



DONGJIANG ENVIRONMENTAL COMPANY LIMITED*

東江環保股份有限公司

(a joint stock limited company incorporated in the People's Republic of China)

(Stock Code: 00895.HK, 002672.SZ)



2025
Interim Report

* For identification purpose only

CORPORATE INFORMATION

EXECUTIVE DIRECTORS

WANG Bi'an (*Chairman*)
LI Xiangli (*Chief executive officer*)
YU Fan (*resigned on 25 April 2025*)
ZHU Lintao (*appointed on 25 June 2025*)

NON-EXECUTIVE DIRECTORS

WANG Shi
LIU Xiaoxuan
JIA Guorong

INDEPENDENT NON-EXECUTIVE DIRECTORS

LEE Kwok Tung Louis
(*appointed on 25 June 2025*)
LI Jinhui
SIU Chi Hung (*resigned on 25 June 2025*)
XIANG Ling

SUPERVISORS

PENG Zhuozhuo
LIU Bin
CHEN Peihuan (*resigned on 25 June 2025*)
MA Xujian (*appointed on 25 June 2025*)

COMPANY SECRETARY

WU Qi

AUDIT AND RISK MANAGEMENT COMMITTEE

SIU Chi Hung (*Chairman*)
(*resigned on 25 June 2025*)
LEE Kwok Tung Louis (*Chairman*)
(*appointed on 25 June 2025*)
LI Jinhui
WANG Shi

REMUNERATION AND APPRAISAL COMMITTEE

XIANG Ling (*Chairman*)
SIU Chi Hung (*resigned on 25 June 2025*)
YU Fan (*resigned on 25 April 2025*)
LEE Kwok Tung Louis
(*appointed on 25 June 2025*)
ZHU Lintao (*appointed on 25 June 2025*)

NOMINATION COMMITTEE

LI Jinhui (*Chairman*)
WANG Bi'an
SIU Chi Hung (*resigned on 25 June 2025*)
XIANG Ling (*appointed on 25 June 2025*)

STRATEGIC DEVELOPMENT COMMITTEE

WANG Bi'an (*Chairman*)
WANG Shi
LI Jinhui

AUTHORISED REPRESENTATIVES

WANG Bi'an
WU Qi

STOCK CODES

A shares listed on Shenzhen Stock
Exchange: 002672
H shares listed on The Stock Exchange of
Hong Kong Limited: 00895

AUTHORISED REPRESENTATIVE TO ACCEPT SERVICE OF PROCESSES AND NOTICES

Jeffrey Mak Law Firm

AUDITORS

WUYIGE Certified Public Accountants LLP

LEGAL ADVISERS

Jeffrey Mak Law Firm (as to Hong Kong law)
Beijing Kangda (Guangzhou) Law Firm
(as to PRC law)

PRINCIPAL BANKER

China Merchants Bank

HONG KONG H SHARE REGISTRAR

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

REGISTERED OFFICE

1st Floor, 3rd Floor,
North of 8th Floor, 9th – 12th Floors
Dongjiang Environmental Building
No. 9 Langshan Road
North Zone of Hi-tech Industrial Park
Nanshan District, Shenzhen
The People's Republic of China

COMPANY'S WEBSITE

www.dongjiang.com.cn

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

6th Floor, O.T.B. Building
259-265 Des Voeux Road Central
Hong Kong

DEFINITIONS

In this report, unless the context otherwise requires, the following expressions shall have the following meanings:

“A Share(s)”	A share(s) in the share capital of the Company, with a par value of RMB1.00 each, which are subscribed for and traded in RMB on the Shenzhen Stock Exchange
“Articles”	the articles of association of the Company currently in force
“Audit and Risk Management Committee”	the audit and risk management committee of the Board
“Baowu Environment”	Baowu Group Environmental Resources Technology Co., Ltd.* (寶武集團環境資源科技有限公司), a company incorporated in the PRC with limited liability, and being a substantial shareholder of the Company as at the date of this report, which is controlled by China Baowu Steel Group Co., Ltd., * (中國寶武鋼鐵集團有限公司)
“Board”	the board of Directors
“CG Code”	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
“Company” or “Dongjiang Environmental”	Dongjiang Environmental Company Limited* (東江環保股份有限公司), a joint stock limited company incorporated in the PRC, whose H Shares and A Shares are listed on the Stock Exchange and the Shenzhen Stock Exchange, respectively
“CSRC”	China Securities Regulatory Commission
“Director(s)”	the director(s) of the Company

“First Half of 2025” or “Reporting Period” or “the First Half”	the six months ended 30 June 2025
“Group”	the Company and its subsidiaries
“Guangdong Rising Holdings Group”	Guangdong Rising Holdings Group Co., Ltd.* (廣東省廣晟控股集團有限公司), a company incorporated in the PRC with limited liability, and being a substantial shareholder of the Company as at the date of this report; which is ultimately controlled by the State-owned Assets Supervision and Administration Commission of the People’s Government of Guangdong Province* (廣東省人民政府國有資產監督管理委員會)
“H Share(s)”	share(s) in the share capital of the Company, with a par value of RMB1.00 each, which are listed on the Stock Exchange, subscribed for and traded in HK\$
“High Hope Group”	Jiangsu High Hope International Group Co., Ltd.,* (江蘇匯鴻國際集團股份有限公司), a joint stock limited company established in the PRC, which is listed on the Shanghai Stock Exchange with the stock code 600981, and being a shareholder holding more than 5% of the Shares as at the date of the report and is controlled by Jiangsu SOHO Holdings Group Co., Ltd.,* (江蘇省蘇豪控股集團有限公司)
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules

“Nomination Committee”	the nomination committee of the Board
“PRC”	the People’s Republic of China
“Remuneration and Appraisal Committee”	the remuneration and appraisal committee of the Board
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholder(s)”	holder(s) of Share(s)
“Share(s)”	A Share(s) and H Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Strategic Development Committee”	the strategic development committee of the Board
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“Supervisory Committee”	the supervisory committee of the Company
“%”	per cent

In this interim report, the English names of the PRC entities are translations of their Chinese names and included herein for identification purposes only. In the event of any inconsistency between the Chinese and English names, the Chinese names shall prevail.

The Board hereby announces the unaudited interim results of the Group for the six months ended 30 June 2025, together with the comparative figures of the corresponding period of 2024, as follows:

Unless otherwise stated, in this report, the financial information without specifying denominated currency is presented in Renminbi, otherwise presented in the specified currency.

CONSOLIDATED BALANCE SHEET

As at 30 June 2025

Items	Balance at the end of the period	Balance at the beginning of the period
Current assets:		
Monetary fund	1,164,272,666.60	1,181,916,381.07
Settlement deposits		
Lendings to banks and other financial institutions		
Held-for-trading financial assets		
Derivative financial assets	867,232.34	
Notes receivable	41,777,514.77	36,904,227.19
Trade receivable	995,626,099.92	1,023,597,630.91
Receivables financing	14,344,976.17	18,055,682.89
Prepayments	179,416,199.38	140,488,382.04
Premium receivable		
Reinsurance accounts receivable		
Provision for reinsurance contract receivable		
Other accounts receivable	228,586,011.27	224,655,623.64
Including: Interest receivable		
Dividend receivable		
Financial assets held under resale agreements		
Inventories	828,172,981.86	775,090,222.33
Including: Data resources		
Contract assets	30,454,218.54	30,454,218.54
Assets held-for-sale		
Non-current asset due within one year	14,666,392.82	26,597,785.36
Other current assets	102,316,163.89	106,196,749.53
Total current assets	3,600,500,457.56	3,563,956,903.50

CONSOLIDATED BALANCE SHEET *(Continued)*

Items	Balance at the end of the period	Balance at the beginning of the period
Non-current assets:		
Loans and advances to customers		
Debt investments		
Other debt investments		
Long-term receivables		
Long-term equity investments	286,761,301.47	277,317,053.69
Investment in other equity instruments	4,242,896.51	4,242,896.51
Other non-current financial assets		
Investment properties	549,762,643.00	549,762,643.00
Fixed assets	4,467,708,750.45	4,733,178,211.48
Construction in progress	38,216,123.95	30,397,193.91
Productive biological assets		
Oil and gas assets		
Right-of-use assets	3,755,429.25	6,493,282.24
Intangible assets	1,254,497,229.24	1,275,422,633.19
Including: Data resources		
Development expenditure		1,459,987.54
Including: Data resources		
Goodwill	673,584,640.64	683,551,906.41
Long-term unamortized expenses	57,218,471.03	60,592,737.09
Deferred income tax assets	59,031,701.27	59,806,797.21
Other non-current assets	30,247,703.12	32,297,169.69
Total non-current assets	7,425,026,889.93	7,714,522,511.96
Total assets	11,025,527,347.49	11,278,479,415.46

CONSOLIDATED BALANCE SHEET *(Continued)*

Items	Balance at the end of the period	Balance at the beginning of the period
Current liabilities:		
Short-term borrowings	1,890,353,893.69	1,197,012,027.16
Borrowings from central bank		
Loans from other banks		
Held-for-trading financial liabilities		
Derivative financial liabilities		5,673,136.62
Notes payable		
Trade payable	500,160,664.40	614,736,880.96
Receipts in advance	935,274.72	963,309.66
Contract liabilities	165,376,410.54	146,816,859.04
Proceeds from disposal of financial assets under agreements to repurchase		
Receipt of deposits and placements from banks and other financial institutions		
Acting trading securities		
Acting underwriting securities		
Employee benefits payables	15,767,156.73	36,056,274.52
Tax payable	22,376,367.95	26,120,111.24
Other payables	205,174,029.45	223,215,429.02
Including: Interest payable		
Dividend payable		1,000,000.00
Handling charges and commission payable		
Reinsurance accounts payable		
Liabilities held-for-sale		
Non-current liabilities due within one year	927,936,161.65	1,599,167,098.28
Other current liabilities	22,100,764.05	27,468,092.54
Total current liabilities	3,750,180,723.18	3,877,229,219.04

CONSOLIDATED BALANCE SHEET *(Continued)*

Items	Balance at the end of the period	Balance at the beginning of the period
Non-current liabilities:		
Provision for insurance contracts		
Long-term borrowings	2,024,469,001.89	2,300,913,235.94
Bonds payable	899,135,617.93	499,386,007.41
Including: Preferred shares		
Perpetual bond		
Lease liabilities	514,907.80	864,178.91
Long-term accounts payables	80,402,306.08	
Long-term employee benefits payables		
Provisions	240,215,281.72	235,064,838.12
Deferred income	143,457,803.53	150,819,681.26
Deferred income tax liabilities	57,392,818.76	58,457,515.50
Other non-current liabilities	4,854,926.33	4,854,922.62
Total non-current liabilities	3,450,442,664.04	3,250,360,379.76
Total liabilities	7,200,623,387.22	7,127,589,598.80

CONSOLIDATED BALANCE SHEET *(Continued)*

Items	Balance at the end of the period	Balance at the beginning of the period
Owners' equity:		
Share capital	1,105,255,802.40	1,105,255,802.40
Other equity instruments		
Including: Preferred shares		
Perpetual bond		
Capital reserve	1,311,186,481.60	1,311,186,481.60
Less: Treasury shares		
Other comprehensive income	27,203,410.67	27,174,888.46
Special reserve	4,808,607.50	1,685,773.25
Surplus reserve	269,816,271.96	269,816,271.96
General risk reserve		
Undistributed profits	606,553,930.53	884,731,010.75
Total equity attributable to owners of the parent company	3,324,824,504.66	3,599,850,228.42
Minority interests	500,079,455.61	551,039,588.24
Total owners' equity	3,824,903,960.27	4,150,889,816.66
Total liabilities and owners' equity	11,025,527,347.49	11,278,479,415.46

