



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 2024

Condensed Interim Consolidated Statement of Comprehensive Income

	Group Half year ended 30 June 2024	Group Half year ended 30 June 2023
Note	RMB'000	RMB'000
Revenue	1,753,190	1,936,938
Cost of sales	(1,176,443)	(1,352,399)
Gross profit	576,747	584,539
Other income		
- Interest	18,090	20,318
- Others	129,407	111,439
Other gains and losses, net	(50,166)	(16,707)
Expenses		
- Administrative	(133,588)	(121,900)
- Finance	(231,260)	(212,557)
- Others	(8,970)	-
Share of profit/(loss) of joint ventures	2,253	(163)
Profit before income tax	302,513	364,969
Income tax expense	(94,737)	(84,592)
Profit for the period	207,776	280,377
Other comprehensive income		
<i>Item that may be reclassified subsequently to profit or loss:</i>		
Currency translation differences arising from consolidation	(371)	16,379
Currency translation differences reclassified to profit or loss on disposal of foreign operations	44,964	-
Other comprehensive income, net of tax	44,593	16,379
Total comprehensive income for the period	252,369	296,756
Profit for the period attributable to:		
- equity holders of the Company	206,906	266,309
- non-controlling interests	870	14,068
	207,776	280,377
Total comprehensive income for the period attributable to:		
- equity holders of the Company	251,499	282,688
- non-controlling interests	870	14,068
	252,369	296,756
Earnings per share attributable to the equity holders of the Company: (RMB cents per share)		
Basic and diluted earnings per share	12 14.23	18.32

Condensed Interim Statement of Financial Position

	Note	Group As at 30.06.24 RMB'000	Group As at 31.12.23 RMB'000	Company As at 30.06.24 RMB'000	Company As at 31.12.23 RMB'000
ASSETS					
Current assets					
Cash and cash equivalents		649,860	462,426	189,140	182,330
Pledged bank deposits		1,724,768	1,411,938	17,909	1,841
Trade and other receivables	5	3,264,756	2,947,267	-	-
Amounts due from related parties	6(b)	263,103	258,354	789	804
Service concession receivables	7	68,088	68,088	-	-
Derivative financial instruments		7,045	-	-	-
Inventories		124,427	126,532	-	-
Total current assets		6,102,047	5,274,605	207,838	184,975
Non-current assets					
Other receivables	5	187,887	165,565	3,100,128	2,953,794
Service concession receivables	7	704,854	714,152	-	-
Property, plant and equipment	8	10,913,958	10,835,918	-	-
Investments in associates		14,044	14,044	-	-
Investments in joint ventures		281,254	279,000	5,039	5,039
Investments in subsidiaries		-	-	1,799,828	1,799,828
Investment property		27,107	27,711	-	-
Intangible assets	9	4,535,465	4,637,015	-	-
Total non-current assets		16,664,569	16,673,405	4,904,995	4,758,661
Total assets		22,766,616	21,948,010	5,112,833	4,943,636
LIABILITIES					
Current liabilities					
Trade and other payables		1,905,638	2,121,493	1,967,411	1,983,083
Amounts due to related parties	6(b)	30,503	31,951	-	-
Borrowings and lease liabilities	10	5,005,084	4,175,372	1,331,429	1,153,799
Derivative financial instruments		16,291	-	-	-
Income tax liabilities		145,364	137,618	-	-
Total current liabilities		7,102,880	6,466,434	3,298,840	3,136,882
Net current liabilities		(1,000,833)	(1,191,829)	(3,091,002)	(2,951,907)
Non-current liabilities					
Trade and other payables		351,928	351,386	-	-
Borrowings and lease liabilities	10	7,119,870	7,138,119	276,768	92,729
Deferred tax liabilities		836,017	789,938	-	-
Provision for major overhauls		33,220	33,220	-	-
Total non-current liabilities		8,341,035	8,312,663	276,768	92,729
Total liabilities		15,443,915	14,779,097	3,575,608	3,229,611
NET ASSETS		7,322,701	7,168,913	1,537,225	1,714,025
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	11	96	96	96	96
Share premium	11	1,502,120	1,601,100	1,502,120	1,601,100
Treasury shares		(1,584)	-	(1,584)	-
Other reserves		698,233	648,621	1,057,112	1,057,112
Retained profits / (accumulated losses)		5,003,797	4,796,891	(1,023,896)	(944,283)
		7,202,662	7,046,708	1,533,848	1,714,025
Non-controlling interests		120,039	122,205	-	-
Total equity		7,322,701	7,168,913	1,533,848	1,714,025

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 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)
	-	-	-	-	-	-	-	5,019	-	-	5,019	-	5,019
<u>Transactions with owners, recognised directly in equity</u>													
Purchase of treasury shares	-	-	(1,584)	-	-	-	-	-	-	-	(1,584)	-	(1,584)
Dividend paid	-	(98,980)	-	-	-	-	-	-	-	-	(98,980)	-	(98,980)
	-	(98,980)	(1,584)	-	-	-	-	-	-	-	(100,564)	-	(100,564)
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

