



北京控股環境集團有限公司

BEIJING ENTERPRISES ENVIRONMENT GROUP LIMITED

(Stock Code 154)



Interim Report

2025

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive directors:

Mr. CHEN Xinguo (*Chairman*)
Ms. SHA Ning
Mr. YU Jie
Mr. LI Ai (*Chief Executive Officer*)
Mr. NG Kong Fat, Brian

Independent non-executive directors:

Dr. HUAN Guocang
Dr. WANG Jianping
Mr. CHEUNG Ming
Ms. MIAO Li
Dr. LUO Shengqiang

AUDIT COMMITTEE

Dr. HUAN Guocang (*Committee Chairman*)
Dr. WANG Jianping
Dr. LUO Shengqiang

REMUNERATION COMMITTEE

Ms. MIAO Li (*Committee Chairman*)
Dr. HUAN Guocang
Dr. WANG Jianping
Mr. CHEN Xinguo

NOMINATION COMMITTEE

Mr. CHEN Xinguo (*Committee Chairman*)
Dr. HUAN Guocang
Dr. WANG Jianping

COMPANY SECRETARY

Mr. WONG Kwok Wai, Robin

AUTHORISED REPRESENTATIVES

Mr. NG Kong Fat, Brian
Mr. WONG Kwok Wai, Robin

REGISTERED OFFICE

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18 Harbour Road
Wanchai
Hong Kong

WEBSITE

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STOCK CODE

154

SHARE REGISTRARS

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

AUDITOR

Deloitte Touche Tohmatsu
Certified Public Accountants
Registered Public Interest Entity Auditor

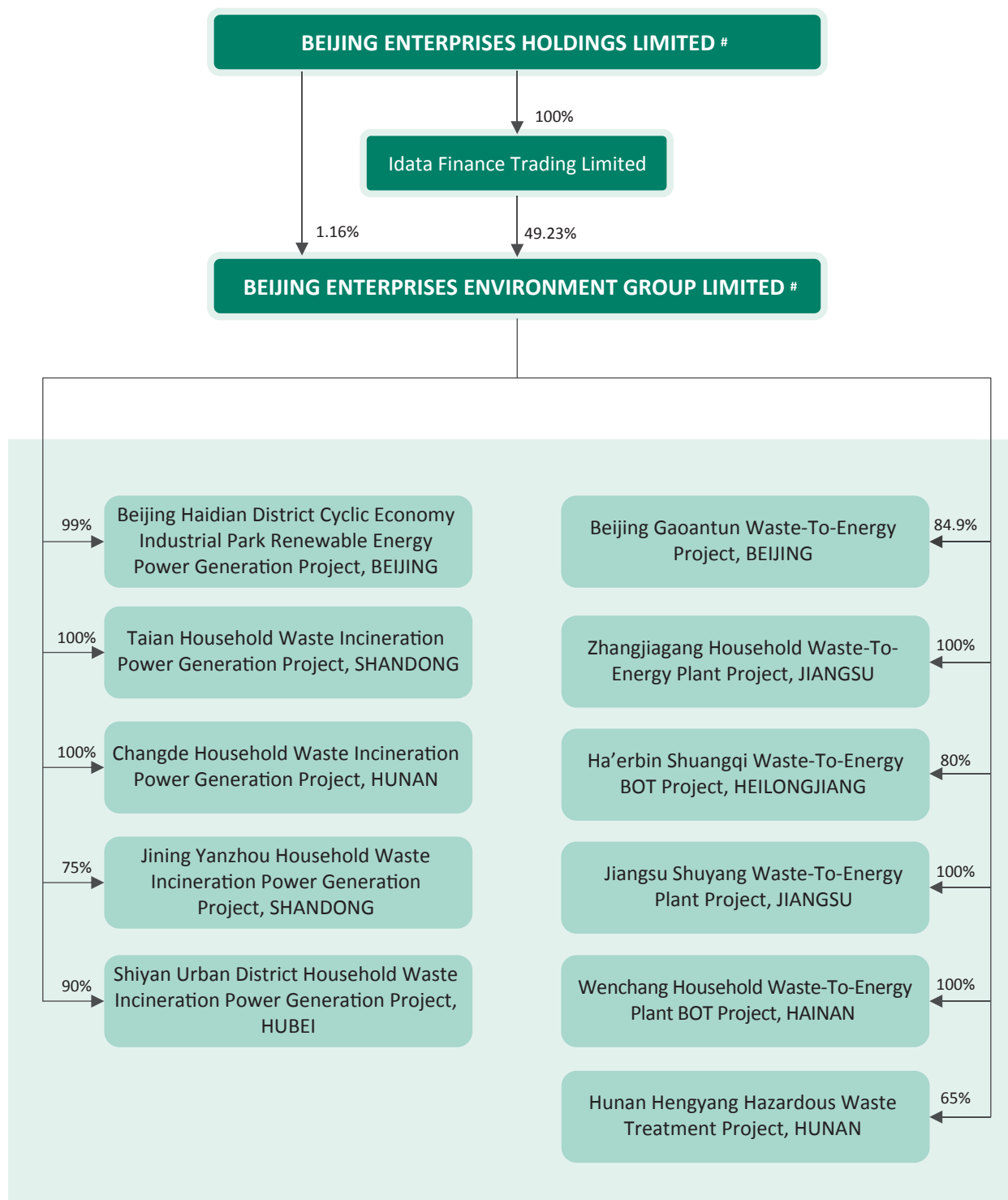
PRINCIPAL BANKERS

In Hong Kong:
Bank of China (Hong Kong)

In Chinese Mainland:
Agricultural Bank of China
Bank of Beijing
Bank of China
China Construction Bank
China Minsheng Bank
Huaxia Bank
Industrial Bank

CORPORATE STRUCTURE

28 August 2025



Listed on the Main Board of The Stock Exchange of Hong Kong Limited

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

During the first half of 2025, the Group operated ten solid waste treatment projects in Chinese Mainland, including nine household waste incineration power generation projects (daily treatment capacity is 12,850 tonnes) and a hazardous and medical waste treatment project.