BALANCE SHEET OF THE PARENT COMPANY

As at 30 June 2025

Items	Balance at the end of the period	Balance at the beginning of the period
Current assets:		
Monetary fund	862,214,664.30	898,861,956.44
Held-for-trading financial assets		
Derivative financial assets	867,232.34	
Notes receivable	31,552,222.51	14,118,484.74
Trade receivable	230,182,633.10	214,447,092.74
Receivables financing	1,557,858.85	1,135,580.53
Prepayments	1,218,727.21	1,828,464.30
Other accounts receivable	2,635,966,146.28	2,404,524,386.07
Including: Interest receivable		
Dividend receivable	62,000,000.00	152,000,000.00
Inventories	2,412,351.00	2,419,941.45
Including: Data resources		
Contract assets	30,454,218.54	30,454,218.54
Assets held-for-sale		
Non-current asset due within one year	14,666,392.82	26,597,785.36
Other current assets	3,162,047.41	4,894,993.86
Total current assets	3,814,254,494.36	3,599,282,904.03

BALANCE SHEET OF THE PARENT COMPANY *(Continued)*

Items	Balance at the end of the period	Balance at the beginning of the period
Non-current assets:		
Debt investments		
Other debt investments		
Long-term receivables		
Long-term equity investments	3,934,390,113.78	3,914,945,866.00
Investment in other equity instruments		
Other non-current financial assets		
Investment properties	135,150,283.00	135,150,283.00
Fixed assets	57,609,879.74	60,838,992.41
Construction in progress	6,095,170.36	4,974,087.79
Productive biological assets		
Oil and gas assets		
Right-of-use assets		
Intangible assets	27,823,903.74	30,290,012.59
Including: Data resources		
Development expenditure		
Including: Data resources		
Goodwill		
Long-term unamortized expenses	2,754,679.23	2,738,839.29
Deferred income tax assets	9,640,486.74	9,595,084.97
Other non-current assets		546,000.00
Total non-current assets	4,173,464,516.59	4,159,079,166.05
Total assets	7,987,719,010.95	7,758,362,070.08

BALANCE SHEET OF THE PARENT COMPANY *(Continued)*

Items	Balance at the end of the period	Balance at the beginning of the period
Current liabilities:		
Short-term borrowings	1,220,606,552.78	745,366,293.49
Held-for-trading financial liabilities		
Derivative financial liabilities		5,673,136.62
Notes payable	194,298,000.00	84,652,905.76
Trade payable	91,014,199.15	70,988,915.01
Receipts in advance		
Contract liabilities	38,648,364.59	2,063,390.40
Employee benefits payables	1,969,723.48	4,434,245.28
Tax payable	1,556,125.57	321,201.17
Other payables	709,638,635.75	746,983,498.90
Including: Interest payable		
Dividend payable		
Liabilities held-for-sale		
Non-current liabilities due within one year	668,531,096.43	1,269,043,698.82
Other current liabilities	4,961,062.61	360,526.84
Total current liabilities	2,931,223,760.36	2,929,887,812.29

BALANCE SHEET OF THE PARENT COMPANY *(Continued)*

Items	Balance at the end of the period	Balance at the beginning of the period
Non-current liabilities:		
Long-term borrowings	1,012,525,000.00	1,214,800,000.00
Bonds payable	899,135,617.93	499,386,007.41
Including: Preferred shares		
Perpetual bond		
Lease liabilities		
Long-term accounts payables		
Long-term employee benefits payables		
Provisions	73,900,000.00	2,109,847.18
Deferred income	4,962,603.73	4,659,925.29
Deferred income tax liabilities	3,365,834.88	3,365,834.88
Other non-current liabilities		
Total non-current liabilities	1,993,889,056.54	1,724,321,614.76
Total liabilities	4,925,112,816.90	4,654,209,427.05

BALANCE SHEET OF THE PARENT COMPANY *(Continued)*

Items	Balance at the end of the period	Balance at the beginning of the period
Owners' equity:		
Share capital	1,105,255,802.40	1,105,255,802.40
Other equity instruments		
Including: Preferred shares		
Perpetual bond		
Capital reserve	1,501,422,854.57	1,501,422,854.57
Less: Treasury shares		
Other comprehensive income	3,509,701.20	3,509,701.20
Special reserve		
Surplus reserve	253,304,996.86	253,304,996.86
Undistributed profits	199,112,839.02	240,659,288.00
Total owners' equity	3,062,606,194.05	3,104,152,643.03
Total liabilities and owners' equity	7,987,719,010.95	7,758,362,070.08

CONSOLIDATED INCOME STATEMENT (UNAUDITED)

For the six months ended 30 June 2025

Items	First half of 2025	First half of 2024
I. Total operating revenue	1,500,470,309.76	1,553,358,452.26
Including: Operating revenue	1,500,470,309.76	1,553,358,452.26
Interest income		
Premium earned		
Handling charges and commission income		
II. Total operating cost	1,846,670,942.48	1,882,149,083.44
Including: Cost of operation	1,451,916,569.17	1,475,634,302.56
Interest expenses		
Handling charges and commission expenses		
Surrenders		
Net claims expenses		
Net provisions for insurance reserve		
Insurance policy dividend paid		
Reinsurance costs		
Tax and levies	20,304,468.72	21,954,585.93
Selling expenses	41,851,616.53	38,307,401.98
Administrative expenses	170,893,774.94	187,314,630.91
Research and development expenses	67,829,792.46	65,042,903.12
Finance costs	93,874,720.66	93,895,258.94
Including: Interest expense	94,743,471.81	99,028,016.25
Interest income	2,603,195.24	4,522,859.03
Add: Other gains	16,917,438.43	19,093,334.13
Investment income		
(Loss represented in "-" signs)	8,232,515.82	-3,365,395.43

CONSOLIDATED INCOME STATEMENT (UNAUDITED)

(Continued)

Items	First half of 2025	First half of 2024
Including: Investment income from associates and joint ventures	6,044,247.78	-7,452,945.86
Gains on derecognition of financial assets at amortized cost		
Foreign exchange gains (Loss represented in "-" signs)		
Gain from net exposure hedgings (Loss represented in "-" signs)		
Gains from changes in fair value (Loss represented in "-" signs)	2,797,574.60	2,880,567.08
Credit impairment losses (Loss represented in "-" signs)	-4,051,548.35	-3,640,567.56
Asset impairment losses (Loss represented in "-" signs)	-7,049,014.26	
Gains on disposal of assets (Loss represented in "-" signs)	37,313.81	29,661.66
III. Operating profit (Loss represented in "-" signs)	-329,316,352.67	-313,793,031.30
Add: Non-operating income	4,117,710.29	1,590,471.23
Less: Non-operating expenses	-418,250.59	2,837,007.17

CONSOLIDATED INCOME STATEMENT (UNAUDITED)

(Continued)

Items	First half of 2025	First half of 2024
IV. Total profits (Total loss represented in "-" signs)	-324,780,391.79	-315,039,567.24
Less: Income tax expenses	3,460,345.21	4,273,546.78
V. Net profits (Net loss represented in "-" signs)	-328,240,737.00	-319,313,114.02
(1) Breakdown by continuity of operation		
1. Net profits from continuing operations (Net loss represented in "-" signs)	-328,240,737.00	-319,313,114.02
2. Net profits from discontinued operations (Net loss represented in "-" signs)		
(2) Breakdown by attributable interests		
1. Net profits attributable to shareholders of the parent company (Net loss represented in "-" signs)	-278,177,080.22	-257,357,295.18
2. Profit and loss attributable to minority interests (Net loss represented in "-" signs)	-50,063,656.78	-61,955,818.84

CONSOLIDATED INCOME STATEMENT (UNAUDITED)

(Continued)

Items	First half of 2025	First half of 2024
VI. Other comprehensive income, net of tax	28,522.21	-13,767.08
Other comprehensive income attributable to owners of the parent company, net of tax	28,522.21	-13,767.08
(1) Other comprehensive income that cannot be reclassified to profit and loss		
1. Changes arising from remeasuring defined benefit plan		
2. Other comprehensive income that cannot be reclassified to profit or loss under the equity method		
3. Change in fair value of investments in other equity instruments		
4. Change in fair value due to enterprise's own credit risk		
5. Others		

CONSOLIDATED INCOME STATEMENT (UNAUDITED)

(Continued)

Items	First half of 2025	First half of 2024
(2) Other comprehensive income that will be reclassified to profit and loss	28,522.21	-13,767.08
1. Other comprehensive income that can be reclassified to profit or loss under the equity method		
2. Change in fair value of other debt investments		
3. Amount of financial assets reclassified into other comprehensive income		
4. Provision for credit impairment of other debt investments		
5. Reserve for cash flow hedging		
6. Exchange difference on translation of financial statements in foreign currency	28,522.21	-13,767.08
7. Others		
Other comprehensive income attributable to minority interests, net of tax		

CONSOLIDATED INCOME STATEMENT (UNAUDITED)

(Continued)

Items	First half of 2025	First half of 2024
VII. Total comprehensive income	-328,212,214.79	-319,326,881.10
Total comprehensive income attributable to owners of the parent company	-278,148,558.01	-257,371,062.26
Total comprehensive income attributable to minority interest	-50,063,656.78	-61,955,818.84
VIII. Earnings per share:		
(1) Basic earnings per share	-0.25	-0.23
(2) Diluted earnings per share	-0.25	-0.23

INCOME STATEMENT OF THE PARENT COMPANY (UNAUDITED)

For the six months ended 30 June 2025

Items	First half of 2025	First half of 2024
I. Operating revenue	350,817,891.13	97,567,903.51
Less: Cost of operation	343,887,443.53	95,598,420.71
Tax and levies	976,898.34	944,294.44
Selling expenses	833,075.94	815,086.50
Administrative expenses	29,209,399.50	24,803,570.57
Research and development expenses	8,604,172.88	9,222,861.44
Finance costs	28,181,429.71	16,725,554.49
Including: Interest expense	28,258,280.83	18,975,113.31
Interest income	1,795,214.27	2,297,363.18
Add: Other gains	1,740,910.92	670,492.44
Investment income (Loss represented in "-" signs)	10,742,515.82	-3,465,395.43
Including: Investment income from associates and joint ventures	6,044,247.78	-7,452,945.86
Gains on derecognition of financial assets at amortized cost (Loss represented in "-" signs)		
Gain from net exposure hedging (Loss represented in "-" signs)		
Gains from changes in fair value (Loss represented in "-" signs)	2,797,574.60	2,706,580.06
Credit impairment losses (Loss represented in "-" signs)	3,230,316.49	-448,404.79
Asset impairment losses (Loss represented in "-" signs)		
Gains on disposal of assets (Loss represented in "-" signs)	30,081.19	2,709.74

INCOME STATEMENT OF THE PARENT COMPANY (UNAUDITED) *(Continued)*

Items	First half of 2025	First half of 2024
II. Operating profit (Loss represented in "-" signs)	-42,333,129.75	-51,075,902.62
Add: Non-operating income	58,283.65	
Less: Non-operating expenses	-710,745.82	12.96
III. Total profit (Total loss represented in "-" signs)	-41,564,100.28	-51,075,915.58
Less: Income tax expenses	-17,651.30	17,359.59
IV. Net profit (Net loss represented in "-" signs)	-41,546,448.98	-51,093,275.17
(1) Net profits from continuing operations (Net loss represented in "-" signs)	-41,546,448.98	-51,093,275.17
(2) Net profits from discontinued operations (Net loss represented in "-" signs)		
V. Other comprehensive income, net of tax		
(1) Other comprehensive income that cannot be reclassified to profit and loss		
1. Changes arising from remeasuring defined benefit plan		
2. Other comprehensive income that cannot be reclassified to profit or loss under the equity method		
3. Change in fair value of investments in other equity instruments		
4. Change in fair value due to enterprise's own credit risk		
5. Others		

INCOME STATEMENT OF THE PARENT COMPANY (UNAUDITED) *(Continued)*

Items	First half of 2025	First half of 2024
(2) Other comprehensive income that will be reclassified to profit and loss		
1. Other comprehensive income that can be reclassified to profit or loss under the equity method		
2. Change in fair value of other debt investments		
3. Amount of financial assets reclassified into other comprehensive income		
4. Provision for credit impairment of other debt investments		
5. Reserve for cash flow hedging		
6. Exchange difference on translation of financial statements in foreign currency		
7. Others		
VI. Total comprehensive income	-41,546,448.98	-51,093,275.17
VII. Earnings per share:		
(1) Basic earnings per share		
(2) Diluted earnings per share		

CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)

