million in 1H2025 to RMB552.5 million in 1H2026.

Income tax expense

Income tax expenses increased RMB15.2 million to RMB115.3 million in 1H2026 as compared to 1H2025 mainly due to the increase in total profit of profitable enterprises in China. In 1H2026, the 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 exemption period.

Other comprehensive loss

Other comprehensive loss arising from foreign currency translation for 1H2026 and 1H2025 were mainly attributable to foreign exchange translation differences arising from exchange rate fluctuations between the Indonesian Rupiah and Renminbi in respect of the net assets of the Group's Indonesian project.

Total comprehensive income for the period

As a result of the foregoing, total comprehensive income for the period increased from RMB336.5 million in 1H2025 to RMB414.2 million in 1H2026.

Statement of Financial Position

	30 June 2026 RMB Million	**31 December 2025 RMB Million**	**Increase / (Decrease) RMB Million**	**Increase / (Decrease) %**
Current assets	5,959.7	5,864.4	95.3	1.6
Non-current assets	18,682.5	18,354.1	328.4	1.8
Total assets	24,642.2	24,218.5	423.7	1.7
Current liabilities	6,775.9	6,690.0	85.9	1.3
Non-current liabilities	9,532.8	9,319.9	212.9	2.3
Total liabilities	16,308.7	16,009.9	298.8	1.9
Capital and reserves	8,333.5	8,208.6	124.9	1.5

Current assets

The increase was mainly due to (i) increase of RMB307.7 million or 9.1% in trade and other receivables from RMB3,373.1 million as at 31 December 2025 to RMB3,680.8 million as at 30 June 2026, mainly due to higher receivables from governments, (ii) increase of RMB185.3 million or 36.2% in cash and cash equivalents from RMB511.5 million as at 31 December 2025 to RMB696.8 million as at 30 June 2026, partially offset by (iii) decrease of RMB308.7 million or 20.0% in pledged bank deposits from RMB1,544.4 million as at 31 December 2025 to RMB1,235.7 million as at 30 June 2026.

Non-current assets

The increase was mainly attributable to additions to property, plant and equipment arising from the construction progress of new and expansion BOO projects. In particular, property, plant and equipment increased by RMB275.5 million from RMB12,523.9 million as at 31 December 2025 to RMB12,799.5 million as at 30 June 2026, due to the 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.

Current liabilities

The increase was mainly due to (i) increase of RMB228.6 million or 5.0% in current borrowings and lease liabilities from RMB4,529.0 million as at 31 December 2025 to RMB4,757.6 million as at 30 June 2026, partially offset by (ii) the decrease of RMB147.6 million or 7.6% in trade and other payables from RMB1,943.5 million as at 31 December 2025 to RMB1,795.9 million as at 30 June 2026, mainly due to the reduction in construction-related payables.

Non-current liabilities

The increase is mainly due to (i) non-current borrowings and lease liabilities increasing RMB112.2 million or 1.5% from RMB7,651.1 million as at 31 December 2025 to RMB7,763.3 million as at 30 June 2026, and (ii) non-current trade and other payables increasing RMB88.7 million or 13.5% from RMB658.7 million as at 31 December 2025 to RMB747.3 million as at 30 June 2026, mainly due to the increase in deferred grant recognised in relation to central government budget funds and ultra-long-term special government bond.

Capital and reserves

The increase of RMB124.9 million or 1.5% from RMB8,208.6 million as at 31 December 2025 to RMB8,333.5 million as at 30 June 2026, mainly due to the total comprehensive income for the period of RMB414.2 million, partially offset by dividend payment of RMB282.6 million.

Consolidated Statement of Cash Flows

	Group 1H2026 RMB Million
Net cash from operating activities	498.5
Net cash used in investing activities	(411.6)
Net cash from financing activities	99.7
Cash and cash equivalents at beginning of the period	511.5
Effects of currency translation on cash and cash equivalents	(1.3)
Cash and cash equivalents at the end of the period	696.8

In 1H2026, operating cash inflow was RMB498.5 million. This is mainly due to (i) operating cash inflow of RMB1,134.5 million before changes in working capital, after excluding non-recurring and non-cash gains/losses, (ii) decrease in cash inflow by RMB427.4 million arising from changes in trade and other receivables/payables and inventory balances, (iii) increase in activities for the construction of BOT projects (including the expansion project of Yinchuan Zhongke WTE Facility in Ningxia Hui Autonomous Region, the grate boiler renovation at the Gaomi Lilangmingde WTE Facility in Shandong Province, and other projects) resulting in operating cash outflow of RMB110.8 million, and (iv) income tax payments amounting to RMB97.8 million.