Project Name	Region	Business Model	Waste treatment capacity (tonnes/day)
Household waste incineration power generation projects:			
Zhangjiagang Project (張家港市生活垃圾焚燒發電廠項目)	Jiangsu	BOT	2,250
Haidian Project (北京市海澱區循環經濟產業園再生能源發電廠項目)	Beijing	BOT	2,100
Gaoantun Project (北京高安屯垃圾焚燒項目)	Beijing	BOT	1,600
Yanzhou Project (濟寧市兗州區生活垃圾焚燒發電項目)	Shandong	BOT	1,500
Ha'erbin Project (哈爾濱雙琦垃圾焚燒發電項目)	Heilongjiang	BOT	1,200
Changde Project (常德市生活垃圾焚燒發電項目)	Hunan	BOT	1,200
Taian Project (泰安生活垃圾焚燒發電項目)	Shandong	BOO	1,200
Shuyang Project (江蘇省沭陽縣垃圾焚燒發電項目)	Jiangsu	BOT	1,200
Shiyan Project (十堰市城區生活垃圾焚燒發電項目)	Hubei	BOT	600
Wenchang Project (文昌市生活垃圾焚燒發電廠項目) [#]	Hainan	BOT	225
Hazardous and medical waste treatment project:			
Hengyang Project (湖南省衡陽危險廢物處置中心項目)	Hunan	BOT	

[#] suspended in operation

Solid waste treatment business

Facing unfavorable factors such as intensifying competition in the solid waste market and reduction in national subsidies, the Group adopted a two-pronged approach. On one hand, we strengthened safety and environmental management controls and expanded waste sources, ensuring full utilisation of treatment capacity. On the other hand, the Group optimised sludge treatment processes through synergistic treatment to improve co-incineration ratios while reducing treatment costs. We utilised kitchen waste biogas for power generation to enhance energy utilization efficiency, and expanded energy utilisation channels through heating and steam supply to improve project economic efficiency and social value. The Group continued its efforts in scientific and technological innovation, with notable achievements in constructing the information platforms. In the first half of 2025, the Group invested RMB36 million in research and development, increased by 23.9% year-on-year. In the first half of 2025, the Group submitted 77 new patent applications and have granted 32 new patents. As of the end of June 2025, the Group had a total of 262 patents, including 45 invention patents and 217 utility model patents.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

In the first half of 2025, the Group completed 2.21 million tonnes of intake household waste (approximately 12,225 tonnes/day), increased by 0.5% year-on-year. The electricity generating volume was 882 million kWh, increased by 2.5% year-on-year. The Group generated 737 million kWh of on-grid electricity, increased by 1.7% year-on-year. The external steam supply volume was 187,000 tonnes, increased significantly by 1.67 times year-on-year. In the first half year, the Group's solid waste treatment business recorded revenue of RMB682 million, increased by 11.0% year-on-year. Among which, revenue from household waste treatment was RMB165 million, increased by 15.7%; revenue from sales of electricity was RMB350 million, decreased by 0.5%; revenue from synergistic treatment was RMB130 million, increased by 19.4%, and revenue from heating was RMB37 million, increased by 2.15 times. The gross profit from solid waste treatment business was RMB294 million, increased by 2.0% year-on-year, with the gross profit margin remaining unchanged at 43%.

Project construction, sale of equipment and related services business

The construction of Shiyan Project, in which the Group has invested, was completed and commenced its commercial operation at the beginning of 2025, with the completion acceptance and final settlement procedures that followed. The Group is moving towards asset-light development and the number of large-scale construction projects is reducing. During the first half of the year, the Group's project construction, sale of equipment and related services business only recorded revenue of RMB40 million, decreased by 78.5% year-on-year and the gross profit contribution was RMB4.5 million, decreased by 81.7% year-on-year.

PROSPECT

The Group will focus on "management improvement, quality and efficiency enhancement" as its main operating strategy, actively respond to both internal and external challenges, focus on operation refinement of existing projects, expand diversified businesses such as coordinated treatment and heating, and extend the industrial chain, cultivate new momentum in niche markets. Also, we will deepen intensive management, strengthen safety, environmental protection and cost control, and improve operational efficiency.

In addition, the Group will speed up the pace of technological innovation and information development, enhance its technological and digital support capabilities, continuously unleash its assets potential, actively cultivate new profit growth points, and strive to achieve a steady growth in operating performance, thereby laying a solid foundation for high-quality development.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

FINANCIAL REVIEW

Continuing operations

Revenue and gross profit

During the six months ended 30 June 2025, the Group recorded revenue of RMB722.36 million, decreased by 10.1% as compared with last corresponding period of RMB803.23 million. The revenue derived from the solid waste treatment and the sale of electricity and steam amounted to RMB681.78 million, increased by 11.0% as compared with last corresponding period of RMB614.33 million. The revenue derived from the waste incineration plant construction, sale of equipment and related services amounted to RMB40.58 million, decreased by 78.5% as compared with last corresponding period of RMB188.90 million.