For the six months ended 30 June 2025

Items	First half of 2025	First half of 2024
I. Cash flows from operating activities:		
Cash received from sales of goods and rendering of services	1,703,361,655.81	1,887,226,588.80
Net increase in customer deposits and placements from banks and other financial institutions		
Net increase in borrowings from central bank		
Net increase in borrowings from other financial institutions		
Cash received from original insurance contract premium		
Net cash received from reinsurance business		
Net increase in deposits and investments from policyholders		
Cash received from interest, handling charges and commission		
Net increase in loans from banks and other financial institutions		
Net increase in cash from repurchase business		
Net cash received from acting trading securities		
Refund of taxes and levies	4,646,400.49	3,663,314.58
Other cash receipts relating to operating activities	32,804,729.85	36,026,106.48
Sub-total of cash inflows from operating activities	1,740,812,786.15	1,926,916,009.86

CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)

(Continued)

Items	First half of 2025	First half of 2024
Cash paid for goods and services	1,378,375,285.25	1,506,650,871.00
Net increase in customer loans and advances		
Net increase in placements with central bank and other banks		
Cash paid for compensation under original insurance contract		
Net increase in lendings to banks and other financial institutions		
Cash paid for interest, handling charges and commission		
Cash paid for policyholders' dividend		
Cash paid to and on behalf of employees	285,835,914.40	300,156,857.67
Payments of taxes and levies	47,972,128.25	40,626,222.64
Other cash payments relating to operating activities	79,337,786.83	77,100,886.89
Sub-total of cash outflows from operating activities	1,791,521,114.73	1,924,534,838.20
Net cash flows from operating activities	-50,708,328.58	2,381,171.66

CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)

(Continued)

Items	First half of 2025	First half of 2024
II. Cash flows from investing activities:		
Cash received upon withdrawal of investments	1,125,000,000.00	1,350,000,000.00
Cash received from investment income	4,078,630.30	7,441,084.50
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	21,316.00	162,767.24
Net cash received from disposal of subsidiaries and other operating units		
Other cash receipts relating to investing activities		
Sub-total of cash inflows from investing activities	1,129,099,946.30	1,357,603,851.74
Cash paid to acquire fixed assets, intangible assets and other long-term assets	74,667,503.87	135,454,736.92
Cash paid on investments	1,128,400,000.00	1,370,000,000.00
Net increase of mortgaged loans		
Net cash paid on acquisition of subsidiaries and other operating units		
Other cash payments relating to investing activities		
Sub-total of cash outflows from investing activities	1,203,067,503.87	1,505,454,736.92
Net cash flows from investing activities	-73,967,557.57	-147,850,885.18

CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)

(Continued)

Items	First half of 2025	First half of 2024
III. Cash flows from financing activities:		
Cash received from investment	500,000.00	
Including: Cash received from minority shareholders' investment in subsidiaries		
Cash received from borrowings	2,162,766,719.80	1,190,458,658.95
Other cash receipts relating to financing activities		
Sub-total of cash inflows from financing activities	2,163,266,719.80	1,190,458,658.95
Cash payments for settlement of borrowings	1,923,127,699.10	1,289,676,311.23
Cash payments for distribution of dividend, profit or interest expenses	77,828,886.11	92,520,925.65
Including: Cash payments for distribution of dividends and profit by subsidiaries to minority shareholders	3,450,000.00	1,435,000.65
Other cash payments relating to financing activities	2,769,173.52	3,792,963.18
Sub-total of cash outflows from financing activities	2,003,725,758.73	1,385,990,200.06
Net cash flows from financing activities	159,540,961.07	-195,531,541.11

CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)

(Continued)

Items	First half of 2025	First half of 2024
IV. Effect of foreign exchange rate changes on cash and cash equivalents	28,522.21	-13,767.08
V. Net increase in cash and cash equivalents	34,893,597.13	-341,015,021.71
Add: Balances of cash and cash equivalents at the beginning of the period	1,016,307,175.22	1,237,810,786.72
VI. Balances of cash and cash equivalents at end of period	1,051,200,772.35	896,795,765.01

CASH FLOW STATEMENT OF THE PARENT COMPANY (UNAUDITED)

For the six months ended 30 June 2025

Items	First half of 2025	First half of 2024
I. Cash flows from operating activities:		
Cash received from sales of goods and rendering of services	400,867,002.89	108,449,136.56
Refund of taxes and levies		
Other cash receipts relating to operating activities	1,111,574,628.81	818,998,804.28
Sub-total of cash inflows from operating activities	1,512,441,631.70	927,447,940.84
Cash paid for goods and services	365,476,942.56	101,040,071.54
Cash paid to and on behalf of employees	25,147,163.11	29,018,765.05
Payments of taxes and levies	921,340.70	651,851.90
Other cash payments relating to operating activities	1,040,697,433.42	1,056,648,394.83
Sub-total of cash outflows from operating activities	1,432,242,879.79	1,187,359,083.32
Net cash flows from operating activities	80,198,751.91	-259,911,142.48

CASH FLOW STATEMENT OF THE PARENT COMPANY (UNAUDITED) *(Continued)*

Items	First half of 2025	First half of 2024
II. Cash flows from investing activities:		
Cash received from withdrawal of investments	1,125,000,000.00	1,350,000,000.00
Cash received from investment income	96,628,630.30	17,118,672.88
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		
Net cash received from disposal of subsidiaries and other operating units		
Other cash receipts relating to investing activities		
Sub-total of cash inflows from investing activities	1,221,628,630.30	1,367,118,672.88
Cash paid to acquire fixed assets, intangible assets and other long-term assets	2,069,614.96	5,740,115.20
Cash paid on investments	1,138,400,000.00	1,351,006,000.00
Net cash paid on acquisition of subsidiaries and other operating units		
Other cash payments relating to investing activities		
Sub-total of cash outflows from investing activities	1,140,469,614.96	1,356,746,115.20
Net cash flows from investing activities	81,159,015.34	10,372,557.68

CASH FLOW STATEMENT OF THE PARENT COMPANY (UNAUDITED) *(Continued)*

Items	First half of 2025	First half of 2024
III. Cash flows from financing activities:		
Cash received from investment		
Cash received from borrowings	1,427,202,084.23	714,430,700.00
Other cash receipts relating to financing activities		
Sub-total of cash inflows from financing activities	1,427,202,084.23	714,430,700.00
Cash payments for settlement of borrowings	1,535,969,125.13	743,650,463.00
Cash payments for distribution of dividend, profit or interest expenses	48,742,643.04	55,230,624.45
Other cash payments relating to financing activities		1,006,000.00
Sub-total of cash outflows from financing activities	1,584,711,768.17	799,887,087.45
Net cash flows from financing activities	-157,509,683.94	-85,456,387.45
IV. Effect of foreign exchange rate changes on cash and cash equivalents		
V. Net increase in cash and cash equivalents	3,848,083.31	-334,994,972.25
Add: Balances of cash and cash equivalents at the beginning of the period	760,261,184.33	1,048,382,694.38
VI. Balances of cash and cash equivalents at end of period	764,109,267.64	713,387,722.13

CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY (UNAUDITED)

For the six months ended 30 June 2025

Items	First half of 2025														
	Equity attributable to owners of the parent company														
	Other equity instruments														
	Share capital	Preferred shares	Residual tool	Others	Capital reserve	Treasury shares	Less: Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Undistributed profits	Others	Sub-total	Minority interests	Total owners' equity
I. Balance at the end of last year	1,105,255,002.40				1,311,186,481.00		27,114,088.46	1,681,173.25	2,689,784,627.16		86,473,000.35		3,359,051,228.42	551,093,588.24	4,193,804,816.66
Add/Changes in accounting policy															
Correction of previous errors															
Others															
II. Balance at the beginning of the current year															
III. Movement in this current period (Decrease represented by "-") (Sign)	1,105,255,002.40				1,311,186,481.00		27,114,088.46	1,681,173.25	2,689,784,627.16		86,473,000.35		3,359,051,228.42	551,093,588.24	4,193,804,816.66
(1) Total comprehensive income															
(2) Owners' contribution and reduction of capital															
1. Owners' contribution to various shares															
2. Capital contribution from holders of other equity instruments															
3. Amount of share-based payment charged to owners' equity															
4. Others															
(3) Profit distribution															
1. Appropriation to surplus reserve															
2. Appropriation to general risk reserve															
3. Distribution to owners (or distribution)															
4. Others															
(4) Internal transfer of owners' equity															
1. Transfer of capital reserve into capital (or capital stock)															
2. Transfer of surplus reserve to capital (or share capital)															
3. Using surplus reserve to compensate deficit plan in retained earnings															
4. Transfer of charges in defined benefit plan to retained earnings															
5. Transfer of other comprehensive income to retained earnings															
6. Others															
(5) Special reserve															
1. Appropriation during the period															
2. Utilization during the period															
(6) Others															
IV. Balance at the end of the period	1,105,255,002.40				1,311,186,481.00		27,282,110.67	4,806,607.50	2,689,784,627.16		86,555,050.53		3,340,821,594.66	580,074,056.61	3,820,933,660.27

For the six months ended 30 June 2024

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STATEMENT OF CHANGES IN OWNERS' EQUITY OF THE PARENT COMPANY (UNAUDITED)

For the six months ended 30 June 2025

Items	First half of 2025						
	Other equity instruments			Less: Treasury shares	Other comprehensive income	Special reserve	Total owners' equity
	Share capital	Preferred shares	Regulated bond				
I. Balance at the end of last year	1,162,525,802.40				3,509,701.20	253,304,956.86	3,104,132,410.33
Add: Change in accounting policy							
Correction of previous errors							
Others							
II. Balance at the beginning of the current year	1,162,525,802.40				3,509,701.20	253,304,956.86	3,104,132,410.33
III. Movement in the current period (Decrease represented by "+", Sign)							
(1) Total comprehensive income							
(2) Owners' contribution and reduction of capital							
1. Owners' contribution to ordinary shares							
2. Capital contribution from holders of other equity instruments							
3. Amount of share-based payment charged to owners' equity							
4. Others							
(3) Profit distribution							
1. Appropriation to surplus reserve							
2. Distribution to owners (or shareholders)							
3. Others							
(4) Internal transfer of owner's equity							
1. Transfer of capital reserve into capital (or capital stock)							
2. Transfer of surplus reserve to capital (or share capital)							
3. Using surplus reserve to compensate deficit							
4. Transfer of changes in defined benefit plans to retained earnings							
5. Transfer of other comprehensive income to retained earnings							
6. Others							
(5) Special reserve							
1. Appropriation during the period							
2. Utilization during the period							
(6) Others							
IV. Balance at the end of the period	1,162,525,802.40				3,509,701.20	253,304,956.86	3,062,596,194.05

STATEMENT OF CHANGES IN OWNERS' EQUITY OF THE PARENT COMPANY
(UNAUDITED) (Continued)

For the six months ended 30 June 2024

Items	First half of 2024							
	Other equity instruments				Less: Treasury shares	Over comprehensive income	Others	
	Share capital	Preferred shares	Residual bond	Capital reserve				
I. Balance at the end of last year	1,162,253,804.40			1,301,422,854.57	3,590,701.20	253,304,996.86	729,196,383.10	3,592,629,738.13
Adj. Changes in accounting policy								
Correction of previous errors								
Others								
II. Balance at the beginning of the current year	1,162,253,804.40			1,301,422,854.57	3,590,701.20	253,304,996.86	729,196,383.10	3,592,629,738.13
III. Movement in the current period (Decrease represented by "-")								
(1) Total comprehensive income								
(2) Owners' contribution and reduction of capital								
1. Owners' contribution to ordinary shares								61,082,215.17
2. Capital contribution from holders of other equity instruments								61,082,215.17
3. Amount of share-based payment charged to owners' equity								
4. Others								
(3) Profit distribution								
1. Appropriation to surplus reserve								
2. Distribution to owners (or shareholders)								
3. Others								
(4) Internal transfer of owner's equity								
1. Transfer of capital reserve into capital (or capital stock)								
2. Transfer of surplus reserve to capital (or share capital)								
3. Using surplus reserve to compensate deficit								
4. Transfer of change in defined benefit plans to retained earnings								
5. Transfer of other comprehensive income to retained earnings								
6. Others								
(5) Special reserve								
1. Appropriation during the period								
2. Utilization during the period								
(6) Others								
IV. Balance at the end of the period	1,162,253,804.40			1,301,422,854.57	3,590,701.20	253,304,996.86	678,043,107.59	3,541,536,402.96

UNAUDITED INTERIM FINANCIAL STATEMENT NOTES

1. GENERAL

The Company is a joint stock limited company incorporated in the People's Republic of China (the "PRC"). The H Shares and A Shares of the Company are listed on The Stock Exchange of Hong Kong Limited and Shenzhen Stock Exchange, respectively. The address of the registered office and principal place of business of the Company is 1/F, 3/F, North of 8/F, 9/F-12/F of Dongjiang Environmental Building, No. 9 Langshan Road, North Zone of Hi-tech Industrial Park, Nanshan District, Shenzhen, the PRC.