	Attributable to equity holders of the Company												
	Share capital	Share premium	Treasury shares	Capital reserve	Merger reserve	Statutory surplus reserve	Foreign currency translation reserve	Special reserve	Other reserve	Retained profits	Total	Non-controlling interests	Total Equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Group													
At 1 January 2023	96	1,601,100	-	393,694	(67,642)	234,282	(67,689)	-	56,172	4,561,996	6,712,009	162,698	6,874,707
Profit for the period	-	-	-	-	-	-	-	-	-	266,309	266,309	14,068	280,377
Other comprehensive income for the period	-	-	-	-	-	-	16,379	-	-	-	16,379	-	16,379
Total comprehensive income for the period	-	-	-	-	-	-	16,379	-	-	266,309	282,688	14,068	296,756
Capital contribution from non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	2,200	2,200
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(2,875)	(2,875)
<u>Changes in ownership interests in subsidiaries</u>													
Acquisition of additional interests in a subsidiary	-	-	-	-	-	-	-	-	29,133	-	29,133	(52,776)	(23,643)
Winding up of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	(11,198)	(11,198)
At 30 June 2023	96	1,601,100	-	393,694	(67,642)	234,282	(51,310)	-	85,305	4,828,305	7,023,830	112,117	7,135,947
At 1 July 2023	96	1,601,100	-	393,694	(67,642)	234,282	(51,310)	-	85,305	4,828,305	7,023,830	112,117	7,135,947
Profit for the period	-	-	-	-	-	-	-	-	-	15,338	15,338	10,088	25,426
Other comprehensive loss for the period	-	-	-	-	-	-	(2,606)	-	-	-	(2,606)	-	(2,606)
Total comprehensive income for the period	-	-	-	-	-	-	(2,606)	-	-	15,338	12,732	10,088	22,820
<u>Appropriation and use of safety production expenses</u>													
Appropriation to special reserves	-	-	-	-	-	-	-	13,495	-	-	13,495	-	13,495
Use of special reserves	-	-	-	-	-	-	-	(3,349)	-	-	(3,349)	-	(3,349)
	-	-	-	-	-	-	-	10,146	-	-	10,146	-	10,146
<u>Transactions with owners, recognised directly in equity</u>													
Appropriation to other reserves	-	-	-	-	-	46,752	-	-	-	(46,752)	-	-	-
At 31 December 2023	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

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 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)
Dividend 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 January 2023	96	1,601,100	-	1,057,112	(834,752)	1,823,556
Loss and total comprehensive loss for the period	-	-	-	-	(40,141)	(40,141)
At 30 June 2023	96	1,601,100	-	1,057,112	(874,893)	1,783,415
At 1 July 2023	96	1,601,100	-	1,057,112	(874,893)	1,783,415
Loss and total comprehensive loss for the period	-	-	-	-	(69,390)	(69,390)
At 31 December 2023	96	1,601,100	-	1,057,112	(944,283)	1,714,025

Condensed Interim Consolidated Statement of Cash Flows

	Group Half year ended 30 June 2024 RMB'000	Group Half year ended 30 June 2023 RMB'000
Cash flows from operating activities		
Profit before tax	302,513	364,969
Adjustments for:		
- Amortisation of intangible assets	102,872	92,340
- Deferred grant recognised	(17,179)	(21,991)
- Depreciation of investment property	492	452
- Depreciation of property, plant and equipment	275,775	243,439
- Depreciation of right-of-use assets	8,546	8,271
- Finance expenses	231,260	212,557
- Foreign exchange losses	10,331	6,323
- Impairment loss on advances to suppliers	5,500	-
- Impairment loss on property, plant and equipment	3,470	-
- Financial income under service concession arrangements	(24,839)	(21,984)
- Bank interest income	(18,090)	(20,318)
- Loss on disposal of property, plant and equipment	219	179
- Loss on disposal of subsidiaries	31,317	-
- Loss on change in fair value of derivative financial instruments	9,246	-
- Gain on disposal of shares of a joint venture	-	(2,260)
- Share of (profit)/loss of joint ventures	(2,253)	163
	919,180	862,140
Change in working capital		
- Trade and other receivables	(377,123)	(141,735)
- Service concession receivables	34,137	7,008
- Inventories	2,105	10,006
- Intangible assets	-	(207,365)
- Trade and other payables	(98,747)	(87,572)
- Amount due from related parties	(4,749)	(7,785)
- Amount due to related parties	(1,448)	7,999
Cash generated from operations	473,355	442,696
Income tax paid	(44,848)	(34,422)
Net cash generated from operating activities	428,507	408,274
Cash flows from investing activities		
Interest received	18,090	20,318
Additions to property, plant and equipment	(374,799)	(477,732)
Additions to intangible assets - software	(1,322)	-
Proceeds from disposal of a joint venture	-	9,740
Proceeds from disposal of subsidiaries, net of cash disposed	146	-
Change in bank deposits pledged	(15,240)	(3,953)
Proceed from disposal of property, plant and equipment	52	183
Net cash used in investing activities	(373,073)	(451,444)
Cash flows from financing activities		
Proceeds from borrowings	4,700,988	5,411,906
Repayment of borrowings	(3,841,740)	(5,394,584)
Payment of finance costs	(326,418)	(232,674)
Capital contributions from non-controlling interests	-	2,200
Dividends paid to owners of the Company	(98,980)	-
Dividends paid to non-controlling interests	(3,036)	(2,875)
Pledged bank deposits for borrowings	(297,590)	(1,230)
Repayment of lease liabilities	-	(1,813)
Purchase of treasury shares	(1,580)	-
Net cash generated from/(used in) financing activities	131,644	(219,070)
Net increase/(decrease) in cash and cash equivalents	187,078	(262,240)
Cash and cash equivalents		
Cash and cash equivalents at beginning of the period	462,426	627,047
Effects of currency translation on cash and cash equivalents	356	14,622
Cash and cash equivalents at the end of the period	649,860	379,429

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 2024 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 2024 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 2023. 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 2023.

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 2024, the Group was in a negative working capital position with the current liabilities of the Group exceeding the current assets by approximately RMB1,000.8 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 2024;
- (B) the Group has continued to generate operating profits in the half year ended 30 June 2024 and been able to generate positive cash flows from its operations;
- (C) as at the date of this announcement, the Group has RMB4,480 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 2024, 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) in 2023, as announced by the Company on 6 May 2023 and 9 April 2024, respectively) from Zheneng Group. RMB540 million has been included in current liabilities as at 30 June 2024;
 - (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 Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

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 2023.