The Group's gross profit amounted to RMB298.91 million, increased by 2.2% as compared with last corresponding period of RMB292.56 million. The Group's overall gross profit margin increased from 36.4% to 41.4%.

	Revenue For the six months ended 30 June		Gross profit For the six months ended 30 June		Gross profit margin For the six months ended 30 June	
	2025 RMB million	2024 RMB million	2025 RMB million	2024 RMB million	2025 %	2024 %
Continuing operations:						
Household waste treatment	165.10	142.70				
Other solid waste treatment	129.71	108.61				
Sale of electricity and steam	386.97	363.02				
	681.78	614.33	294.40	267.90	43.2	43.6
Waste incineration plant construction, sale of equipment and related services	40.58	188.90	4.51	24.66	11.1	13.1
	722.36	803.23	298.91	292.56	41.4	36.4

Other income

The Group recorded other income of RMB41.36 million during the six months ended 30 June 2025, increased by RMB7.61 million as compared with last corresponding period of RMB33.75 million. The other income for the period mainly comprised value added tax refund from solid waste treatment business of RMB31.93 million (first half of 2024: RMB28.27 million), interest income of RMB5.19 million (first half of 2024: RMB3.23 million) and government grants of RMB2.11 million (first half of 2024: RMB1.68 million).

Other gain and loss

The Group recorded net other gain of RMB1.11 million during the six months ended 30 June 2025, increased by RMB6.12 million as compared with last corresponding period of net other loss of RMB5.01 million. The other gain and loss for the period mainly comprised impairment loss on trade receivables of RMB0.46 million (first half of 2024: RMB3.15 million) and net foreign exchange gain of RMB1.74 million (first half of 2024: loss of RMB1.48 million).

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Administrative expenses

The Group's administrative expenses for the six months ended 30 June 2025 amounted to RMB89.52 million, increased by 10.4% as compared with last corresponding period of RMB81.10 million. Included in administrative expenses are mainly staff cost of RMB61.51 million, increased by 19.4% as compared with last corresponding period of RMB51.50 million.

Finance costs

The Group's finance cost for the six months ended 30 June 2025 amounted to RMB74.93 million, increased by 33.7 % as compared with last corresponding period of RMB56.03 million. The Group's finance cost for the period mainly comprised interests on bank loans of RMB23.54 million (first half of 2024: RMB23.69 million), interest on a loan from Idata Finance Trading Limited ("Idata", the immediate holding company of the Company) in the principal amount of HK\$2,693.3 million (equivalent to RMB2,451 million) (the "Shareholder Loan") of RMB43.01 million (first half of 2024: RMB20.72 million) and interests on borrowings from 北京控股集團財務有限公司 ("BG Finance"), a fellow subsidiary of the Company, of RMB8.50 million (first half of 2024: RMB11.67 million).

Income tax

The Group's income tax expense for the six months ended 30 June 2025 amounted to RMB39.16 million, increased by 16.6% as compared with last corresponding period of RMB33.59 million, which comprised current tax expenses of RMB39.73 million (first half of 2024: RMB48.53 million) and deferred tax credit of RMB0.57 million (first half of 2024: RMB14.93 million). The Group's effective tax rate for the period was 22.1% (first half of 2024: 18.2%).

Discontinued operation

Pursuant to an asset transaction agreement dated 13 June 2024 entered into between Beijing Enterprises Environmental Group Limited ("BEEGL", an indirect wholly-owned subsidiary of the Company) and 海南格潤投資有限公司 ("Hainan Gerun", a connected party of a subsidiary of the Company), BEEGL disposed of its 51% equity interest in 北京北控生態建設集團有限公司 ("Beikong Ecology") to Hainan Gerun through public tender for a cash consideration of RMB41.49 million. The disposal transaction was completed on 19 June 2024.

The Group's ecological construction services, being a reportable operating segment of the Group, was solely undertaken by Beikong Ecology. Accordingly, the ecological construction services of the Group was classified as a discontinued operation in 2024.

During the six months ended 30 June 2024, loss from the discontinued operation amounted to RMB8.47 million, which comprised (i) operating loss of Beikong Ecology for the period of RMB3.29 million and (ii) loss on disposal of Beikong Ecology of RMB5.18 million (inclusive of tax).

EBITDA and profit for the period

The Group's total EBITDA for the six months ended 30 June 2025 was RMB347.89 million, increased by 5.9% or RMB19.43 million as compared with last corresponding period of RMB328.46 million. Profit for the period amounted to RMB137.78 million, decreased by 3.0% or RMB4.33 million as compared with last corresponding period of RMB142.11 million. Profit for the period attributable to shareholders of the Company amounted to RMB127.13 million, decreased by 4.7% or RMB6.32 million as compared with last corresponding period of RMB133.45 million.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

	EBITDA		Profit/(loss) for the period		Profit/(loss) for the period attributable to shareholders of the Company	
	For the six months ended 30 June		For the six months ended 30 June		For the six months ended 30 June	
	2025 RMB million	2024 RMB million	2025 RMB million	2024 RMB million	2025 RMB million	2024 RMB million
Continuing operations						
Solid waste treatment segment	361.75	354.75	194.64	191.90	184.07	182.55
Other segment	(13.86)	(20.53)	(56.86)	(41.32)	(56.94)	(41.32)
	347.89	334.22	137.78	150.58	127.13	141.23
Discontinued operation						
Ecological construction services segment	–	(5.76)	–	(8.47)	–	(7.78)
	347.89	328.46	137.78	142.11	127.13	133.45

FINANCIAL POSITION

Significant investing and financing activities

During the six months ended 30 June 2025, except for the expansion construction and continuing technical modifications on the existing waste treatment plants, the Group had made no material investment, acquisition and disposal of any other subsidiaries and associated companies during the period.