The functional reporting currency of the Company is RMB. The functional reporting currency of its overseas operations is the currency of the place in which they operate. The consolidated financial statements are presented in RMB.

The Company and its subsidiaries (collectively referred to as the "Group") are engaged in environmental protection industry. The business scope mainly includes: collection, treatment and comprehensive utilization of industrial waste; treatment of wastewater, waste gas and waste slag; design, construction and operation of environmental protection facilities; rare and precious metals recovery and utilization; sales of chemical products; production and trading of environmental protection materials, recycled environmental protection products, environmental protection equipments; development, promotion and application of new environmental protection products and technologies; investment in industrial enterprises; import and export of goods and technologies.

UNAUDITED INTERIM FINANCIAL STATEMENT NOTES

2. BASIS OF PREPARATION

The financial statements of the Group have been prepared on a going concern basis to reflect the transactions and events which have occurred, and in accordance with the disclosure requirements of the Accounting Standards for Enterprises – Basic Standards issued by Ministry of Finance of the PRC and other relevant regulations (hereinafter referred to as “Accounting Standard for Business Enterprises”), as well as the disclosures required by the Preparation Convention of Information Disclosure by Companies Offering Securities to the Public No.15 – General Provisions on Financial Reporting (revised in 2014) issued by the CSRC, the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and the Hong Kong Companies Ordinance as well as the accounting policies and estimates applicable to the Group.

The Company assessed its ability to continue as a going concern for a period of 12 months commencing from 30 June 2025. Having taken into consideration of the source of liquidity, the management believes that the Company has sufficient funds to meet the needs of repaying debts and capital expenditures in the future. They found no events or circumstances that cast significant doubt on the Company’s ability to continue as a going concern. Accordingly, these financial statements have been prepared on the basis of going concern assumption.

These interim report has not been audited by the auditors of the Company, but has been reviewed by the Audit and Risk Management Committee of the Company.

UNAUDITED INTERIM FINANCIAL STATEMENT NOTES

3. OPERATING REVENUE

Operating revenue represents the net amount received and receivable for goods sold and services rendered by the Group to external customers, net of trade discounts. Analysis of the Group's operating revenue during the Reporting Period is as follows:

Six months ended 30 June 2025

Business segment	For the six months ended 30 June 2025 (Unaudited)	For the six months ended 30 June 2024 (Unaudited)
Industrial waste recycling and utilization	646,104,217.38	564,376,350.26
Industrial waste treatment and disposal	396,990,856.03	401,533,859.48
Rare and precious metals recovery and utilization	287,227,264.88	396,750,877.20
Municipal waste treatment and disposal	44,642,362.92	61,648,664.38
Renewable energy utilization	10,590,979.26	15,145,986.04
Environmental engineering and services	28,246,587.57	50,003,630.90
Electronic waste dismantling	67,557,360.90	54,742,150.14
Others	19,110,680.82	9,156,933.86
Total	1,500,470,309.76	1,553,358,452.26

UNAUDITED INTERIM FINANCIAL STATEMENT NOTES

4. SEGMENT INFORMATION

The operations of the Company are classified into eight reportable segments. These reportable segments are determined based on the internal organisation structure, management requirements and reporting system. The management of the Company evaluates the operating results of the segment to decide resource allocation to them and to evaluate their business performance. Major products and services provided by each reportable segment of the Company includes industrial waste recycling and utilization, industrial waste treatment and disposal, rare and precious metals recovery and utilization, municipal waste treatment and disposal, electronic waste dismantling, environmental engineering and services, renewable energy utilization, and others.

Analysis of the Group's segmental information by business segments during the Reporting Period is set out below.

For the six months ended 30 June 2025 – unaudited

Items	Industrial Waste Recycling and Utilization	Industrial Waste Treatment and Disposal	Rare and Precious Metal Recovery and Utilization	Municipal Waste Treatment and Disposal	Electronic Waste Dismantling	Environmental Engineering and Services	Renewable Energy Utilization	Others	Unallocated Profits	Inter-segment Offsets	Total
I. Operating revenue	661,524,908.18	418,926,680.14	287,227,264.88	44,642,362.92	67,557,380.90	40,908,544.61	10,590,979.26	26,187,343.82	-	-57,095,135.95	1,500,470,269.76
Including: Revenue from sale to external customers	646,104,217.38	396,990,856.03	287,227,264.88	44,642,362.92	67,557,380.90	28,246,587.57	10,590,979.26	15,110,880.82	-	-	1,500,470,269.76
Revenue from inter-segment transactions	15,420,691.80	21,935,824.11	-	-	-	12,661,957.04	-	7,076,463.00	-	-57,095,135.95	-
II. Cost of operation (inclusive of tax and levies)	612,693,001.17	451,578,186.47	259,881,610.82	35,778,445.20	65,512,799.41	22,918,368.58	12,335,942.91	10,818,196.61	20,304,468.72	-	1,472,221,037.89
III. Total profit	-52,618,411.21	-194,426,714.65	-8,576,889.30	6,359,051.30	4,750,112.09	3,576,311.30	-2,889,368.65	1,410,322.78	-64,556,291.94	-2,388,435.33	-324,780,391.79
IV. Total assets	2,058,040,740.42	4,651,893,891.00	1,167,575,291.95	865,980,124.59	530,883,216.88	495,011,212.08	165,300,218.81	537,355,732.74	4,058,805,724.12	-3,515,238,805.10	11,025,527,347.49
V. Total liabilities	590,227,837.62	2,982,564,446.48	708,575,980.80	464,895,132.62	324,163,962.03	52,019,994.86	8,628,852.16	185,237,837.18	2,624,874,196.37	-750,901,052.90	7,800,623,387.22
VI. Depreciation and amortization	30,494,959.52	234,222,756.64	26,273,663.18	11,906,598.98	10,205,678.55	3,091,820.04	4,034,718.97	368,149.04	5,855,287.88	-	326,453,562.80
VII. Newly increased amount of construction in progress, fixed assets and intangible assets	7,539,628.79	16,756,077.59	1,395,779.40	1,793,511.00	784,757.33	3,747,062.78	0.00	105,335.45	2,069,614.96	-	34,131,767.30

For the six months ended 30 June 2024 – unaudited

Items	Industrial Waste Recycling and Utilization	Industrial Waste Treatment and Disposal	Rare and Precious Metal Recovery and Utilization	Municipal Waste Treatment and Disposal	Electronic Waste Dismantling	Environmental Engineering and Services	Renewable Energy Utilization	Others	Unallocated Profits	Inter-segment Offsets	Total
I. Operating revenue	581,718,390.11	413,201,918.04	396,750,877.20	61,648,664.38	54,742,150.14	60,885,592.05	15,145,986.04	16,817,931.92	-	-47,553,057.62	1,553,358,452.26
Including: Revenue from sale to external customers	564,376,350.26	401,533,859.48	396,750,877.20	61,648,664.38	54,742,150.14	50,003,630.90	15,145,986.04	9,156,933.86	-	-	1,553,358,452.26
Revenue from inter-segment transactions	17,342,039.85	11,668,058.56	-	-	-	10,881,961.15	-	7,660,998.06	-	-47,553,057.62	-
II. Cost of operation (inclusive of tax and levies)	538,467,104.02	414,750,716.30	363,079,663.45	44,495,986.13	52,915,089.04	42,488,068.04	15,487,050.28	3,940,625.30	21,954,585.93	-	1,497,588,888.49
III. Total profit	-56,750,659.22	-195,566,048.05	-11,668,848.48	11,034,238.31	-12,427,464.57	6,893,266.69	-921,790.13	-11,575.14	-54,847,874.18	-1,607,811.67	-315,039,567.24
IV. Total assets	2,318,250,812.47	4,874,302,189.51	1,168,653,297.52	567,089,981.36	635,008,657.63	483,254,211.23	171,171,700.06	445,665,371.95	5,036,699,142.95	-3,946,166,990.67	11,713,938,485.21
V. Total liabilities	441,500,793.90	3,597,885,487.12	591,620,826.20	391,872,530.13	390,810,148.92	138,174,980.28	8,787,292.84	186,784,882.17	2,038,822,366.63	-796,515,004.73	6,989,544,095.46
VI. Depreciation and amortization	33,888,288.36	237,097,589.74	24,385,182.70	9,712,746.79	9,834,938.87	3,472,913.59	5,638,558.49	910,872.07	7,937,011.16	-	332,860,961.77
VII. Newly increased amount of construction in progress, fixed assets and intangible assets	6,875,441.13	44,002,742.41	14,296,977.29	3,107,091.23	2,120,069.81	347,713.75	746,234.16	2,799.00	5,740,115.20	-	77,239,273.98

UNAUDITED INTERIM FINANCIAL STATEMENT NOTES

5. FINANCE COSTS

Items	Amount of the current period	Amount of the previous period
Interest expense	94,743,471.81	99,028,016.25
Less: interest income	2,603,195.24	4,522,859.03
Exchange gain or loss	1,517,236.25	-753,018.73
Bank charges and others	217,207.84	143,120.45
Total	93,874,720.66	93,895,258.94

There was no capitalized interest expense from January to June 2025 (six months ended 30 June 2024: no capitalized interest expense).

Breakdown of interest expenditure

Items	Amount of the current period	Amount of the previous period
Interest expenditure on loans from financial institutions	78,050,482.03	90,153,631.43
Bond interest based on effective interest rate	11,231,096.43	2,666,666.65
Interest expenditure on decommissioning expenses	5,361,938.94	5,982,065.70
Interest expense on lease liabilities	99,954.41	225,652.47
Sub-total	94,743,471.81	99,028,016.25
Less: Capitalised interest	0.00	0.00
Total	94,743,471.81	99,028,016.25

UNAUDITED INTERIM FINANCIAL STATEMENT NOTES

6. TAXATION

1. Income Tax Expense

Items	Amount of the current period	Amount of the previous period
Income tax expense of the current period	3,749,946.01	4,759,422.68
Deferred income tax expense	-289,600.80	-485,875.90
Total	3,460,345.21	4,273,546.78

2. Income Tax

Items	Amount of the current period	Amount of the previous period
Income tax expense of the current period		
– Mainland China	4,337,019.00	4,039,773.01
– Hong Kong		
Overprovision in prior years		
– Mainland China	-587,072.99	719,649.67
	3,749,946.01	4,759,422.68

UNAUDITED INTERIM FINANCIAL STATEMENT NOTES

6. TAXATION *(Continued)*

3. Major taxes and tax rates

Type of tax	Basis of calculation	Tax rate
Value Added Tax	Value-added tax is calculated as the difference of the output value-added tax, which is computed on assessable income at tax rates of 3%, 5%, 6%, 9% and 13%, and the deductible input VAT for the current period.	3%, 5%, 6%, 9% and 13%
City Maintenance and Construction Tax	Based on 5% and 7% of actual payment of turnover tax.	5% and 7%
Enterprise Income Tax	Enterprise Income tax rates are 15%, 16.5%, 20% and 25%, respectively.	15%, 16.5%, 20% and 25%
Education Surcharge	Based on 3% of actual payment of turnover tax.	3%
Local Education Surcharge	Based on 2% of actual payment of turnover tax.	2%
Property Tax	The property tax is levied at 1.2% of the taxable salvage value of the building or 12% of the rental income.	1.2%, 12%