In 1H2026, investing cash outflow was RMB411.6 million. This was primarily attributable to capital expenditures of RMB532.9 million on the construction of fixed assets (including Jilin Xinxiang WTE Facility, Palembang WTE project in Indonesia, expansion project of Wuhan Jinjiang WTE Facility, and others) and payments for equipment.

In 1H2026, financing cash inflow was RMB99.7 million. This is mainly due to (i) new borrowings of RMB6,516.1 million, including the renewal of loans, new borrowings, project financing, as well as new or refinanced lease financing, (ii) cash inflows of RMB289.9 million from the decrease in pledged bank deposits for borrowings, partially offset by (iii) repayment or early repayment of borrowings and finance costs of RMB6,422.1 million, and (iv) dividend paid of RMB282.6 million.

Bank balances and cash as at 30 June 2026 were RMB696.8 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 the first half of 2026, the Chinese government adhered to the general principle of pursuing progress while ensuring stability, effectively implemented a more proactive and impactful macroeconomic policy, and kept the economy operating within an appropriate range despite headwinds. The Chinese economy continued to demonstrate resilience, with gross domestic product (GDP) growing by 4.7% year-on-year.

Domestic energy supply remained stable and orderly, with the share of clean energy consumption steadily increasing, the pace of green and low-carbon energy transition accelerating, and the capacity for supply security and system resilience continuing to improve.

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

- In January 2026, the State Council issued the Action Plan for Comprehensive Solid Waste Treatment (the "Plan"), which sets forth quantitative development targets for 2030, namely, achieving an annual comprehensive utilisation volume of 4.5 billion tonnes of bulk solid waste and 510 million tonnes of recycled resources, and completing comprehensive treatment of over 60% of the historically accumulated solid waste stockpile sites. The Plan permits the co-incineration of domestic waste and general industrial solid waste, which will help maximise the utilisation of the Group's existing treatment capacity and enhance the overall utilisation efficiency of its solid waste treatment facilities.

- In April 2026, the General Office of the Central Committee of the Communist Party of China and the General Office of the State Council issued the Opinions on Achieving Higher-Standard and Higher-Quality Energy Conservation and Carbon Reduction, which coordinates energy conservation and carbon reduction retrofitting efforts across various industries and incorporates solid waste recycling, waste tyre resource utilisation, and boiler slag comprehensive utilisation projects into the scope of special fund support. It also mandates source-based control over total solid waste generation and promotes the large-scale implementation of waste incineration residual heat comprehensive utilisation and cogeneration models. Accordingly, projects undertaken by the Group, including boiler slag resource utilisation project, residual heat heating retrofits, and the waste tyre resource utilisation initiative currently under exploration, may qualify for special state funding for energy conservation and carbon reduction, further enabling WTE facilities to transform and upgrade from a single power generation business to a diversified operational model.

- In May 2026, the National Development and Reform Commission (the "NDRC") and the National Energy Administration (the "NEA") issued the Notice on Orderly Promoting the Development of Multi-User Green Power Direct Connection, which introduced a major upgrade to the green power direct connection mechanism, expanding it from "one-on-one single-point direct supply" to "one-to-many cluster direct connection". The policy explicitly supports biomass power generation projects such as waste incineration to build dedicated green power direct supply lines and prioritises multi-party point-to-point green power direct supply to zero-carbon industrial parks, data centres, and other industrial parks. The Group, on the one hand, may benefit from premium pricing through green power direct connection transactions, and on the other hand, leveraging the stable baseload power supply and residual heat resources from waste incineration, is well-positioned to develop an integrated energy service model of "solid waste disposal + green power direct supply + cascade utilisation of residual heat".

- In June 2026, the NDRC and the NEA issued the 15th Five-Year Plan for the Development of a New Energy System, which requires biomass power generation to be positioned as a key layout segment for distributed energy and basic energy supply for industrial parks, and supports WTE projects with the construction of energy storage facilities and integrated residual heat heating stations. This further strengthens the strategic role of biomass energy from waste incineration within the energy system, with policy preferences extended to the approval of new construction and renovation projects; supporting facilities such as energy storage and integrated energy projects in zero-carbon industrial parks may qualify for dedicated policy support, helping enterprises to extend their upstream and downstream industry chains and enhance the overall value of their projects.