Total assets and liabilities

As at 30 June 2025, the Group had total assets and total liabilities amounted to RMB10,122 million and RMB5,998 million, respectively, increased by RMB113 million and decreased by RMB95 million as compared with those as at 31 December 2024, respectively. Net assets of the Group was RMB4,124 million, increased by RMB208 million during the six months ended 30 June 2025.

Property, plant and equipment

The Group's property, plant and equipment mainly comprised those equipped for the Shandong Taian Project which is operated under a Build-Own-Operate ("BOO") arrangement with a net carrying amount of RMB466 million. During the six months ended 30 June 2025, the net carrying amount of the Group's property, plant and equipment decreased by RMB18 million to RMB498 million, of which new additions amounted to RMB1 million and depreciation charge amounted to RMB19 million.

As the new plant of the Zhangjiagang Project which is operated under a Build-Operate-Transfer ("BOT") arrangement commenced its operation by 31 December 2023, the old plant of the Zhangjiagang Project which was operated under a BOO arrangement suspended its operation and its title shall be received by the government authority. Therefore, subject to the administrative procedure by the government authority, the property, plant and equipment related to the old plant of RMB302 million have been classified as non-current assets held for disposal since 31 December 2023.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Goodwill

The Group acquired certain companies engaging in the solid waste treatment business in April 2014 and October 2016 and aggregate goodwill of RMB1,022 million arose from these acquisitions. During the six months ended 30 June 2025, there is no significant consequence that giving rise to the material deterioration to the aggregate value-in-use value of the relevant cash generating units of the solid waste treatment business, the Company is reasonably considered that no impairment provision is necessary for the Group's goodwill as at 30 June 2025. The Company will appoint an independent professional valuer to further assess the impairment testing of goodwill as at the financial year end.

Right-of-use assets

The Group's right-of-use assets decreased by depreciation charge of RMB4 million to RMB38 million during the six months ended 30 June 2025.

Operating concessions

The Group's operating concessions are recognised from the solid waste treatment plants operated under BOT arrangements. During the six months ended 30 June 2025, the net carrying amount of the Group's operating concessions decreased by RMB42 million to RMB2,818 million, of which new additions amounted to RMB28 million and amortisation cost amounted to RMB70 million.

Other intangible assets

During the six months ended 30 June 2025, the net carrying amount of the Group's other intangible assets decreased by RMB1 million to RMB54 million, which mainly comprised the fair value of the operation rights and licenses of RMB31 million and computer software of RMB23 million.

Receivables under service concession arrangements

The Group's receivables under service concession arrangements are recognised from the household waste treatment plants operated under BOT arrangements with guaranteed waste treatment revenue. During the six months ended 30 June 2025, the net carrying amount of the Group's receivables under service concession arrangements decreased by RMB37 million to RMB2,446 million, of which the additional receivables recognised from the Shiyan Project amounted to RMB5 million.

Contract assets

As at 30 June 2025, the Group's contract assets on construction of waste treatment plants stay steady at RMB75 million.

Inventories

As at 30 June 2025, the Group's inventories mainly represented coal and consumables used for the operation of solid waste treatment plants and was steadily maintained at RMB36 million.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Trade and bills receivables

During the six months ended 30 June 2025, the Group's trade and bills receivables increased by RMB109 million to RMB924 million (net of impairment of RMB38 million), which comprised receivables (before impairment) from sales of electricity of RMB523 million (increased by RMB65 million), household waste treatment services of RMB213 million (decreased by RMB3 million), other waste treatment services of RMB220 million (increased by RMB44 million) and construction and related services of RMB6 million (increased by RMB4 million).

According to the ageing analysis as at 30 June 2025, mainly represented national subsidy of grid electricity of RMB472 million (representing 51% of the total receivables) are unbilled and invoice date of the Group's trade and bills receivables fall within three months amounted to RMB174 million (representing 19% of the total receivables).

Prepayments, deposits and other receivables

During the six months ended 30 June 2025, the Group's total prepayments, deposits and other receivables increased by RMB50 million to RMB323 million, which mainly comprised value added tax refund and other taxes recoverable of RMB192 million, balances due from fellow subsidiaries of RMB18 million, prepayments of RMB22 million, deposits and other receivables of RMB91 million.

Bank and other borrowings

During the six months ended 30 June 2025, the Group repaid bank loans of RMB41 million, repaid borrowings from BG Finance of RMB41 million and advanced new bank loans of RMB114 million. As at 30 June 2025, the Group has total bank and other borrowings amounted to RMB4,586 million, which comprised (i) the Shareholder's Loan in equivalent of RMB2,451 million which is due for repayment at the end of year, (ii) bank loans of RMB1,678 million from commercial banks in Chinese Mainland, and (iii) borrowings from BG Finance of RMB457 million. Excluding the Shareholder's Loan which has provided an interest at 3.5% per annum, the weighted average interest rate of the Group's bank and other borrowings was reduced from approximately 3.3% to 3.0% per annum.

Deferred income

The Group's deferred income mainly represented PRC government grants and subsidies on solid waste treatment business, which was decreased by RMB2 million to RMB147 million during the six months ended 30 June 2025.