UNAUDITED INTERIM FINANCIAL STATEMENT NOTES

6. TAXATION (Continued)

3. Major taxes and tax rates (Continued)

Particulars of tax paying entities using different enterprise income tax rates

Name of taxable entities	Income tax rate
Dongjiang Environmental Company Limited	15%
Shenzhen Dongjiang Feeds Additives Co., Ltd.	20%
Shenzhen Longgang Dongjiang Industrial Waste Treatment Co., Ltd.	25%
Yunnan Dongjiang Environmental Technologies Co., Ltd.	25%
Huizhou Dongjiang Environment Technology Co., Ltd.	15%
Kunshan Qiandeng Three Wastes Treatment Co., Ltd.	25%
Kunshan Port and Shipping Logistics Co., Ltd.	20%
Shenzhen Huabao Technology Ltd.	15%
Shenzhen Huateng Environment Information Technology Co., Ltd.	15%
Qingdao Dongjiang Environmental Recycled Power Ltd.	20%
Hunan Dongjiang Environmental Protection Investment Development Ltd.	25%
Chengdu Hazardous Waste Treatment Centre Co., Ltd.	20%
Shenzhen Dongjiang Renewable Energy Ltd.	25%
Nanchang Xinguan Energy Development Co., Ltd.	20%
Hefei Xinguan Energy Development Co., Ltd.	20%
Shaoguan Dongjiang Environmental Technology Co., Ltd.	15%
Shenzhen Baoan Dongjiang Environmental Renewable Energy Ltd.	20%

UNAUDITED INTERIM FINANCIAL STATEMENT NOTES

6. TAXATION (Continued)

3. Major taxes and tax rates (Continued)

Particulars of tax paying entities using different enterprise income tax rates (Continued)

Name of taxable entities	Income tax rate
Dongjiang Environmental (HK) Ltd.	16.50%
Nantong Dongjiang Environmental Technology Co., Ltd.	25%
Dongguan Hengjian Environment Technology Co., Ltd.	15%
Huizhou Dongjiang Logistic Ltd.	20%
Qingyuan Xinlv Environmental Technology Ltd.	25%
Jiaxing Deda Resource Recycling Ltd.	15%
Jiangmen Dongjiang Environmental Technology Ltd.	15%
Yancheng Coastal Solid Waste Disposal Co., Ltd.	25%
Xiamen Dongjiang Environmental Technology Co., Ltd.	25%
Fujian Oasis Solid Waste Treatment Co., Ltd.	Half of 25%
Longyan Oasis Environmental Technology Co., Ltd.	20%
Nanping Oasis Environmental Technology Co., Ltd.	20%
Sanming Oasis Environmental Technology Co., Ltd.	20%
Xiamen Oasis Environmental Industrial Co., Ltd.	25%
Karamay Wosen Environmental Technology Co., Ltd.	15%
Shenzhen Dongjiang Kaida Transport Co., Ltd.	20%

UNAUDITED INTERIM FINANCIAL STATEMENT NOTES

6. TAXATION (Continued)

3. Major taxes and tax rates (Continued)

Particulars of tax paying entities using different enterprise income tax rates (Continued)

Name of taxable entities	Income tax rate
Jiangxi Dongjiang Environmental Technology Co., Ltd.	15%
Shenzhen Hengjian Tongda Investment Management Co., Ltd.	25%
Dongguan Humen Water Co., Ltd.	15%
Hubei Tianyin Circulation Economic Development Co., Ltd.	25%
Hubei Tianyin Hazardous Waste Centralized Disposal Co., Ltd.	25%
Dongjiang Vehicle Resources Recycling (Hubei) Co., Ltd.	20%
Zhuhai Yongxingsheng Environmental Industrial Waste Recycling and Integrated Treatment Co., Ltd.	15%
Xiantao Lyvi Environmental Technology Co., Ltd.	25%
Jiangsu Dongjiang Environmental Services Co., Ltd.	Half of 25%
Hengshui Ruitao Environmental Technology Co., Ltd.	25%
Jiangsu Dongheng Environmental Holdings Co., Ltd.	25%
Shenzhen Qianhai Dongjiang Environment Technology Service Co., Ltd.	25%
Shenzhen Baoan Dongjiang Environmental Technology Co., Ltd.	15%

UNAUDITED INTERIM FINANCIAL STATEMENT NOTES

6. TAXATION (Continued)

3. Major taxes and tax rates (Continued)

Particulars of tax paying entities using different enterprise income tax rates (Continued)

Name of taxable entities	Income tax rate
Shaoxing Huaxin Environmental Technology Co., Ltd.	Half of 25%
Weifang Dongjiang Environmental Blue Sea Environmental Protection Co., Ltd.	25%
Jingzhou Dongjiang Environmental Technology Co., Ltd.	Half of 25%
Wandesi (Tangshan Caofeidian) Environmental Technology Co., Ltd	Half of 25%
Xiantao Dongjiang Environmental Technology Co., Ltd.	15%
Mianyang Dongjiang Environmental Technology Co., Ltd.	25%
Jieyang Dongjiang Guoye Environmental Protection Technology Co., Ltd.	25%
Foshan Fulong Environmental Protection Technology Co., Ltd.	15%
Zhuhai Dongjiang Environment Technology Co., Ltd.	25%
Chenzhou Xiongfeng Environment Technology Company Limited	15%
Zhuhai Dongjiang Kaian Transportation Co., Ltd.	20%

UNAUDITED INTERIM FINANCIAL STATEMENT NOTES

6. TAXATION (Continued)

4. Tax incentives

a. Enterprise Income tax

(1) According to Article 27 of the Enterprise Income Tax Law of the People's Republic of China, enterprises that engage in environmental protection and energy saving and water saving projects which meet certain requirements enjoy full EIT exemption from the first year (that is the tax year in which the project generates revenue from production and business operation for the first time) to the third year, and 50% EIT reduction from the fourth year to the sixth year. In particular:

- ① Jingzhou Dongjiang and Tangshan Wandesi enjoyed full EIT exemption from 2020 to 2022 and 50% EIT reduction from 2023 to 2025;
- ② Fujian Oasis Rotary Kiln Incineration Project enjoyed full EIT exemption from 2020 to 2022 and 50% EIT reduction from 2023 to 2025. Materialization project and landfill project enjoyed full EIT exemption from 2021 to 2023 and 50% EIT reduction from 2024 to 2026;
- ③ Jiangsu Dongjiang Rigid landfill enjoyed full EIT exemption from 2021 to 2023 and 50% EIT reduction from 2024 to 2026.
- ④ Shaoxing Huaxin Incineration Project enjoyed full EIT exemption from 2020 to 2022 and 50% EIT reduction from 2023 to 2025.

(2) According to Article 33 of the Enterprise Income Tax Law of the People's Republic of China, only 90% of the revenue of an enterprise generated from production of products that are not restricted and prohibited by the state and meet the relevant national and industrial standards and of which the main raw materials are the resources specified in the Enterprise Income Tax Preferential Catalogue for Resource Comprehensive Utilization is included in the total revenue. Huizhou Dongjiang, Qiandeng Three Wastes, Jiangmen Dongjiang, Qingyuan Xinlv, Jiaxing Deda, Xiamen Oasis, Jiangxi Dongjiang, Baoan Dongjiang and Xiongfeng Environment are entitled to the incentive.

UNAUDITED INTERIM FINANCIAL STATEMENT NOTES

6. TAXATION (Continued)

4. Tax incentives (Continued)

a. Enterprise Income tax (Continued)

- (3) According to the Announcement of Ministry of Finance, State Administration of Taxation, Ministry of Ecology and Environment and National Development and Reform Commission in relation to the Corporate Income Tax Issues on Third-Party Enterprises Engaging in Pollution Prevention and Control》(Caishui [2023] No. 38 of Ministry of Finance, State Administration of Taxation, Ministry of Ecology and Environment and National Development and Reform Commissioning), third-party enterprises engaging in pollution prevention and control which meet the conditions are entitled to 15% EIT tax rate from 1 January 2024 to 31 December 2027. Humen Lvyuan and Xiantao Dongjiang are qualified as enterprises engaged in pollution prevention and control, and enjoy this incentive in 2025.
- (4) According to Article 28 of the Enterprise Income Tax Law of the People's Republic of China, Dongjiang Environmental, Longgang Dongjiang, Huizhou Dongjiang, Huabao Technology, Huateng Environment, Shaoguan Dongjiang, Dongguan Hengjian, Jiaying Deda, Jiangmen Dongjiang, Fujian Oasis, Wosen Environmental, Jiangxi Dongjiang, Zhuhai Yongxingsheng, Huaxin Environmental, Jiangsu Dongjiang, Baoan Dongjiang, Tangshan Wandesi, Foshan Fulong and Xiongfeng Environment are entitled to tax incentive as new and high technology enterprises, and enjoy 15% EIT tax rate.
- (5) According to Announcement on Relevant Tax Policies for Further Supporting the Development of Small and Micro – sized Enterprises and Individual Industrial and Commercial Households (Announcement No. 12 of 2023 by the Ministry of Finance and the State Taxation Administration)(《關於進一步支援小微企業和個體工商戶發展有關稅費政策的公告》)(財政部稅務總局公告2023年第12號), only 25% of the taxable income of small and micro – profitable enterprises is included in the taxable income and they enjoy a 20% corporate income tax rate, which shall be extended until 31 December 2027.

UNAUDITED INTERIM FINANCIAL STATEMENT NOTES

6. TAXATION *(Continued)*

4. Tax incentives *(Continued)*

a. **Enterprise Income tax** *(Continued)*

Dongjiang Feeds, Qingdao Dongjiang, Yunnan Dongjiang, Port and Shipping Logistics, Huateng Environment, Nanchang Energy, Hefei Energy, Baoan Energy, Dongjiang Logistics, Longyan Oasis, Nanping Oasis, Sanming Oasis, Dongjiang Kaida, Dongjiang Kaian, Dongjiang Vehicle Resources Recycling all being subsidiaries of the Company, qualified as small and micro-profit enterprises, and are entitled to the incentive in 2025.

b. **Value Added Tax**

(1) Pursuant to the “Catalogue of Preferential VAT Treatment for Products and Services of Resource Comprehensive Utilization” (2022 Revision) in the Announcement on Improving the VAT Policies for the Resource Comprehensive Utilizations (2021 Announcement No. 40 of the Ministry of Finance and the State Administration of Taxation):

- ① Revenue from power generation with biogas produced in the course of waste fermentation qualifies for tax incentive of refund of 100% VAT upon collection;
- ② Revenue from garbage treatment, sludge treatment and disposal services qualifies for tax incentive of refund of 70% VAT upon collection;
- ③ Revenue from wastewater treatment services qualifies for tax incentive of refund of 70% VAT upon collection;
- ④ Revenue from production and sales of resource comprehensive utilization products qualifies for tax incentive of refund of 30% VAT upon collection.

UNAUDITED INTERIM FINANCIAL STATEMENT NOTES

6. TAXATION (Continued)

4. Tax incentives (Continued)

b. Value Added Tax (Continued)

- (2) According to the Notice on the Tax Policy of Platinum and Its Products (Caishui [2003] No. 86)*《(關於鉑金及其製品稅收政策的 通知》(財稅 [2003]86號)), domestic platinum-producing companies are entitled to tax incentives of refund of 100% VAT upon collection for revenue from self-production and self-sale. Xiongfeng Environment is a domestic platinum-producing enterprise, and enjoys this incentive.
- (3) According to the Announcement on the Policy of Granting Additional Deduction On Input Tax of VAT For Advanced Manufacturing Enterprises (2023 Announcement No. 43 of the Ministry of Finance and the State Administration of Taxation) 《(關於先進製造業企業增值稅加計抵減政策的公告》(財政部稅務總局公告2023年第43號)), advanced manufacturing enterprises are allowed 5% additional deduction of input tax of VAT in the current period from 1 January 2023 to 31 December 2027. Huizhou Dongjiang, Dongguan Hengjian and Xiongfeng Environment enjoy the above-mentioned incentive of additional deduction on input tax of VAT.