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 2023. An analysis of revenue is as follows:

Disaggregation of revenue from contracts with customers

	Group 1H2024 RMB'000	Group 1H2023 RMB'000
Waste-to-energy project construction and operation		
<u>Waste-to-energy business</u>		
- Sales of electricity	845,221	815,915
- Sales of steam	445,078	405,797
- Revenue from waste treatment	432,080	495,097
	<u>1,722,379</u>	<u>1,716,809</u>
<u>Construction services provided under BOT concession agreements</u>		
- Revenue from construction services provided under service concession agreements (Notes 7 and 9)	-	191,332
- Financial income under service concession agreements (Note 7)	24,839	21,984
	<u>24,839</u>	<u>213,316</u>
Total	<u>1,747,218</u>	<u>1,930,125</u>
Project technical and management service, equipment selection and sale and EMC business		
	5,972	6,813
Total revenue	<u>1,753,190</u>	<u>1,936,938</u>

Timing of revenue recognition

	Group 1H2024 RMB'000	Group 1H2023 RMB'000
<u>At a point in time</u>		
- Sales of electricity	845,221	815,915
- Sales of steam	445,078	405,797
	<u>1,290,299</u>	<u>1,221,712</u>
<u>Over time</u>		
- Revenue from waste treatment	432,080	495,097
- Revenue from construction services provided under service concession agreements (Notes 7 and 9)	-	191,332
- Project technical and management service and EMC business	5,972	6,813
	<u>438,052</u>	<u>693,242</u>
- Financial income under service concession agreements (Note 7)	24,839	21,984
Total revenue	<u>1,753,190</u>	<u>1,936,938</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 1H2024 RMB'000	Group 1H2023 RMB'000
Profit for the period has been arrived at after charging/(crediting)		
Amortisation of intangible assets	102,872	92,340
Cost of inventories recognised as expense	361,903	379,637
Depreciation of investment property	492	452
Depreciation of property, plant and equipment	275,775	243,439
Depreciation of right-of-use assets	8,546	8,271
Employee compensation	191,030	182,784
Foreign exchange losses	10,687	20,945
Government grants	(17,179)	(21,991)
Value added tax refund	(34,268)	(33,697)
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	219	179
Loss on disposal of subsidiaries	31,317	-
Loss on change in fair value of derivative financial instruments	9,246	-
Gain on disposal of shares of a joint venture	-	(2,260)
Under/(Over)provision of tax in prior years	2,908	(2,015)

5. Trade and other receivables

	Group As at 30 June 2024 RMB'000	Group As at 31 December 2023 RMB'000
Trade receivables – third parties	2,536,249	2,257,479
Less: Loss allowance (Note (iii))	(38,678)	(102,664)
Bills receivables	64,528	21,996
	<u>2,562,099</u>	<u>2,176,811</u>
Amount due from non-controlling interests - trade	45,599	35,045
Total trade and bills receivables	<u>2,607,698</u>	<u>2,211,856</u>
Advances to suppliers (Note (i), (iv))	190,119	208,155
Other receivables (Note (ii))	311,750	366,779
Less: Loss allowance (Note (iii))	(18,761)	(44,801)
Sub-total of other receivables	<u>292,989</u>	<u>321,978</u>
Other tax recoverable		
- Value added tax recoverable	317,152	330,383
- Others	6,268	1,971
Prepayments	38,417	38,489
Total trade and other receivables	<u>3,452,643</u>	<u>3,112,832</u>
Analysed for reporting purposes as:		
- Current assets	3,264,756	2,947,267
- Non-current assets	187,887	165,565
	<u>3,452,643</u>	<u>3,112,832</u>

- (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, and others.
- (iii) For the year ended 31 December 2023, loss allowance for trade receivables and other receivables included total impairment losses of RMB63,986,000 and RMB26,040,000, respectively related to the India projects. The impairment losses have been written off as of 30 June 2024.
- (iv) In 1H2024, impairment loss of RMB5,500,000 was recognised on the prepayment for equipment procurement as these were deemed irrecoverable based on the arbitration outcome of one of the power plants in the PRC.

6. Related party balances and transactions

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

- (a) In addition to the information disclosed in Note 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 1H2024 RMB'000	Group 1H2023 RMB'000
Companies in which Zheneng Group has control over:		
- Purchases of materials	974	3,328
- Interest expense	9,407	10,751
Companies in which Jinjiang Group has control over:		
- Revenue from EMC business	-	(61)
- Rendering of technical and management services	(20)	(1,378)
- Rental income	(462)	-
Joint ventures:		
- Interest income	(6,380)	(6,024)

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

	Group As at 30 June 2024 RMB'000	Group As at 31 December 2023 RMB'000
Trade:		
Amounts due from companies in which the major shareholders have control over	14,109	12,748
Amounts due from joint ventures	5,964	7,511
	20,073	20,259
Non-trade:		
Amounts due from a joint venture	243,030	238,095
	263,103	258,354
Trade:		
Amounts due to companies in which the major shareholders have control over	29,258	30,463
Amounts due to joint ventures	120	120
	29,378	30,583
Non-trade:		
Amounts due to companies in which the major shareholders have control over	695	933
Amounts due to joint ventures	430	435
	1,125	1,368
	30,503	31,951

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 their WTE facilities.

7. Service concession receivables

	Group As at 30 June 2024 RMB'000	Group As at 31 December 2023 RMB'000
Service concession receivables	772,942	782,240
Less: Amount due within one year shown under current assets	(68,088)	(68,088)
Service concession receivables due after one year	704,854	714,152
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	472,369	481,667
	772,942	782,240

8. Property, plant and equipment

<u>Group</u>	Property, plant and equipment RMB'000	Right-of-use assets RMB'000	Total RMB'000
Cost			
At 1 January 2023	13,220,619	614,066	13,834,685
Additions	927,536	6,393	933,929
Disposals/Written off	(7,352)	(10,943)	(18,295)
Exchange difference	11,228	2,271	13,499
At 31 December 2023	14,152,031	611,787	14,763,818
Additions	395,822	34,998	430,820
Disposals/Written off	(1,942)	-	(1,942)
Disposal of subsidiaries	(93,496)	-	(93,496)
Exchange difference	(2,212)	(3,319)	(5,531)
At 30 June 2024	14,450,203	643,466	15,093,669
Accumulated depreciation			
At 1 January 2023	(3,763,767)	(141,009)	(3,904,776)
Depreciation for the year	(495,967)	(17,093)	(513,060)
Disposals/Written off	6,139	10,943	17,082
Exchange difference	(4,043)	-	(4,043)
At 31 December 2023	(3,763,767)	(141,009)	(3,904,776)
Depreciation for the year	(275,775)	(8,546)	(284,321)
Disposals/Written off	3,095	-	3,095
Disposal of subsidiaries	32,885	-	32,885
At 30 June 2024	(4,003,562)	(149,555)	(4,153,117)
Accumulated impairment			
At 1 January 2023	(27,490)	-	(27,490)
Written off	4,366	-	4,366
At 31 December 2023	(23,124)	-	(23,124)
Impairment loss	(3,470)	-	(3,470)
At 30 June 2024	(26,594)	-	(26,594)
Carrying values			
At 30 June 2024	10,420,047	493,911	10,913,958
At 31 December 2023	10,365,140	470,778	10,835,918