Trade payables

The Group's trade payables decreased by RMB127 million to RMB492 million during the six months ended 30 June 2025, and of which the unbilled balance of RMB196 million represented construction monies payable for solid waste treatment plants.

Other payables and accruals

The Group's total other payables and accruals increased by RMB32 million to RMB411 million during the six months ended 30 June 2025, and included in other payables and accruals are loan interest payable to Iddata of RMB168 million and amounts due to fellow subsidiaries of RMB99 million.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Liquidity and financial resources

The Group adopts conservative treasury policies in cash management. As at 30 June 2025, the Group has cash and cash equivalents amounted to RMB1,419 million and bank and other borrowings (included the Shareholder's Loan in equivalent of RMB2,451 million) amounted to RMB4,586 million.

As at 30 June 2025, the Group has current assets amounted to RMB3,171 million and current liabilities (included the Shareholder's Loan in equivalent of RMB2,451 million) amounted to RMB3,574 million. The Company has given careful consideration to the future liquidity of the Group in light of the fact that its current liabilities exceeded its current assets with amount of RMB403 million as at 30 June 2025. Taking into account the Group's internal resources and undertakings from Beijing Enterprises Holdings Limited and Iddata not to demand repayment of the Shareholder's Loan until such time when the Group is in a position to repay without impairing its liquidity and financial position, the Company considered that the Group has sufficient cash resources to finance its operations in the foreseeable future and the Group will be able to operate on a going concern basis.

Key performance indicators

	For the six months ended 30 June	
	2025	2024
Continuing operations:		
Gross profit margin	41.4%	36.4%
Operating profit margin	34.9%	29.9%
Net profit margin	19.1%	18.7%
Return on average equity	3.4%	3.9%

	30 June 2025	31 December 2024
Current ratio (times)	0.89	0.80
Debt ratio (total liabilities/total assets)	59.3%	60.9%
Gearing ratio (net debt/total equity)	77.0%	82.9%

Capital expenditure and commitment

During the six months ended 30 June 2025, the Group has total capital expenditures amounted to RMB137 million and most of which was spent on the construction and modification of waste incineration plants. The Group has no material capital commitment as at 30 June 2025.

Charges on the Group's assets

As at 30 June 2025, save as certain solid waste treatment concession rights of the Group, which comprises operating concessions and receivables under service concession arrangements with an aggregate net carrying amount of RMB2,262 million, which are managed by the Group pursuant to the relevant service concession arrangements signed with the grantors, the Group did not have any material charges on the Group's assets.

MANAGEMENT DISCUSSION AND ANALYSIS *(CONTINUED)*

Foreign exchange exposure

The functional currency of the Company is Hong Kong dollars. As the Group's operations are majority based in Chinese Mainland, the Company has chosen Renminbi as the presentation currency of the Group's consolidated financial statements. During the six months ended 30 June 2025, the exchange gain arising on settlement or translation of monetary items of RMB1.74 million are taken to profit or loss and the net comprehensive income of exchange difference arising on translation of foreign operations and translation from functional currency to presentation currency of RMB69.85 million are recognised in the exchange fluctuation reserve. Currently, the Group has not used derivative financial instruments to hedge against its foreign currency risk.

Contingent liabilities

As at 30 June 2025, the Group has indemnities issued to financial institutions for performance bonds in respect of construction and maintenance of waste incineration plants undertaken by its subsidiaries amounted to RMB70 million. Save as disclosed above, the Group did not have any significant contingent liabilities which have not been provided for in the financial statements.

EMPLOYEES AND REMUNERATION POLICIES

The Group has 1,184 employees as at 30 June 2025, comparing with 1,166 employees as at 31 December 2024. Total staff costs for the six months ended 30 June 2025 amounted to RMB151.06 million, increased by 16.5% as compared with RMB129.72 million in the corresponding period of 2024.

The Group's remuneration policy and package are periodically reviewed and generally structured by reference to market terms and individual performance. Discretionary bonuses are awarded to certain employees according to the assessment of individual performance.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2025

		For the six months ended 30 June	
	Notes	2025 (Unaudited) RMB'000	2024 (Unaudited) RMB'000
CONTINUING OPERATIONS			
REVENUE	3	722,362	803,230
Cost of sales		(423,453)	(510,667)
Gross profit		298,909	292,563
Other income	5	41,358	33,746
Other gain and loss		1,111	(5,007)
Administrative expenses		(89,519)	(81,104)
PROFIT FROM OPERATING ACTIVITIES	6	251,859	240,198
Finance costs	7	(74,926)	(56,027)
PROFIT BEFORE TAX		176,933	184,171
Income tax	8	(39,157)	(33,593)
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS		137,776	150,578
DISCONTINUED OPERATION			
LOSS FOR THE PERIOD FROM A DISCONTINUED OPERATION		–	(8,465)
PROFIT FOR THE PERIOD		137,776	142,113
Attributable to shareholders of the Company:			
– from continuing operations		127,128	141,224
– from the discontinued operation		–	(7,779)
		127,128	133,445
Attributable to non-controlling interests:			
– from continuing operations		10,648	9,354
– from the discontinued operation		–	(686)
		10,648	8,668
		137,776	142,113
EARNINGS PER SHARE			
From continuing and discontinued operations			
EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY			
– Basic and diluted (RMB cents)	10	8.47	8.89
From continuing operations			
EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY			
– Basic and diluted (RMB cents)	10	8.47	9.41