UNAUDITED INTERIM FINANCIAL STATEMENT NOTES

7. LOSS PER SHARE

The calculation of the basic loss per share for the Reporting Period is based on the loss attributable to the ordinary equity holders of the Company of approximately RMB278,177,080.22 (for the six months ended 30 June 2024: loss of RMB257,357,295.18) and the weighted average number of 1,105,255,802 shares (for the six months ended 30 June 2024: 1,105,255,802 shares) in issue during the Period.

The Group has no potentially dilutive ordinary shares in issue during the Reporting Period and prior periods, therefore, the diluted (loss) earnings per share is the same as basic (loss) earnings per share for the periods presented.

8. DIVIDEND

The Board did not recommend the payment of an interim dividend for the six months ended 30 June 2025 (for the six months ended 30 June 2024: Nil).

9. OTHER RECEIVABLES

	As at 30 June 2025	As at 31 December 2024
Trade receivables	1,134,270,514.91	1,157,870,341.29
Less: Provision for bad debts of trade receivables	138,644,414.99	134,272,710.38
	995,626,099.92	1,023,597,630.91
Notes receivables	41,777,514.77	36,904,227.19
Including: Within 1 year	41,777,514.77	36,904,227.19
Receivable financing	14,344,976.17	18,055,682.89
Prepayments	179,416,199.38	140,488,382.04
Other receivables	321,998,154.78	317,697,476.03
Less: Provision for bad debts of other receivables	93,412,143.51	93,041,852.39
Non-current asset due within 1 year	14,666,392.82	26,597,785.36
Total	1,474,417,194.33	1,470,299,332.03

UNAUDITED INTERIM FINANCIAL STATEMENT NOTES

9. OTHER RECEIVABLES *(Continued)*

Prior to the acceptance of new customers, the Group applies internal credit assessment policies to assess the credit quality of potential customers and formulates credit limit. Apart from requiring new customers to pay in advance, the Group formulates different credit policies for different customers. The credit period is generally three months, and can be extended to six months for major customers. Regarding sales, the Group recognizes trade receivable and operating revenue at the time point of outbound and acceptance of products, when calculation of the ages of the account begins. The Group does not hold any collateral over trade receivables. Ageing analysis of trade receivable, presented based on the recognition date is as follows:

	As at 30 June 2025	As at 31 December 2024
Aged		
Within 1 year	512,746,062.02	540,139,017.80
1 to 2 years	168,691,267.01	188,934,086.00
2 to 3 years	180,468,225.19	192,854,302.94
Over 3 years	272,364,960.69	235,942,934.55
Total	1,134,270,514.91	1,157,870,341.29

UNAUDITED INTERIM FINANCIAL STATEMENT NOTES

10. OTHER ACCOUNTS PAYABLE

The following is an ageing analysis of trade payables at the end of the Reporting Period, based on recognition date:

	As at 30 June 2025	As at 31 December 2024
Aged		
Within 90 days	367,098,862.85	479,203,580.77
91 to 180 days	17,720,105.81	23,751,599.77
181 to 365 days	40,511,096.30	34,502,763.87
Over 1 year	74,830,599.44	77,278,936.55
Trade payables	500,160,664.40	614,736,880.96
Receipts in advance	935,274.72	963,309.66
Other payables	205,174,029.45	223,215,429.02
Total	706,269,968.57	838,915,619.64

UNAUDITED INTERIM FINANCIAL STATEMENT NOTES

11. NET CURRENT ASSETS

	As at 30 June 2025	As at 31 December 2024
Current assets	3,600,500,457.56	3,563,956,903.50
Less: Current liabilities	3,750,180,723.18	3,877,229,219.04
Net current assets	-149,680,265.62	-313,272,315.54

12. TOTAL ASSETS LESS CURRENT LIABILITIES

	As at 30 June 2025	As at 31 December 2024
Total assets	11,025,527,347.49	11,278,479,415.46
Less: Current liabilities	3,750,180,723.18	3,877,229,219.04
Total assets less current liabilities	7,275,346,624.31	7,401,250,196.42

UNAUDITED INTERIM FINANCIAL STATEMENT NOTES

13. LEASES

(1) Assets leased from the Company

The rental income from lands and buildings (net of government rent, rates and other expenditure) for the current period was RMB5,684,646.06 (same period of last year: RMB6,104,944.86).

As at the end of the Period, the Company as a lessor had minimum future rent receivable under non-cancellable operating leases in respect of leased office and plants properties in the following periods summarized as follows:

Period	As at 30 June 2025	As at 30 June 2024
Within one year	10,894,111.22	12,871,557.61
1 to 2 years	9,126,505.20	10,015,500.59
Total	20,020,616.42	22,887,058.20

(2) Assets leased to the Company

The Company as a lessee

Type	Amount
Short-term lease expense included in current profit or loss	4,091,997.49
Lease expense of low value assets	
Variable lease payments not included in the lease liability measurement	
Income from sublease of right-of-use assets	
Total cash outflow related to leases	7,112,406.89
Gain or loss from sales and leaseback transactions	

UNAUDITED INTERIM FINANCIAL STATEMENT NOTES

14. CHANGES IN SCOPE OF CONSOLIDATION

The scope of the merge has increased

Company name	The method of acquire equity	The timing of equity acquisition	Amount of capital contribution	Percentage of capital contribution (%)
Dongjiang Vehicle Resources Recycling (Hubei) Co., Ltd.	Establishment of a new subsidiary	3 June 2025	25,500,000.00	51.00

15. COMMITMENTS AND CONTINGENCIES

(1) Important commitments

Item	Balance at the end of the period	Balance at the beginning of the period
– Large amount outsourcing contract	57,171,416.77	71,830,125.95
– Commitment to purchase and build long-term assets	23,043,041.61	23,002,506.21
– Commitments to external investment	11,426,136.84	23,406,302.44
Total	91,640,595.22	118,238,934.60

UNAUDITED INTERIM FINANCIAL STATEMENT NOTES

15. COMMITMENTS AND CONTINGENCIES *(Continued)*

(2) Contingencies

1. *Cancellation of concession in Shaoyang, Hunan Province*

On 27 February 2008, Shaoyang Municipal People's Government and its authorized unit Shaoyang Municipal Administration and Law Enforcement Bureau (whose name is changed to "Shaoyang Municipal Administration and Comprehensive Law Enforcement Bureau", hereinafter referred to as Shaoyang Urban Management Bureau) as Party A signed the Shaoyang Municipal Domestic Waste Sanitary Landfill Construction and Concession Contract (hereinafter referred to as the Concession Contract) with Dongjiang Environmental Protection and its authorized unit Hunan Dongjiang as Party B. It was agreed that Party A would grant Party B the Concession of Shaoyang Municipal Domestic Waste Sanitary Landfill for a period of 30 years from June 2011 to June 2041, counting from the opening date of the landfill.

During the process of the Concession agreement being implemented, Shaoyang's domestic garbage was converted from landfill to incineration according to the local government's plan due to policy changes. On 29 February 2024, Shaoyang Municipal People's Government served a letter to Dongjiang Environmental Protection, revoking the concession contract and recovering the concession on the grounds of major public interests such as energy saving and emission reduction. The Company negotiated with the Shaoyang Municipal People's Government regarding compensation for the government's unilateral termination of the contract. On 18 April 2024, the transfer of assets and operational maintenance responsibilities for the Shaoyang Municipal Domestic Waste Sanitary Landfill and its leachate treatment facilities was completed. After the transfer, multiple rounds of negotiations between the two parties failed to reach an agreement. On 29 September 2024, the Company initiated an administrative lawsuit, demanding that the Shaoyang Municipal Government pay the project investment amount and other related costs. The case was heard in court on 21 November 2024. As of the date of approval for issuance of the financial statements, the first-instance judgment has not yet been received.

UNAUDITED INTERIM FINANCIAL STATEMENT NOTES

15. COMMITMENTS AND CONTINGENCIES *(Continued)*

(2) Contingencies *(Continued)*

2. *The lawsuit against Hunan Dongjiang, a subsidiary of the Company*

On 30 June 2022, Party A, Hunan Dongjiang, and Party B, Jiayuan Environmental Protection Co., Ltd. ("Jiayuan Environmental"), entered into the Garbage Leachate Treatment and Operation Service Contract. The contract stipulated that Jiayuan Environmental shall undertake the leachate treatment and operation services for the Shaoyang Municipal Landfill, with an operation period of 3 years starting from 1 July 2022. During the performance of the contract in question, Jiayuan Environmental breached the agreement by failing to meet the contracted inflow volume and outflow rate standards. On 16 April 2024, Hunan Dongjiang issued a Contract Termination Letter to Jiayuan Environmental. Due to the early termination of the contract, Jiayuan Environmental demanded that Hunan Dongjiang pay compensation and damages, but the two parties failed to reach an agreement on the settlement and payment matters following the contract termination. In September 2024, Jiayuan Environmental filed a lawsuit against Hunan Dongjiang in the Shaoyang Daxiang District People's Court regarding the contract in question, requesting the court to order Hunan Dongjiang to pay service fees, compensation, related interest and litigation costs.

In October 2024, the Company filed a counterclaim in this case, demanding that the opposing party pay penalties for breach of contract and other fees. On 7 January 2025, as the project in question is part of the Shaoyang Municipal Domestic Waste Sanitary Landfill and the reasons for the termination of the contract in question are related to the termination reasons of the concession agreement between Hunan Dongjiang and the Shaoyang Municipal People's Government (a third party not involved in this case), the Company submitted an application to the court to suspend the trial. On 23 January 2025, the Company received the court's ruling to suspend the trial. As of the date of approval for issuance of the financial statements, the case remains under suspension of trial.

UNAUDITED INTERIM FINANCIAL STATEMENT NOTES

15. COMMITMENTS AND CONTINGENCIES *(Continued)*

(2) Contingencies *(Continued)*

3. *Litigation involving the Company and the freezing of part of the funds in the designated fundraising account*

The Company has received a statement of civil claim, a notice of action and relevant documents served by the People's Court of Gongqingcheng City. Due to a contractual dispute, Jiangxi Environmental Protection Co., Ltd.* (江西環保股份有限公司, "Jiangxi Environmental Protection"), as plaintiff, has initiated legal proceedings at the court against the Company, Guijianping* (桂建平) and Zhou Yue* (周玥) as defendants, request the court to order the three defendants to jointly bear various costs, interest on funds occupied and litigation-related costs, tentatively totaling RMB96,317,554.88. In connection with the aforementioned litigation, Jiangxi Environmental Protection Company has simultaneously applied to the People's Court of Gongqingcheng City for pre-litigation asset preservation, part of the funds in the Company's designated fundraising account amounting to RMB96,317,554.88 have been frozen. For details, please refer to the Announcement on Litigation Involving the Company and the Freezing of Part of the Funds in the Designated Fundraising Account issued by the Company on 20 August 2024. The case was heard in court on 12 March 2025. As of the date of approval for issuance of the financial statements, the first-instance judgment has not yet been received.

Except for the above contingencies, as at 30 June 2025, the Company had no other major contingencies.