Impairment of property, plant and equipment

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

During the financial period ended 30 June 2024, management assessed and recognised an impairment loss of RMB3,470,000 in respect of a power plant equipment in the PRC based on the arbitration outcome.

During the financial year ended 31 December 2023, one of the subsidiaries of the Company in Brazil, Jinjiang Environment Holding Limitada had been wound up by way of a members' voluntary winding up and the related assets of RMB4,366,000, which were previously fully impaired, were written off.

9. Intangible assets

	Group As at 30 June 2024 RMB'000	Group As at 31 December 2023 RMB'000
Software	12,439	12,685
Service concession arrangement (Note (a))	4,523,026	4,624,330
	<u>4,535,465</u>	<u>4,637,015</u>
 (a) Service concession arrangement		
Cost		
At 1 January 2024/1 January 2023	5,730,605	5,447,482
Additions	-	283,123
Disposal of subsidiaries	(206,972)	-
At 30 June 2024/31 December 2023	<u>5,523,633</u>	<u>5,730,605</u>
Accumulated amortisation		
At 1 January 2024/1 January 2023	(908,298)	(722,884)
Amortisation	(101,304)	(185,414)
Disposal of subsidiaries	8,995	-
At 30 June 2024/31 December 2023	<u>(1,000,607)</u>	<u>(908,298)</u>
Accumulated impairment		
At 1 January 2024/1 January 2023	(197,977)	(30,202)
Impairment losses	-	(167,775)
Written off	197,977	-
At 30 June 2024/31 December 2023	<u>-</u>	<u>(197,977)</u>
Net book value	<u>4,523,026</u>	<u>4,624,330</u>

The Group entered into service concession agreements with the local government authorities, pursuant to the design, construction, operation and maintenance of waste-to-energy plants 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 2024 and 2023 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 2023, an impairment loss of RMB167,775,000 was recognised on the intangible assets due to the difficulties and uncertainty encountered in the progress of the power plants of the Build-Operate-Transfer (BOT) projects in Lucknow and Gurgaon, India. In addition, loss allowances of RMB66,847,000 and RMB37,206,000 were recognised for trade and other receivables (refer to Note 5) and pledged bank deposits for performance bond respectively. During the financial period ended 30 June 2024, upon completion of the transfer of the equity interest in the Indian subsidiaries, the related impairment losses have been written off.

No impairment loss was recognised for the half year ended 30 June 2024.

10. Borrowings and lease liabilities

	Group As at 30 June 2024 RMB'000	Group As at 31 December 2023 RMB'000
Amount repayable within one year or less, or on demand		
- Secured borrowings	3,445,246	2,832,457
- Unsecured borrowings	1,557,082	1,340,159
- Lease liabilities	2,756	2,756
	<u>5,005,084</u>	<u>4,175,372</u>
Amount repayable after one year		
- Secured borrowings	6,049,714	5,749,784
- Unsecured borrowings	1,067,518	1,386,777
- Lease liabilities	2,638	1,558
	<u>7,119,870</u>	<u>7,138,119</u>
Total borrowings and lease liabilities, net of transaction costs	<u>12,124,954</u>	<u>11,313,491</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 2023: 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 2023 and as at 31 December 2023	1,454,024,700	96	1,601,100
Less: Treasury shares	(806,100)	-	-
Less: Dividend paid	-	-	(98,980)
As at 30 June 2024, excluding treasury shares	<u>1,453,218,600</u>	<u>96</u>	<u>1,502,120</u>

Fully paid ordinary shares have a par value of US\$0.00001 (2023: US\$0.00001), carry one vote per share and carry a right to dividend, amounting to equivalent RMB96,000 (2023: RMB96,000).

There were no changes in the share capital of the Company in the half year ended 30 June 2024.

The total number of issued shares excluding treasury shares as at 30 June 2024 was 1,453,218,600 (31 December 2023: 1,454,024,700).

As at 30 June 2024, the Company held 806,100 (30 June 2023: Nil) treasury shares which represented 0.06% (30 June 2023: Nil%) 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 six months ended 30 June 2024.

The Company had no convertibles or subsidiary holdings as at 30 June 2024 and 30 June 2023.

12. Earnings per share

	Group 1H2024	Group 1H2023
Basic and fully diluted earnings per share (RMB cents)	14.23	18.32
Weighted average number of shares	1,453,973,654	1,454,024,700

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 2024	Group As at 31 December 2023	Company As at 30 June 2024	Company As at 31 December 2023
Assets				
Net asset value per share (RMB cents)	503.90	493.04	105.55	117.88
Number of shares in issue (excluding treasury shares) at the end of the period	1,453,218,600	1,454,024,700	1,453,218,600	1,454,024,700

The net asset value per share as at 30 June 2024 and 31 December 2023 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 2024 RMB'000	Group As at 31 December 2023 RMB'000
Property, plant and equipment	1,606,271	1,628,629

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 2024 to 30 June 2024			
Segment revenue			
External revenue	1,747,218	5,972	1,753,190
Inter-segment revenue	-	12,874	12,874
	<u>1,747,218</u>	<u>18,846</u>	<u>1,766,064</u>
Elimination	-	(12,874)	(12,874)
Revenue	<u>1,747,218</u>	<u>5,972</u>	<u>1,753,190</u>
Segment profit			
Government grants and VAT refund	576,121	626	576,747
	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			97,353
Administrative expenses			(133,588)
Finance costs			(231,260)
Share of loss of joint ventures			2,253
Profit before tax			<u>302,513</u>
As at 30 June 2024			
Assets and Liabilities			
Segment assets	19,099,994	421,650	19,521,644
Unallocated			3,244,972
Consolidated total assets			<u>22,766,616</u>
Segment liabilities	13,754,858	587,760	14,342,618
Unallocated			1,101,297
Consolidated total liabilities			<u>15,443,915</u>
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