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2025

	For the six months ended 30 June	
	2025 (Unaudited) RMB'000	2024 (Unaudited) RMB'000
PROFIT FOR THE PERIOD	137,776	142,113
OTHER COMPREHENSIVE INCOME (EXPENSES) FOR THE PERIOD		
Item that may be reclassified to profit or loss:		
Exchange differences on translation of foreign operations	87,685	(44,843)
Item that will not be reclassified to profit or loss:		
Exchange differences on translation from functional currency to presentation currency	(17,787)	18,958
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	207,674	116,228
ATTRIBUTABLE TO:		
Shareholders of the Company	196,979	107,657
Non-controlling interests	10,695	8,571
	207,674	116,228

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2025

	Notes	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
ASSETS			
Non-current assets:			
Property, plant and equipment		498,175	516,536
Right-of-use assets		38,313	42,652
Goodwill		1,021,521	1,032,747
Operating concessions		2,818,154	2,860,368
Other intangible assets		54,034	55,358
Receivables under service concession arrangements	11	2,355,209	2,395,323
Prepayments, deposits and other receivables	13	237	255
Deferred tax assets		165,289	166,033
Total non-current assets		6,950,932	7,069,272
Current assets:			
Contract assets		74,865	74,750
Inventories		36,162	36,132
Receivables under service concession arrangements	11	90,323	87,597
Trade and bills receivables	12	923,644	814,184
Prepayments, other receivables and other assets	13	323,143	273,264
Restricted bank deposits		1,000	1,000
Cash and cash equivalents		1,419,382	1,350,768
Non-current assets held for disposal		2,868,519 302,173	2,637,695 302,173
Total current assets		3,170,692	2,939,868
TOTAL ASSETS		10,121,624	10,009,140

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

30 June 2025

	Notes	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
EQUITY AND LIABILITIES			
Equity attributable to shareholders of the Company			
Share capital	14	1,972,895	1,972,895
Reserves		1,837,320	1,640,341
		3,810,215	3,613,236
Non-controlling interests		313,931	303,236
TOTAL EQUITY		4,124,146	3,916,472
Non-current liabilities:			
Bank and other borrowings	15	1,987,493	1,967,250
Provision for major overhauls		15,764	14,491
Other payables	17	5,826	9,731
Deferred income		146,556	149,175
Deferred tax liabilities		268,410	269,723
Total non-current liabilities		2,424,049	2,410,370
Current liabilities:			
Trade payables	16	491,921	618,664
Other payables and accruals	17	404,997	368,835
Bank and other borrowings	15	2,598,227	2,613,704
Tax payables		78,284	81,095
Total current liabilities		3,573,429	3,682,298
TOTAL LIABILITIES		5,997,478	6,092,668
TOTAL EQUITY AND LIABILITIES		10,121,624	10,009,140

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

	Attributable to shareholders of the Company					Total (Unaudited) RMB'000	Non- controlling interests (Unaudited) RMB'000	Total equity (Unaudited) RMB'000
	Share capital (Unaudited) RMB'000	Capital reserve (Unaudited) RMB'000	Exchange fluctuation reserve (Unaudited) RMB'000	PRC reserve funds (Unaudited) RMB'000	Retained profits (Unaudited) RMB'000			
At 1 January 2025	1,972,895	21,944	42,364	198,428	1,377,605	3,613,236	303,236	3,916,472
Profit for the period	–	–	–	–	127,128	127,128	10,648	137,776
Other comprehensive income (expense) for the period:								
Exchange differences on translation of foreign operations	–	–	87,638	–	–	87,638	47	87,685
Exchange differences on translation from functional currency to presentation currency	–	–	(17,787)	–	–	(17,787)	–	(17,787)
Total comprehensive income for the period	–	–	69,851	–	127,128	196,979	10,695	207,674
At 30 June 2025	1,972,895	21,944	112,215	198,428	1,504,733	3,810,215	313,931	4,124,146
At 1 January 2024	1,972,895	21,944	44,705	149,664	1,140,218	3,329,426	326,934	3,656,360
Profit for the period	–	–	–	–	133,445	133,445	8,668	142,113
Other comprehensive (expense) income for the period:								
Exchange differences on translation of foreign operations	–	–	(44,746)	–	–	(44,746)	(97)	(44,843)
Exchange differences on translation from functional currency to presentation currency	–	–	18,958	–	–	18,958	–	18,958
Total comprehensive (expense) income for the period	–	–	(25,788)	–	133,445	107,657	8,571	116,228
Capital contribution from a non-controlling equity holder of a subsidiary	–	–	–	–	–	–	1,000	1,000
Disposal of a subsidiary	–	(11,470)	–	(1,865)	13,335	–	(44,247)	(44,247)
Transfer to PRC reserve funds	–	–	–	10,976	(10,976)	–	–	–
At 30 June 2024	1,972,895	10,474	18,917	158,775	1,276,022	3,437,083	292,258	3,729,341