UNAUDITED INTERIM FINANCIAL STATEMENT NOTES

16. RELATED PARTIES TRANSACTIONS

(1) Related party transactions of goods and services

Purchase of goods and accepting service from related parties

Unit: RMB

Details of related party transactions		January-June 2025 (unaudited)	January-June 2024 (unaudited)
Joint ventures	Accepting service	818,201.04	8,602.31
Associates	Accepting service	58,129.41	28,308.83
Other related parties	Purchase of goods and accepting service	1,737,606.21	2,249,951.15
Total		2,613,936.66	2,286,862.29

Sales of goods and rendering of services to related parties

Unit: RMB

Details of related party transactions		January-June 2025 (unaudited)	January-June 2024 (unaudited)
Joint ventures	Trademark Royalty and rendering of services	2,589,948.73	4,070,798.84
Associates	Rendering of services	0.00	365,015.09
Other related parties	Rendering of services	2,023,108.79	2,320,520.37
Total		4,613,057.52	6,756,334.30

UNAUDITED INTERIM FINANCIAL STATEMENT NOTES

16. RELATED PARTIES TRANSACTIONS *(Continued)*

(2) Guarantee status

Unit: RMB

Secured Party	Associative relationship	Guarantee amount	Commencement date of guarantee	Maturity date of guarantee	Whether guarantee has been performed
Mianyang Dongjiang Environmental Technology Co., Ltd.	Subsidiary	246,000,000.00	1 April 2021	25 March 2030	No
Foshan Fulong Environmental Protection Technology Co., Ltd.	Subsidiary	160,497,000.00	18 March 2020	18 March 2030	No
Xiamen Oasis Environmental Industrial Co., Ltd.	Subsidiary	80,000,000.00	27 June 2024	27 June 2027	No
Fujian Xingye Dongjiang Environmental Technology Co., Ltd.	Joint ventures	57,375,000.00	30 June 2021	15 September 2026	No
Dongguan Fengye Solid Waste Treatment Co., Ltd.	Joint ventures	44,000,000.00	15 October 2018	15 October 2033	No

(3) Key Management Compensation

Unit: RMB

Item	For the six months ended 30 June 2025 (unaudited)	For the six months ended 30 June 2024 (unaudited)
Key Management Compensation	3,620,453.15	3,364,618.13

17. APPROVAL OF THE CONDENSED INTERIM FINANCIAL INFORMATION

The condensed interim financial information of the Group for the six months ended 30 June 2025 was approved by the Board on 22 August 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

In the first half of 2025, benefiting from the recovery of some upstream industries, the Company's hazardous waste collection and transportation volume increased by over 10%. However, as the hazardous waste industry remains fiercely competitive, the collection and transportation prices for harmless treatment business have further declined, while the discount rate for collection and transportation in resource recycling business continued to rise. These factors have led to a continued narrowing of the company's profit margins and sustained pressure on its performance. According to the "2024 China Environmental Status Bulletin" (《2024中國環境狀況公報》) released by the Ministry of Ecology and Environment of the People's Republic of China, the national hazardous waste generation in 2024 was approximately 130 million tons, of which more than half was disposed of by enterprises which created wastes themselves. The quantity handed over to market-oriented hazardous waste disposal enterprises was far lower than this figure. The problem of overcapacity in the hazardous waste disposal industry remains prominent, industry competition has not eased, and the sector as a whole is still in a period of in-depth adjustment. Meanwhile, due to tight supply of upstream raw materials, sales of precious metals such as gold and silver have decreased, leading to a more than 20% drop in revenue from the rare and precious metal recycling business. This segment of the business is highly susceptible to fluctuations in metal prices.

During the Reporting Period, the Company achieved an operating revenue of approximately RMB1,500 million, representing a year-on-year decrease of 3.40%, and net loss attributable to parent company of RMB278 million, representing a year-on-year increase of 8.09%. Faced with the severe reality that the hazardous waste industry is rapidly shifting from a "scale-driven logic" to a "value-oriented logic", the Company insisted on focusing on the core areas of technology, quality improvement and strategic transformation, making every effort to stabilize the "fundamental base" of production and operations while simultaneously cultivating new business growth drivers.

During the Reporting Period, by continuously deepening the reform of the marketing system and strengthening regional synergy, the Company achieved product sales revenue of RMB646 million, among which the sales of new products surged by 272% year-on-year. In terms of new products, the new product nano-scale basic copper sulfate developed by the subsidiary Kunshan Purification has successfully completed trial production. Meanwhile, Jiangmen Dongjiang has achieved mass production of its "Jiangxun" nitrocellulose lacquer thinner, which is the industry leader in solubility and environmental protection.

In terms of technology research and development, the Company continued to increase investment in research and development. In the first half of the year, it newly filed 15 patent applications and obtained 30 authorized patents, with a cumulative total of 647 valid patents. It also took the lead in formulating 2 industry standards. Pilot projects such as monoammonium phosphate production, copper chloride and copper salt production via the acid evaporation method have been smoothly advanced. The high-end product of ultrafine copper powder has completed sample development and been sent to key customers for trial use. The independently developed “Environmental Protection Smart Diagnosis” technical consulting and diagnosis platform has been fully integrated with the DeepSeek model, realizing the application of AI in the comprehensive environmental service industry chain.

In terms of new business, the Company has entered the field of auto parts remanufacturing by establishing a joint venture. Currently, it has integrated the resources of automobile dismantling factories, remanufacturing enterprises and repair factories in some regions, established a standardized industrial alliance. It has successfully registered three major brands, namely “Dongjiang Regeneration”, “Dongjiang Renewal” and “Dongjiang New Green”, and established a standardized management system for brand output. Additionally, it has realized online transactions of remanufactured products, achieving a new breakthrough in resource recycling business.

In terms of work safety, during the Reporting Period, the Company continued to strictly carry out the three-year action to tackle the root causes of work safety, and conducted comprehensive inspections and rectifications targeting key areas such as high inventory of hazardous waste, fire safety defects, and high-temperature and flood seasons. In the first half of the year, there were no fatal accidents, occupational hazard accidents and environmental pollution liability incidents, and the lifeline of safety and environmental protection remained solid.

Going forward, the Company will continue to deepen reforms, accelerate the transformation of scientific and technological achievements, continuously optimize its business structure, and step up the disposal of ineffective and low-efficiency assets. It will strive to minimize operational loss points and create greater maneuvering space for the Company’s transformation and upgrading. In addition, the Company will further expand its business layout in the resource recycling sector, explore new tracks and performance growth drivers, and fight a critical battle for survival to “stay alive and thrive well”. While achieving corporate development, it will also maximize social benefits.

FINANCIAL REVIEW

Total operating revenue

For the six months ended 30 June 2025, the Group's total operating revenue amounted to RMB1,500,470,309.76, representing a decrease of 3.40% as compared to the corresponding period of 2024 (for the six months ended 30 June 2024: RMB1,553,358,452.26). The decrease in total operating revenue was mainly attributable to a year-on-year 27.61% decrease in revenue from rare and precious metals recovery and utilization business to RMB287,227,264.88 (for the six months ended 30 June 2024: RMB396,750,877.20). Meanwhile, revenue from harmless treatment business decreased due to downturn of the market. Operating revenue from industrial waste treatment and disposal amounted to RMB396,990,856.03, representing a year-on-year decrease of 1.13% (for the six months ended 30 June 2024: RMB401,533,859.48). Revenue from the business of sales of recycled products increased by 14.48% to RMB646,104,217.38 (six months ended 30 June 2024: RMB564,376,350.26) as compared with the same period of last year due to the increase in metal prices and the increase in sales discount rate.

Profit

For the six months ended 30 June 2025, the Group's integrated gross profit margin was 3.24% (for the six months ended 30 June 2024: 5.00%). The integrated gross profit margin decreased by 1.76 percentage point as compared to the corresponding period of last year.

For the six months ended 30 June 2025, net profit attributable to shareholders of the parent Company was RMB-278,177,080.22 (for the six months ended 30 June 2024: RMB-257,357,295.18), representing a decrease of 8.09% as compared to the corresponding period of last year. During the first half of 2025, the hazardous waste industry was still in the stage of deep adjustment, the market as a whole remained to be fiercely competitive, and the profit margin of the Company's principal businesses of non-hazardous treatment and recycling continued to be under pressure, resulting in the gross profit margin remaining at a relatively low level.

Selling expenses

For the six months ended 30 June 2025, the Group's selling expenses were RMB41,851,616.53 (for the six months ended 30 June 2024: RMB38,307,401.98), accounting for 2.79% of the total operating revenue (for the six months ended 30 June 2024: 2.47%). The increase in selling expenses was mainly due to the increase in business commission as a result of the increase in the volume of harmless business received by the Company during the Reporting Period.

Administrative expenses

For the six months ended 30 June 2025, the Group's administrative expenses were RMB170,893,774.94 (for the six months ended 30 June 2024: RMB187,314,630.91), accounting for 11.39% of the total operating revenue (for the six months ended 30 June 2024: 12.06%). The administrative expenses decreased due to effective control measures taken by the Company during the Reporting Period.

Finance costs

For the six months ended 30 June 2025, the Group's finance costs were RMB93,874,720.66 (for the six months ended 30 June 2024: RMB93,895,258.94), accounting for 6.26% of the total operating revenue (for the six months ended 30 June 2024: 6.04%). During the Reporting Period, financial expenses were basically the same as in the corresponding period of the previous year.

Income tax expenses

For the six months ended 30 June 2025, the Group's income tax expenses were RMB3,460,345.21 (for the six months ended 30 June 2024: RMB4,273,546.78), accounting for -1.07% of the total profit (for the six months ended 30 June 2024: -1.36%). The decrease in income tax expense was mainly due to the decrease in total profit during the Reporting Period.

Financial position and Liquidity

As of 30 June 2025, net current assets of the Group amounted to RMB-149,680,265.62 (31 December 2024: RMB-313,272,315.54), including total cash and cash equivalents of approximately RMB1,051,200,772.35 (31 December 2024: RMB1,016,307,175.22).

As of 30 June 2025, total liabilities of the Group amounted to RMB7,200,623,387.22 (31 December 2024: approximately RMB7,127,589,598.80). Based on the total liabilities and total assets of the Group, the gearing ratio of the Group was 65.31% (31 December 2024: 63.20%). The current liabilities of the Group amounted to RMB3,750,180,723.18 (31 December 2024: RMB3,877,229,219.04). As of 30 June 2025, bank loans of the Group amounted to RMB4,827,608,335.70 (31 December 2024: RMB5,088,018,406.13).

The Board believes that the Group has a sound financial position and strong liquidity to meet its operation and business development needs in the future.

Significant Investments, Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

During the Reporting Period, the Group had no significant investments, acquisitions and disposals of subsidiaries, associates and joint ventures.

Future Plans for Material Investments or Capital Assets

Save as disclosed in this report, the Group does not have other future plans for material investments or capital assets.

INTEREST RATE AND FOREIGN EXCHANGE RISKS

Interest rate risk

The Group is exposed to the fair value interest rate risks as a result of its fixed-rate bank loans. The Group currently has no interest rate hedging policy. However, the management closely monitors the interest rate risk, and will consider other necessary actions should a significant risk be foreseeable.

The Group is also exposed to cash flow interest rate risk as a result of its floating-rate bank loans. The Group's policy is to maintain the floating-rate bank loans to reduce the cash flow interest rate risk.

The Group's cash interest rate risk mainly concentrated on the Group's RMB borrowings resulting from fluctuations in the benchmark interest rate published by the People's Bank of China.

Financial liabilities at floating interest rate expose the Company to cash flow interest rate risk, while financial liabilities at fixed interest rate expose the Company to fair value interest rate risk. The Company determines the relative proportions of contracts between fixed and floating interest rates depending on the market conditions.

Foreign exchange risk

The Group primarily operates in the Mainland China, and its business are primarily settled in Renminbi. However, the recognized foreign currency assets and liabilities and future foreign currency transactions (foreign currency assets and liabilities and foreign currency transactions are mainly denominated in Hong Kong dollars and US dollars) of the Company are still exposed to foreign exchange risks. The Company pays close attention to the impact of exchange rate changes on the Company. The Company has currently adopted forward foreign exchange contract measures to hedge against foreign exchange risks for its foreign exchange borrowings. The Company will consider necessary hedging actions should a significant foreign exchange risk be foreseeable.

Contingent liabilities

Save as disclosed in note 15 of the unaudited interim financial statements, the Group had no other significant contingent liabilities for the six months.

Information on Employees and Remuneration Policies

As of 30 June 2025, the Group had 3,904 full-time employees, as compared to 3,984 employees as of 31 December 2024. The total staff cost for the six months ended 30 June 2025 was approximately RMB274,589,998.00, as compared to RMB278,693,042.50 for the corresponding period in 2024. The Group offers continuous training, remuneration package and additional benefits to its employees, including retirement benefits, housing allowance and medical insurance.

EVENTS DURING THE PERIOD

Performance of guarantee obligations

As Mianyang Dongjiang remains to be unable to repay the loan, the Company has further fulfilled its guarantee obligations to pay in place of Mianyang Dongjiang its outstanding loan of RMB21.805 million (including the loan principal of RMB20 million and the interest of RMB1.805 million) and RMB1.6118 million (both are the current loan interest) to the Postal Savings Bank, pursuant to the relevant provisions of the Guarantee Agreement.

For details, please refer to the Company's announcements dated 14 March 2025 and 20 June 2025.