	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 2023 to 30 June 2023			
Segment revenue			
External revenue	1,930,125	62,055	1,992,180
Inter-segment revenue	-	9,659	9,659
	<u>1,930,125</u>	<u>71,714</u>	<u>2,001,839</u>
Elimination	-	(9,659)	(9,659)
Revenue	<u>1,930,125</u>	<u>62,055</u>	<u>1,992,180</u>
Segment profit			
Government grants and VAT refund	578,674	5,865	584,539
Loss on disposal on property, plant and equipment	55,326	362	55,688
Gain on disposal of shares of a joint venture	(179)	-	(179)
Foreign exchange loss			2,260
Other income			(20,945)
Administrative expenses			78,226
Finance costs			(121,900)
Share of loss of joint ventures			(212,557)
Profit before tax			<u>(163)</u>
			<u>364,969</u>
As at 31 December 2023			
Assets and Liabilities			
Segment assets	18,584,081	626,072	19,210,153
Unallocated			2,737,857
Consolidated total assets			<u>21,948,010</u>
Segment liabilities	13,444,506	315,540	13,760,045
Unallocated			1,019,053
Consolidated total liabilities			<u>14,779,097</u>
1 January 2023 to 30 June 2023			
Other segment information			
Depreciation and amortisation	335,803	8,699	344,502
Additions to non-current assets	400,181	936	401,117

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 2024 and 2023, 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

1H2024 vs 1H2023

Revenue

	1H2024 RMB'000	%	1H2023 RMB'000	%	Change %
Waste-to-energy project construction and operation					
<u>Waste-to-energy business</u>					
- Sales of electricity	845,221	48.2	815,915	42.1	3.6
- Sales of steam	445,078	25.4	405,797	21.0	9.7
- Revenue from waste treatment	432,080	24.6	495,097	25.6	(12.7)
	<u>1,722,379</u>	98.2	<u>1,716,809</u>	88.6	0.3
<u>Construction services provided under BOT concession agreements</u>					
- Revenue from construction services provided under service concession agreements	-	-	191,332	9.9	(100.0)
- Financial income under service concession agreements	24,839	1.4	21,984	1.1	13.0
	<u>24,839</u>	1.4	<u>213,316</u>	11.0	(88.4)
Total	<u>1,747,218</u>	99.7	<u>1,930,125</u>	99.6	(9.5)
Project technical and management service, equipment selection and sale and EMC business	5,972	0.3	6,813	0.4	(12.3)
Total revenue	<u>1,753,190</u>	100.0	<u>1,936,938</u>	100.0	(9.5)

Details of the electricity generated and supplied, steam supplied and waste treated for 1H2024 and 1H2023 are as follows:

	Group 1H2024	Group 1H2023	Change %
Electricity generated ('000 KWh)	2,061,695	1,942,785	6.1
On-grid electricity supplied ('000 KWh)	1,643,024	1,508,709	8.9
Steam supplied ('000 tonnes)	2,641	2,235	18.2
Waste treated ('000 tonnes)	6,226	6,632	(6.1)

Gross profit and gross profit margin

	Gross Profit (RMB '000)		Gross Profit Margin	
	1H2024	1H2023	1H2024	1H2023
WTE business (excluding gross profit from construction services provided under BOT concession agreements)	551,282	530,592	32.01%	30.91%
Construction services provided under BOT concession agreements	-	26,098	N.A	13.64%
Financial income under service concession agreements	24,839	21,984	N.A	N.A
Project technical and management service and EMC business	626	5,865	10.48%	86.09%
Total	<u>576,747</u>	<u>584,539</u>	<u>32.90%</u>	<u>30.18%</u>

The decrease in gross profit by RMB7.8 million from RMB584.5 million in 1H2023 to RMB576.7 million in 1H2024 and the increase in gross profit margin by 2.72% 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 RMB5.6 million from RMB1,716.8 million in 1H2023 to RMB1,722.4 million in 1H2024. This was mainly attributable to (i) the expansion of existing power plant steam supply business, and (ii) the higher tonnage supply after technical transformation and optimization of the power plant management.

The gross profit of our WTE business (excluding gross profit from construction services provided under BOT concession agreements) increased by RMB20.7 million or 3.9% from RMB530.6 million in 1H2023 to RMB551.3 million in 1H2024, which is mainly due to:

1. The gross profit of WTE plants put into trial operation and commencement of operations of WTE plants (including Shijiazhuang Jiasheng WTE Facility in Hebei Province, Jinghong Jiasheng WTE Facility in Xishuangbanna, Yunnan Province and others) decreased by RMB18.0 million in 1H2024 as compared to 1H2023.
2. The gross profit of Zhuji Bafang Facility in Zhejiang Province increased by RMB30.2 million in 1H2024 as compared to 1H2023, mainly due to increase of RMB38.8 million in gross profit due to increase in steam supplied in 1H2024 as compared to 1H2023, and partially offset by the decrease of RMB8.6 million in gross profit due to increase in environmental protection costs in 1H2024 as compared to 1H2023.
3. The India projects had no revenue in the current period and the gross profit decreased by RMB5.9 million in 1H2024 as compared to 1H2023.
4. The gross profit of the other WTE facilities increased by RMB14.5 million in 1H2024 as compared to 1H2023. The increases are mainly due to (i) increase of RMB26.1 million in gross profit due to higher tonnage supply following the technical transformation and optimization of the power plant management, (ii) increase of RMB10.0 million in gross profit due to the expansion of steam supply business in Lianyungang Sunrise WTE Facility in Jiangsu Province, Gaomi Lilangmingde WTE Facility in Shandong Province, Zibo Green Energy WTE Facility in Zibo City, Shandong Province and others, (iii) increase of RMB7.6 million in gross profit due to the decrease in environmental protection costs and overhaul costs in 1H2024 as compared to 1H2023, and (iv) increase of RMB3.7 million in gross profit from resource recycling project. However, the increase in gross profit was partially offset by the decrease of RMB33.1 million in gross profit due to the net decrease in waste subsidies and electricity supply as a result of the decrease in waste volume of five power plants of in Wuhan, Yunnan Province and Jilin Xixiang Province in 1H2024 as compared to 1H2023 which was partially offset by the increase in alternative fuels and other resources of other existing power plants.