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025

	For the six months ended 30 June	
	2025 (Unaudited) RMB'000	2024 (Unaudited) RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash generated from operations	246,616	113,275
Chinese Mainland income tax paid	(41,100)	(44,087)
Net cash flows from operating activities	205,516	69,188
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property, plant and equipment	(946)	(2,574)
Proceeds from disposal of property, plant and equipment	38	13
Disposal of a subsidiary	–	(53,910)
Additions of operating concessions	(134,628)	(135,788)
Purchases of other intangible assets	(1,086)	(4,115)
Placement of restricted bank deposits	–	(1,001)
Interest received	5,186	3,233
Net cash flows used in investing activities	(131,436)	(194,142)
CASH FLOWS FROM FINANCING ACTIVITIES		
Capital contributions from a non-controlling equity holder of a subsidiary	–	1,000
New bank loans raised	113,725	232,245
Repayment of bank loans	(41,026)	(67,384)
Repayment of other loans	(41,000)	(42,860)
Principal portion of lease payments	(4,150)	(3,987)
Interest portion of lease payments	(247)	(409)
Other interest paid	(32,073)	(35,107)
Net cash flows (used in) from financing activities	(4,771)	83,498
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	69,309	(41,456)
Cash and cash equivalents at beginning of period	1,350,768	1,209,940
Effect of foreign exchange rate changes, net	(695)	4,530
CASH AND CASH EQUIVALENTS AT END OF PERIOD	1,419,382	1,173,014
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances other than time deposits:		
Placed in banks	1,355,724	1,144,483
Placed in a financial institution	13,931	7,438
Time deposits	50,727	22,094
Less: Restricted bank deposits	(1,000)	(1,001)
Cash and cash equivalents as stated in the condensed consolidated statement of financial position and the condensed consolidated statement of cash flows	1,419,382	1,173,014

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

1. BASIS OF PREPARATION OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

The unaudited interim condensed consolidated financial information of the Group for the six months ended 30 June 2025 has been prepared in accordance with the applicable disclosure requirements of Appendix D2 of The Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and Hong Kong Accounting Standard (“HKAS”) 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants. The unaudited interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements for the year ended 31 December 2024.

In preparing the unaudited interim condensed consolidated financial information, the directors of the Company have given careful consideration to the future liquidity of the Group in light of the fact that its current liabilities exceeded its current assets with amount of RMB402,737,000 as at 30 June 2025. Taking into account the Group’s internal resources and undertakings from Idata Finance Trading Limited (“Idata”), the immediate holding company of the Company, and Beijing Enterprises Holdings Limited (“BEHL”), the immediate holding company of Idata, not to demand repayment of the loan of HK\$2,693,300,000 (in equivalent to RMB2,450,903,000) due by the Company to Idata within twelve months from 27 March 2025 (being the date of the consolidated financial statements of the Group for the year ended 31 December 2024), the directors of the Company considered that the Group will be able to operate on a going concern basis. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

The financial information relating to the year ended 31 December 2024 that is included in this unaudited interim condensed consolidated financial information as comparative information does not constitute the Company’s statutory annual consolidated financial statements for that year but is derived from those consolidated financial statements. Further information relating to those statutory consolidated financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance is as follows:

The Company has delivered the consolidated financial statements for the year ended 31 December 2024 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance. The Company’s auditor has reported on the consolidated financial statements of the Company for the year ended 31 December 2024. The auditor’s report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under section 406(2), 407(2) or 407(3) of the Hong Kong Companies Ordinance.

The interim condensed consolidated financial information has not been audited, but has been reviewed by the Company’s audit committee.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

2. APPLICATION OF AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

The condensed consolidated financial statements have been prepared on the historical cost basis.

Other than change in accounting policies resulting from application of amendments to HKFRS Accounting Standards, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2025 are the same as those presented in the Group's annual consolidated financial statements for the year ended 31 December 2024.

Application of amendments to HKFRS Accounting Standards

In the current interim period, the Group has applied the following amendments to a HKFRS Accounting Standard issued by the HKICPA, for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2025 for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKAS 21

Lack of Exchangeability

The application of amendments to a HKFRS Accounting Standard in current period has no material impact on the financial position or performance of the Group.

3. REVENUE

An analysis of the Group's revenue is as follows:

	For the six months ended 30 June	
	2025 (Unaudited) RMB'000	2024 (Unaudited) RMB'000
Continuing operations		
Household waste treatment service income*	165,102	142,699
Hazardous and medical waste treatment service income	10,908	12,123
Food waste, leachate, sludge and other treatments service income	118,801	96,490
Sales of electricity	350,146	351,326
Sales of steam	36,826	11,693
Waste incineration plant construction and related service income*	40,579	186,108
Sale of equipment	–	2,791
	722,362	803,230

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

3. REVENUE (CONTINUED)

Disaggregated revenue information

Segment	Solid waste treatment	
	2025 (Unaudited) RMB'000	2024 (Unaudited) RMB'000
Continuing operations		
Types of goods or services		
Household waste treatment services*	165,102	142,699
Hazardous and medical waste treatment services	10,908	12,123
Food waste, leachate, sludge and other treatments services	118,801	96,490
Electricity	350,146	351,326
Steam	36,826	11,693
Waste incineration plant construction and related services*	40,579	186,108
Equipment	–	2,791
Total revenue	722,362	803,230
Geographical markets		
Total revenue from contracts with customers in Chinese Mainland	597,032	679,176
Revenue from another source:		
Imputed interest income	125,330	124,054
Total revenue	722,362	803,230
Timing of revenue recognition		
Goods and services transferred at a point of time	557,340	493,800
Services transferred over time	39,692	185,376
Total revenue from contracts with customers	597,032	679,176
Revenue from another source:		
Imputed interest income	125,330	124,054
Total revenue	722,362	803,230

* Imputed interest income under service concession arrangements during the period amounting to RMB125,330,000 (six months ended 30 June 2024: RMB124,054,000) was included in the revenue derived from household waste treatment services and waste incineration plant construction and related services.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION *(CONTINUED)*

For the six months ended 30 June 2025

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group's operating businesses are structured and managed separately according to the nature of their operations and the products and services they provide. Each of the Group's operating segments represents a strategic business unit that offers products and services which are subject to risks and returns that are different from those of the other operating segments.