In addition, during 1H2026, the national ultra-long-term special treasury bonds and the central budget investment policies for pollution control and energy conservation and carbon reduction continued to gain momentum. The ultra-long-term special treasury bonds continued to include WTE equipment upgrades and ultra-low flue gas emission retrofits within their scope of support, while the central budget special funds focused on supporting projects such as upgrades of existing WTE facilities and fly ash resource utilisation, primarily through investment subsidies, guiding the industry to accelerate the replacement and upgrading of aged equipment and improve energy conservation, carbon reduction and resource utilisation levels, effectively easing the funding pressures of various projects. In 1H2026, the Group secured RMB242.75 million in government policy support funds, which will continue to support the implementation of projects including equipment upgrades at existing plants, ultra-low flue gas emission retrofits, and fly ash resource utilisation.

(B) Operational Matters

In 1H2026, the Group remained focused on green, low-carbon and high-quality development, and coordinated efforts to enhance the quality and efficiency of existing projects, bring renovation and expansion projects into operation, advance new construction projects, and expand its heating and steam supply businesses. Amid intensifying industry competition and a complex and volatile external environment, the Group continued to expand its solid waste treatment capacity, with steady improvements in its overall operational capabilities and industry influence.

Project commissioning and technical renovation and expansion progressed in an orderly manner, with continued expansion of treatment and installed capacity. The expansion project of the Wuhan Jinjiang WTE Facility in Hubei Province, comprising two boilers and two turbines, was commissioned, increasing the waste treatment capacity of the facility to 4,000 tonnes per day and its installed capacity to 145 MW. At the same time, a number of technical renovation and expansion projects commenced construction, including the No. 2 grate boiler renovation at the Gaomi Lilangmingde WTE Facility in Shandong Province, the No. 0 boiler renovation at the Zhuji Bafang Power Plant in Zhejiang Province, the renovation project of the Jilin Xinxiang WTE Facility in Jilin Province, the Phase III (Stage I) of the Yinchuan Zhongke WTE Facility in Ningxia Hui Autonomous Region, and the grate boiler renovation at the Songyuan Xinxiang WTE Facility in Jilin Province.

As of 30 June 2026, the Group has invested in 28 operational WTE facilities, 5 kitchen waste treatment facilities and 8 waste resource recycling facilities in the PRC with a total installed waste treatment capacity of 47,705 tonnes per day and installed capacity of 1,065 MW. Furthermore, the Group has 11 projects under construction and 10 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 56,855 tonnes per day and 1,201 MW upon the completion of these projects.

The Group also continued to deepen its value-added heating and steam supply businesses. During the first half of 2026, the district heating project and mobile heating project in the Wuchang Jiangxia District of Wuhan, Hubei Province, the district heating renovation project of the Yinchuan Zhongke WTE Facility in Ningxia Hui Autonomous Region, and the district heating project (Phase II) from the Yunnan Green Energy WTE Facility in Kunming, Yunnan Province to the Yunnan Haikou Industrial Park continued to operate steadily.

As of 30 June 2026, 17 facilities are operating heating or steam supply projects, and 1 heating supply project is under construction, and 5 heating or steam supply projects are in the planning stage.

The Group is also continuing to follow up on the progress of 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 the soil remediation works for the Old Zibo Energy WTE Facility and has passed the on-site acceptance. The remediation assessment report has been submitted to the Shandong Provincial Department of Ecology and Environment. Upon approval of the assessment report and completion of the land acquisition by the local government, the Group may apply for closure compensation from the local government. Due to the sluggish real estate market in recent years, the land auctions have been challenging, placing financial pressure on Kunming City. After discussion with the Kunming Soil Storage Center, it was agreed that the land acquisition and compensation negotiations will begin only after a buyer submits a bid to purchase the Old Kunming Wuhua WTE Facility's land. While advancing land acquisition efforts, the Company plans to initiate an asset revitalization plan to address these challenges.

In 1H2026, Zheneng Jinjiang Environment brand-building efforts achieved notable progress and the Group received multiple industry honours, including the "Polaris Cup" ESG Excellence Practice Enterprise Award and the 2025 Waste-to-Energy Influential Employer Starlight Excellence Award. Seven of the Group's WTE facilities received special awards including "Benchmark Operation Management Plant", "County-Level Waste Incineration Treatment Benchmark Project", "Innovative Development Plant", "Outstanding Environmental Science Education Base", and "Outstanding Talent Development Base", demonstrating continued industry recognition of the Group's comprehensive strengths in operation management, talent development, and environmental education and public outreach.

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.

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	-	299
Zhejiang Petroleum Integrated Energy Sales Co., Ltd	Associate of Zheneng Group	-	338
Interest expenses to:			
Zhejiang Provincial Energy Group Finance Co., Ltd.	Associate of Zheneng Group	11,521	-
Interest income from:			
Zibo Green New Energy Co., Ltd.	Associate of Mr. Dou Zhenggang, a controlling shareholder of the Company	3,193	-
Total		14,714	637

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 2026 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
13 August 2026