The gross profit margin increased from 30.91% in 1H2023 to 32.01% in 1H2024. As mentioned above, this is mainly due to higher tonnage supply following the technical transformation and optimization of the power plant management and expansion steam supply business of existing power plant.

Construction services provided under BOT concession agreements

No construction services were provided under BOT concession agreements in 1H2024, mainly due to no BOT project construction implementation during this period. The revenue from financial income under service concession agreements increased RMB2.9 million in 1H2024 as compared to 1H2023.

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

The gross profit from project technical and management services, equipment selection and sale and EMC business decreased from RMB5.9 million in 1H2023 to RMB0.6 million in 1H2024. This was mainly due to the fluctuations in the cost of project technical and management services.

Other income

	Group	Group	Increase /	Change
	1H2024	1H2023	(Decrease)	+ / (-) %
	RMB'000	RMB'000	RMB'000	
Bank interest income	18,090	20,318	(2,228)	(11.0)
Government grants	17,179	21,991	(4,812)	(21.9)
Value added tax refund	34,268	33,697	571	1.7
Gain on sales of scrap materials	71,580	49,727	21,853	43.9
Interest income from joint ventures and others	6,380	6,024	356	5.9
Other income	147,497	131,757	15,740	11.9

Other income increased RMB15.7 million or 11.9% from RMB131.8 million in 1H2023 to RMB147.5 million in 1H2024, mainly due to (i) increase of RMB21.9 million in gain on sales of scrap materials in 1H2024 due to the Group's retendering of the slag sales contracts to increase the unit price of the sales, and the increase in the volume of scrap materials, partially offset by (ii) decrease of RMB4.8 million in government grants, and (iii) decrease of RMB2.2 million in bank interest income.

Other gains and losses, net

	Group	Group	Increase /	Change
	1H2024	1H2023	(Decrease)	+ / (-) %
	RMB'000	RMB'000	RMB'000	
Foreign exchange losses	(10,687)	(20,945)	10,258	N.A
Loss on change in fair value of derivative financial instruments	(9,246)	-	(9,246)	N.A
Loss on disposal of property, plant and equipment	(219)	(179)	(40)	N.A
Loss on disposal of subsidiaries	(31,317)	-	(31,317)	N.A
Gain on disposal of shares of a joint venture	-	2,260	(2,260)	(100.0)
Others	1,303	2,157	(854)	(39.6)
Other gains and losses, net	(50,166)	(16,707)	33,459	N.A

Other gains and losses, net increased RMB33.5 million from other losses of RMB16.7 million in 1H2023 to RMB50.2 million in 1H2024, mainly due to the (i) loss on disposal of India subsidiaries of RMB31.3 million in 1H2024 which comprised a gain on disposal of RMB13.7 million and offset with a currency translation differences reclassified from other reserves to profit or loss on disposal of RMB45.0 million (the reclassification does not affect the equity attributable to owners of the Company at the end of the period and total comprehensive income for the period), and (ii) the Group used a portfolio of foreign exchange options to hedge US\$120 million loan in 1H2024 to minimise the uncertainty of exchange gain or loss on the US-dollar denominated loan, and based on the market value of the bank's options reported as at 30 June 2024, a loss on change in fair value of derivative financial instruments was recognised in the amount of RMB9.3 million. The fair value of derivative financial instruments will be remeasured upon settlement of the forward exchange contract (31 December 2024), and the gain or loss on the change in fair value of derivative financial instruments will be recognised at the end of the year based on the forward and spot rate. However, the increase was partially offset by the decrease in foreign exchange losses of RMB10.3 million following the full repayment in February 2023 of the US-dollar syndicated term loan facility of US\$146 million and the appreciation of the US-dollar against the RMB being relatively less significant in 1H2024 as compared to 1H2023.

Administrative expenses

Administrative expenses increased RMB11.7 million from RMB121.9 million in 1H2023 to RMB133.6 million in 1H2024, mainly due to the official commencement of operations of Shijiazhuang Jiasheng WTE Facility in Hebei Province and Jinghong Jiasheng WTE Facility in Xishuangbanna, Yunnan Province in 2024.

Finance costs

Finance costs increased RMB18.7 million from RMB212.6 million in 1H2023 to RMB231.3 million in 1H2024, mainly due to the increase in interest expenses after the commencement of operations of Shijiazhuang Jiasheng WTE Facility in Hebei Province and Jinghong Jiasheng WTE Facility in Xishuangbanna, Yunnan Province for which the interest expenses were previously capitalized.

Other expenses

Other expenses in 1H2024 amounted to RMB9.0 million, including an impairment loss of RMB5.5 million on irrecoverable prepayment for relevant equipment procurement and an impairment loss of RMB3.5 million on the property, plant and equipment recognised in accordance with the outcome of the arbitration of the power plants.

Profit before tax

As a result of the foregoing, profit before tax decreased RMB62.5 million from RMB365.0 million in 1H2023 to RMB302.5 million in 1H2024.

Income tax expense

Income tax expenses increased RMB10.2 million to RMB94.7 million in 1H2024 as compared to 1H2023 mainly due to the increase in total profit of profitable enterprises in China. In 1H2024, Group's high-tech enterprises continued to enjoy tax incentives and some of the Group's WTE facilities continued to enjoy preferential tax rates during the exemptions period.

Total comprehensive income for the period

As a result of the foregoing, total comprehensive income for the period decreased from RMB296.8 million in 1H2023 to RMB252.4 million in 1H2024.