On 24 December 2021, the Company agreed to provide a joint liability guarantee in favour of Wandesi (Tangshan Caofeidian) Environmental Protection Technology Co., Ltd.* (萬德斯(唐山曹妃甸)環保科技有限公司, "Tangshan Wandesi"), a controlled subsidiary of the Company, for a loan facility of RMB200 million, with a maximum debt amount of RMB160 million (the "Guarantee"). A letter of guarantee (the "Letter of Guarantee") has been issued to HSBC Bank (China) Co., Ltd., Tangshan Branch* (滙豐銀行(中國)有限公司唐山分行, "HSBC"). The other shareholders of Tangshan Wandesi, namely, Nanjing Wandesi Environmental Protection Technology Co., Ltd.* (南京萬德斯環保科技股份有限公司, "Nanjing Wandesi", holding 16% of the equity interest) and Guantuo Technology (Hebei) Co., Ltd.* (觀拓科技(河北)有限公司, "Guantuo Technology", holding 4% of the equity interest) pledged the respective equity interests in Tangshan Wandesi held by them to the Company as a form of counter-guarantee and jointly undertaken the guarantee obligations.

Tangshan Wandesi has been facing liquidity difficulties in working capital for production and operations. The Company, pursuant to the relevant provisions of the Letter of Guarantee, has fulfilled its guarantee obligations to pay in place of Tangshan Wandesi its outstanding loan to HSBC in the amount of RMB111.0977 million.

For details, please refer to the Company's announcement dated 28 March 2025.

New Financial Services Agreement

On 24 December 2024, the Company has entered into the new financial services agreement (the “New Financial Services Agreement”) with Guangdong Rising Finance Co., Ltd.* (廣東省廣晟財務有限公司) (“Rising Finance”), pursuant to which Rising Finance has agreed to provide financial services to members of the Group. At the first extraordinary general meeting in 2025 held on 23 April 2025, the New Financial Services Agreement and the transactions contemplated thereunder have been approved by the independent shareholders of the Company.

For details, please refer to the Company’s announcements dated 24 December 2024 and 23 April 2025 and circular dated 28 March 2025.

Issuance of the first tranche of medium-term notes in 2025

On 27 March 2025, the Company successfully issued the first tranche of the 2025 medium-term notes with an issue size of RMB400 million and an interest rate of 2.66% per annual.

For details, please refer to the overseas regulatory announcements of the Company dated 27 February 2023 and 20 November 2024, the circular dated 20 November 2024, the announcements dated 17 March 2023, 12 July 2023 and 28 March 2025.

Change of H Share Registrar

The H share registrar and transfer office of the Company will be changed to Tricor Investor Services Limited with effect from 27 July 2025.

For details, please refer to the Company’s announcement dated 25 June 2025.

USE OF PROCEEDS FROM THE NON-PUBLIC ISSUANCE OF A SHARES

The net proceeds from the non-public issuance of A Shares were approximately RMB1,194.31 million. During the Reporting Period, the net proceeds had been applied for the purposes disclosed in the circular of the Company dated 23 June 2022 as follows:

Proposed use of proceeds	Allocation of the net proceeds (RMB' million)	Net proceeds		Net proceeds unutilised as at 30 June 2025 (RMB' million) (Note 2)	Expected timeline (Note 2)
		Net proceeds unutilised as of 1 January 2025 (RMB' million) (Note 1)	utilised during the six months ended 30 June 2025 (RMB' million) (Note 1)		
Development of the green recycling centre (phase 1) located in Petrochemical Industrial Area, Dananhai, Jieyang* (揭陽大南海石化工業區)	410.00	271.52	7.26	264.26	By December 2025
Expansion of the sewage treatment facilities (phase 2) located in Jiangling County, Jingzhou, Hubei Province* (湖北省荊州市江陵縣)	165.00	93.99	-	93.99	By December 2025
Smart digitalization development project	184.31	160.25	0.09	160.16	By December 2028
Modification and upgrade of hazardous waste treatment project	95.00	64.88	1.60	63.28	By December 2028
Replenishment of general working capital	340.00	-	-	-	-
Total	1,194.31	590.64	8.95	581.69	

Notes:

- As disclosed in the overseas regulatory announcement issued by the Company on 29 May 2023, in relation to the replacement of self-raised funds which had been previously applied to financing the fundraising-intended projects and paying the issuance fees with raised proceeds. The Company has utilized raised proceeds to replace self-raised funds which had been previously applied to financing the fundraising-intended projects of RMB133,227,054.77 and paying the issuance fees of RMB1,247,779.59, totaling RMB134,474,834.36.

2. The expected timeline for each project is based on the Group's best estimate of future market conditions in combination with the business plan and market conditions, which may be subject to change based on the current and future development of market conditions. The Group will consider a range of factors, including without limitation the actual business plan and funding needs of the Group, the priorities of fund utilization and business development of the Group, the overall financial condition of the Group and market conditions, to determine whether to make adjustments to the expected timeline. The Company has extended certain fundraising-invested projects. For details, please refer to the Company's overseas regulatory announcement dated 24 December 2024.

DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2025, none of the Directors, supervisors or chief executive of the Company had any interest and short position in the Shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register of interests required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2025, as far as the Directors, supervisors and chief executive of the Company are aware, the person(s) below (other than the Directors, supervisors and chief executive of the Company) had interests or short positions in the Shares, underlying shares or debentures of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register of the interests required to be kept by the Company under Section 336 of the SFO.

Name of Shareholder	Nature of interest	Class of Shares	Number of Shares	Long position/ Short position	Approximate percentage of the relevant class of Shares (Note 1)	Approximate percentage of the total issued share capital of the Company (Note 1)
Guangdong Rising Holdings Group	Beneficial owner	A Shares	266,279,028 Shares	Long position	29.42%	24.09%
	Interest of controlled corporation	H Shares	25,179,200 Shares (Note 2)	Long position	12.58%	2.28%
Rising Investment Development Co., Ltd.* (廣晟投資發展有限公司)	Beneficial owner	H Shares	22,283,200 Shares (Note 2)	Long position	11.13%	2.02%
Guangdong Rising H.K. (Holding) Limited.* (廣東省廣晟香港控股有限公司)	Beneficial owner	H Shares	2,896,000 Shares (Note 2)	Long position	1.45%	0.26%
Baowu Environment	Beneficial owner	A Shares	86,629,001 Shares	Long position	9.57%	7.84%
	Interest of controlled corporation	A Shares	37,664,783 Shares (Note 3)	Long position	4.16%	3.41%
Shanghai Baosteel New Building Materials Technology Co., Ltd.* (上海寶鋼新型建材科技有限公司)	Beneficial owner	A Shares	37,664,783 Shares (Note 3)	Long position	4.16%	3.41%

Name of Shareholder	Nature of interest	Class of Shares	Number of Shares	Long position/ Short position	Approximate percentage of the relevant class of Shares (Note 1)	Approximate percentage of the total issued share capital of the Company (Note 1)
High Hope Group	Beneficial owner	A Shares	50,087,669 Shares	Long position	5.53%	4.53%
	Interests of controlled corporation	A Shares	25,995,038 Shares (Note 4)	Long position	2.87%	2.35%
	Interests of controlled corporation	H Shares	18,204,800 Shares (Note 4)	Long position	9.10%	1.65%
Jiangsu Soho Technology Innovation Investment Co., Ltd.* (江蘇蘇豪科創投資有限公司)	Beneficial owner	A Shares	25,995,038 Shares (Note 4)	Long position	2.87%	2.35%
	Beneficial owner	H Shares	18,204,800 Shares (Note 4)	Long position	9.10%	1.65%

Notes:

1. The percentage is calculated on the basis of 1,105,255,802 Shares (including 200,137,500 H Shares and 905,118,302 A Shares) in issue as at 30 June 2025.
2. Rising Investment Development Co., Ltd.* (廣晟投資發展有限公司) and Guangdong Rising H.K. (Holding) Limited.* (廣東省廣晟香港控股有限公司) are wholly-owned subsidiaries of Guangdong Rising Holdings Group. Therefore, Guangdong Rising Holdings Group was deemed to be interested in the 25,179,200 H Shares held by Rising Investment Development Co., Ltd.* (廣晟投資發展有限公司) and Guangdong Rising H.K. (Holding) Limited.* (廣東省廣晟香港控股有限公司) respectively under Part XV of the SFO.
3. Shanghai Baosteel New Building Materials Technology Co., Ltd.* (上海寶鋼新型建材科技有限公司) is a wholly-owned subsidiary of Baowu Environment. Therefore, Baowu Environment was deemed to be interested in the 37,664,783 A Shares held by Shanghai Baosteel New Building Materials Technology Co., Ltd.* (上海寶鋼新型建材科技有限公司) under Part XV of the SFO.

4. Jiangsu Soho Technology Innovation Investment Co., Ltd.* (江蘇蘇豪科創投資有限公司), formerly known as Jiangsu High Hope Venture Capital Co., Ltd.* (江蘇匯鴻創業投資有限公司), is a wholly-owned subsidiary of High Hope Group. Therefore, High Hope Group was deemed to be interested in the 25,995,038 A Shares and 18,204,800 H Shares held by Jiangsu High Hope Venture Capital Co., Ltd.* (江蘇匯鴻創業投資有限公司) under Part XV of the SFO.

Save as disclosed above, as at 30 June 2025, the Directors, supervisors and chief executive of the Company are not aware of any other person (other than the Directors, supervisors and chief executive of the Company) who has interests or short positions in the Shares, underlying shares or debenture of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register of the interests required to be kept by the Company under Section 336 of the SFO.

SHARE SCHEMES

During the Reporting Period, the Company did not have any share scheme (as defined under Chapter 17 of the Listing Rules).

COMPETING INTERESTS OR BUSINESS

During the Reporting Period, none of the Directors, supervisors, chief executive or the substantial shareholders of the Company and their respective associates are considered to have interests in a business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group, as defined in the Listing Rules.

AUDIT AND RISK MANAGEMENT COMMITTEE AND REVIEW OF THE INTERIM RESULTS

The Company has established an Audit and Risk Management Committee in compliance with Rule 3.21 of the Listing Rules and Code Provision D.3 of the CG Code for the purpose of reviewing and supervising the Group's financial reporting process, risk management and internal audit functions and control. As at 30 June 2025, the Audit and Risk Management Committee of the Company comprised of two independent non-executive Directors, namely Mr. Lee Kwok Tung Louis, Mr. Li Jinhui and one non-executive director, Mr. Wang Shi. Mr. Lee Kwok Tung Louis, who holds the appropriate professional qualifications as required under Rule 3.10(2) and Rule 3.21 of the Listing Rules, serves as the chairman of the Audit and Risk Management Committee. The Audit and Risk Management Committee has reviewed the interim results and financial statements of the Group for the six months ended 30 June 2025, but the unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2025 have not been reviewed by the auditor of the Company.

PURCHASE, SALE AND REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries repurchased, sold or redeemed any of the Company's listed securities during the Reporting Period.

INTERIM DIVIDEND

The Board does not recommend the payment of any interim dividend for the six months ended 30 June 2025 (for the six months ended 30 June 2024: Nil).

CORPORATE GOVERNANCE

The Company has been firmly committed to achieving and maintaining high overall standards of corporate governance and has always recognised the importance of accountability and communication with shareholders through continuous effort in improving its corporate governance practices and processes. Through the establishment of a quality and effective Board, a comprehensive internal control system and a stable corporate structure, the Company strives to achieve complete and transparent information disclosure, enhance stable operation and consolidate and increase shareholders' value and profit. The Company has complied with all the applicable Code Provisions in the CG Code throughout the Reporting Period.

CHANGES IN INFORMATION OF DIRECTORS

There is no information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

SECURITIES TRANSACTIONS BY DIRECTORS AND SUPERVISORS

The Company has adopted the Model Code as the code of conduct of securities transactions by the Directors and supervisors. Having made specific enquiries with all Directors and supervisors by the Company, they confirmed that they have complied with the requirements set out in the Model Code during the Reporting Period.

By order of the Board
Dongjiang Environmental Company Limited*
WANG Bi'an
Chairman

Shenzhen, Guangdong, the PRC
22 August 2025

* *for identification purpose only*