Statement of Financial Position

	30 June 2024	31 December 2023	Increase / (Decrease)	Increase / (Decrease)
	RMB Million	RMB Million	RMB Million	%
Current assets	6,102.0	5,274.6	827.4	15.7
Non-current assets	16,664.6	16,673.4	(8.8)	(0.1)
Total assets	22,766.6	21,948.0	818.6	3.7
Current liabilities	7,102.9	6,466.4	636.5	9.8
Non-current liabilities	8,341.0	8,312.7	28.3	0.3
Total liabilities	15,443.9	14,779.1	664.8	4.5
Capital and reserves	7,322.7	7,168.9	153.8	2.1

Current assets

The increase is mainly due to (i) the increase of RMB317.5 million or 10.8% in trade and other receivables from RMB2,947.3 million as at 31 December 2023 to RMB3,264.8 million as at 30 June 2024 mainly due to the increase in receivables from governments, (ii) the increase of RMB312.8 million or 22.2% in pledged bank deposits from RMB1,411.9 million as at 31 December 2023 to RMB1,724.9 million as at 30 June 2024, and (iii) the increase of RMB187.4 million or 40.5% in cash and cash equivalents from RMB462.4 million as at 31 December 2023 to RMB649.9 million as at 30 June 2024 mainly due to the provision of funds for the repayment of loans due in early July.

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 RMB78.1 million from RMB10,835.9 million as at 31 December 2023 to RMB10,914.0 million as at 30 June 2024 due to the additions in reconstruction projects of Tianjin Sunrise WTE Facility and Wuhan Jinjiang WTE Facility. However, the increase was partially offset by the decrease in assets disposal in India, and (ii) this was partially offset by the decrease of RMB101.5 million in intangible assets from RMB4,637.0 million as at 31 December 2023 to RMB4,535.5 million as at 30 June 2024 due to the amortisation of intangible assets.

Current liabilities

The increase is mainly due to (i) current borrowings and lease liabilities increasing RMB829.7 million or 19.9% from RMB4,175.4 million as at 31 December 2023 to RMB5,005.1 million as at 30 June 2024 mainly due to the increase in the deposits for the financing of overseas loans under domestic guarantees and working capital borrowings to supplement working capital requirements, and (ii) the decrease of RMB215.9 million or 10.2% in trade and other payables from RMB2,121.5 million as at 31 December 2023 to RMB1,905.6 million as at 30 June 2024 mainly due to the accrued payroll and welfare, construction and equipment payables decreased by RMB110 million, and the payables related to India projects decreased by approximately RMB100 million.

Non-current liabilities

The increase is mainly due to (i) deferred tax liabilities increasing RMB46.1 million or 5.8% from RMB789.9 million as at 31 December 2023 to RMB836.0 million as at 30 June 2024 mainly due to taxable temporary differences, and (ii) non-current borrowings and lease liabilities decreasing RMB18.2 million or 0.3% from RMB7,138.1 million as at 31 December 2023 to RMB7,119.9 million as at 30 June 2024.

Capital and reserves

The increase of RMB153.8 million or 2.1% from RMB7,168.9 million as at 31 December 2023 to RMB7,322.7 million as at 30 June 2024 mainly due to the profit for the period of RMB252.4 million and partially offset by dividend paid of RMB99.0 million.

Consolidated Statement of Cashflows

	Group 1H2024 RMB Million
Net cash from operating activities	428.5
Net cash used in investing activities	(373.1)
Net cash from financing activities	131.7
Cash and cash equivalents at beginning of the period	462.4
Effects of currency translation on cash and cash equivalents	0.4
Cash and cash equivalents at the end of the period	<u>649.9</u>

In 1H2024, operating cash inflow was RMB428.5 million. This is due to (i) operating cash inflow before movements in working capital of RMB919.2 million after deducting abnormal gains and losses without cash flow, (ii) decrease in cash inflow by RMB383.4 due to the increase in trade and other receivables and decrease in trade and other payables, (iii) activities for the construction of BOT projects (which includes, Expansion Project of Yunnan Green Energy WTE Facility in Kunming City, Yunnan Province, Jinghong Jiasheng WTE Facility in Xishuangbanna Dai Autonomous Prefecture, Yunnan Province, and others) resulting in operating cash outflow of RMB82.7 million, and (iv) payment of income tax resulting in a cash outflow of RMB44.9 million.

In 1H2024, investing cash outflow was RMB373.1 million. This is due to investments in property, plant and equipment of RMB374.8 million which includes the payment for equipment and construction for the Tianjin Sunrise WTE Facility, Wuhan Jinjiang WTE Facility and others.

In 1H2024, financing cash inflow was RMB131.7 million. This is due to (i) the new borrowings amounting to RMB4,701.0 million, including the renewal of loans, new borrowings, project financing and new leases, and partially offset by (ii) repayment or early repayment of borrowings and finance costs of RMB4,168.2 million, (iii) cash outflows of RMB297.6 million arising from changes in pledged bank deposits for borrowings, and (iv) dividend paid of RMB99.0 million.

Bank balances and cash as at 30 June 2024 was RMB649.9 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 1H2024, the Chinese government has pursued progress while maintaining stability, effectively implemented various macroeconomic policies, maintained overall stability in the national economy, and made steady progress in transformation and upgrading. The national economy achieved a 5.0% year-on-year growth in nominal gross domestic product in 1H2024. However, the external environment is complicated, effective domestic demand is still insufficient, and the foundation for economic recovery still needs to be consolidated. The Chinese government will speed up the establishment of a new development pattern, do more to stimulate market vitality and internal impetus, consolidate and strengthen the momentum of economic recovery, and promote sustained and sound economic development.

2024 marks the 75th anniversary of the founding of the People's Republic of China and is a key year for implementing the 14th Five-Year Plan. Under the backdrop of "Carbon Neutrality and Carbon Peaking", the government's policy to encourage the development of the WTE industry and the entire environmental protection industry remains unchanged.

In February 2024, the National Development and Reform Commission, the National Bureau of Statistics and the National Energy Administration issued the Notice on Strengthening the Link between Green Electricity Certificates and Energy Conservation and Carbon Reduction Policies to Vigorously Promote Non-fossil Energy Consumption (the "Notice"). The Notice further clarified the specific arrangements for the index accounting and deduction methods of green certificates and the trading of electricity, and required the acceleration of the establishment of renewable energy projects and the issuance of green certificates, laying a solid foundation for the standardization of the green certificate trading market. The Company's subsidiaries have all completed the filing work, of which Xiaoshan Jinjiang WTE Facility, Tianjin Sunrise WTE Facility and Bafang Power Plant have obtained 165,782, 80,927 and 36,086 green certificates respectively, effectively improving the market competitiveness and operating efficiency of these enterprises, and contributing to the expansion of non-fossil energy consumption and the realization of the dual-carbon goal.

In February 2024, the General Office of the Ministry of Housing and Urban-Rural Development publicly solicited comments on the national standard "Technical Requirements for domestic Waste Treatment Industrial Parks (Revised Draft for Comment)" (the "Standard"). The Standard puts forward comprehensive and strict requirements for domestic waste treatment industrial parks, emphasizes the importance of collaborative treatment, and especially highlights the core position of waste incineration in the treatment system. This not only provides clear technical guidance for the waste treatment projects operated by the Company, but also encourages the green transformation and resource recycling of the park, which is conducive to the long-term layout of the Company in the field of environmental protection and sustainable development, and promotes the Company to move forward towards the goal of "Carbon Neutrality and Carbon Peaking".

In March 2024, The State Council issued a notice on the Action Plan for Promoting Large-scale Equipment Renewal and Replacing Old Consumer Goods with New Ones, which is a major decision made with a view to the overall situation of high-quality development of the country. Kunming Wuhua WTE Facility in Yunnan Province actively responded to the call, signed Yunnan Province's first "old for new" discarded furniture disposal cooperation agreement with Taoyuan Furniture City in Kunming, Yunnan Province, and will jointly carry out waste treatment work, which will effectively avoid waste furniture piling up, causing environmental pollution, and promote the green development of the furniture industry, greatly unlocking the consumption potential of recycled furniture.

(B) Operational Matters

In 1H2024, the Group focused on deploying and guiding enterprises to analyze their existing problems against annual budget targets, take three years as a dimension, formulate effective and feasible targeted measures, and clarify and quantify improvement targets based on the historical situation of each enterprise and market development trend to tap the development potential of waste resources, external market expansion, circular economy coordinated development, technological transformation efficiency improvement, cost reduction and efficiency management improvement. The reconstruction and expansion project of Jilin Xinxiang WTE Facility in Jilin Province was filed in April 2024, and two mechanical grate incinerators and supporting facilities will be built to further stabilize the heating market.

The Group's project construction is progressing on schedule in an orderly manner. In 1H2024, the reconstruction project of Tianjin Sunrise WTE Facility was successfully put into operation, replacing the original three furnaces and two units, and increasing the installed capacity by 6MW. Gaobeidian WTE Project in Hebei Province held a groundbreaking ceremony and will actively carry out project construction.

In addition, as previously disclosed, Lamoon Holdings Limited, a wholly-owned subsidiary of the Company, entered into a share transfer agreement with Cube Bio-Energy Private Limited (the "Buyer"), an unrelated third party, on 1 June 2024 to dispose of the Group's entire equity interest in Ecogreen Energy Private Limited (the "Disposal"). The Group has received the consideration paid by the Buyer for the Disposal. The equity transfer has been completed and the Group has fully exited the Indian market.

The Group is also continuing to follow up on the progress of compensation for the closure of the Old Kunming Wuhua WTE Facility in Kunming, Yunnan Province. Kunming Soil Storage Center has submitted the entrusted storage agreement to the Wuhua District government, and the terms of the entrusted storage agreement are expected to be confirmed after the executive meeting of the Wuhua District government in the near future, and then the two sides can sign the entrusted storage agreement to officially start the land acquisition and storage negotiations. The Group is still in further communication with the Kunming government to try to sign the closure compensation agreement as soon as possible.

Overall, as of 30 June 2024, the Group has invested in 27 operational WTE facilities, 3 kitchen waste treatment facilities and 8 waste resource recycling facilities in the PRC with a total installed waste treatment capacity of 44,405 tonnes per day and installed electricity generation capacity of 921MW. Furthermore, the Group has 3 WTE projects, 1 kitchen waste treatment project and 1 waste resources project under construction and 14 WTE projects and 2 kitchen waste treatment projects in the preparatory stage in the PRC and overseas, which are undergoing active preparatory work. Taking into consideration all its projects in operation, under construction and in the planning phase, the Group's total installed waste treatment capacity is expected to reach 60,605 tonnes per day and 1300MW upon the completion of these projects.

In 1H2024, the Group won the "2023 Top Ten Influential Enterprises of Solid Waste" awarded by E20 Environmental Platform and the "2023 Low Carbon Brand of Social Benefits" awarded by Polaris Environmental Protection Network. A number of its WTE facilities have also been awarded the Polaris Cup 2023 innovative development power plant, operation management benchmarking power plant, excellent environmental science education base, county-level waste incineration treatment benchmarking project, excellent employer Star Excellence Award and other honors. The Group has also always been committed to contributing to industry technical standards, participated in the compilation of the "Technical Requirement of Laser Ionization-time-of-flight Mass Spectrometry Online Monitoring System for Dioxins in the Municipal Solid Waste Incineration Flue Gas" which won the honor of "China Environmental Protection Industry Association Group Standard Excellent Project in 2023", filling the gap of dioxin online detection system without standards to follow.

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 Integrated Energy Sales Co., Ltd	Associate of Zheneng Group	-	760
Interest expenses to: Zhejiang Provincial Energy Group Finance Co., Ltd.	Associate of Zheneng Group	18,018	-
Interest income from: Zibo Green New Energy Co., Ltd.	Associate of Mr. Dou Zhenggang, a controlling shareholder of the Company	6,380	-
Total		24,398	760

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 2024 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
14 August 2024