Particulars of the Group's reportable operating segments are summarised as follows:

- (a) the solid waste treatment segment engages in the provision of waste incineration plant construction and waste treatment services, and the sale of electricity and steam generated from waste incineration; and
- (b) the others segment comprises corporate income and expense items and investment holding business.

An operating segment regarding the ecological construction services was discontinued in 2024. The segment information reported in note 4 does not include any amounts for the discontinued operation.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit (loss), which is measured consistently with the Group's profit for the year.

Segment assets and liabilities of each of the reportable operating segments are separately managed by each of the individual operating segments.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION *(CONTINUED)*

For the six months ended 30 June 2025

4. OPERATING SEGMENT INFORMATION *(CONTINUED)*

The following table presents the revenue and profit/(loss) information for the six months ended 30 June 2025 and 2024 and the total assets and total liabilities information as at 30 June 2025 and 31 December 2024 regarding the Group's operating segments:

Six months ended 30 June 2025/As at 30 June 2025

	Solid waste treatment (Unaudited) RMB'000	Others (Unaudited) RMB'000	Total (Unaudited) RMB'000
Continuing operations			
Segment revenue (note 3)	722,362	–	722,362
Cost of sales	(423,453)	–	(423,453)
Gross profit	298,909	–	298,909
Profit (loss) from operating activities	265,695	(13,836)	251,859
Finance costs	(31,920)	(43,006)	(74,926)
Profit (loss) before tax	233,775	(56,842)	176,933
Income tax	(39,138)	(19)	(39,157)
Profit (loss) for the period	194,637	(56,861)	137,776
Segment profit (loss) attributable to shareholders of the Company	184,068	(56,940)	127,128
Segment assets	9,733,213	388,411	10,121,624
Segment liabilities	3,347,802	2,649,676	5,997,478

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

4. OPERATING SEGMENT INFORMATION (CONTINUED)

Six months ended 30 June 2024/As at 31 December 2024

	Solid waste treatment (Unaudited) RMB'000	Others (Unaudited) RMB'000	Total (Unaudited) RMB'000
Continuing operations			
Segment revenue (note 3)	803,230	–	803,230
Cost of sales	(510,667)	–	(510,667)
Gross profit	292,563	–	292,563
Profit (loss) from operating activities	260,751	(20,553)	240,198
Finance costs	(35,308)	(20,719)	(56,027)
Profit (loss) before tax	225,443	(41,272)	184,171
Income tax	(33,541)	(52)	(33,593)
Profit (loss) for the period	191,902	(41,324)	150,578
Segment profit (loss) attributable to shareholders of the Company	182,548	(41,324)	141,224
Segment assets	9,621,860	387,280	10,009,140
Segment liabilities	3,458,053	2,634,615	6,092,668

During the six months ended 30 June 2025, the Group has addition of property, plant and equipment, operating concessions and other intangible assets with a total cost of RMB29,907,000 (six months ended 30 June 2024: RMB138,943,000).

The accounting policies of the operating segments are same as the Group's accounting policies. Segment profit (loss) represents the profit earned by (loss from) each segment. This is the measure reported to the chief operating decision makers for the purposes of resource allocation and performance assessment.

Geographical information

Geographical information is not presented since over 90% of the Group's revenue from external customers is generated in Chinese Mainland and over 90% of the non-current assets (other than financial assets and deferred tax assets) of the Group are located in Chinese Mainland. Accordingly, in the opinion of the directors of the Company, the presentation of geographical information would provide no additional useful information to the users of the consolidated financial statements.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION *(CONTINUED)*

For the six months ended 30 June 2025

4. OPERATING SEGMENT INFORMATION *(CONTINUED)*

Information about major customer

During the six months ended 30 June 2025, the Group had transactions with two (six months ended 30 June 2024: two) external customers of the solid waste treatment segment, each of which accounted for 10% or more of the Group's total revenue. The revenue from sales to each of these customers is set out below:

	For the six months ended 30 June	
	2025 (Unaudited) RMB'000	2024 (Unaudited) RMB'000
Continuing operations		
Customer A	102,929	102,894
Customer B	104,147	98,219

5. OTHER INCOME

An analysis of the Group's other income is as follows:

	For the six months ended 30 June	
	2025 (Unaudited) RMB'000	2024 (Unaudited) RMB'000
Continuing operations		
Value added tax refund ¹	31,926	28,267
Interest income	5,186	3,233
Government grant ²	2,112	1,677
Others	2,134	569
	41,358	33,746

¹ The Group is entitled to the value added tax refund upon collection for the electricity generated from waste.

² Certain of the government grants recognised by the Group during the year represented subsidies received from certain government authorities as incentives to promote energy saving technologies in the local provinces.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

6. PROFIT FROM OPERATING ACTIVITIES

The Group's profit from operating activities is arrived at after charging (crediting):

	For the six months ended 30 June	
	2025 (Unaudited) RMB'000	2024 (Unaudited) RMB'000
Continuing operations		
Depreciation of property, plant and equipment ¹	19,198	20,370
Depreciation of right-of-use assets ²	4,339	4,360
Amortisation of operating concessions ³	70,089	67,225
Amortisation of other intangible assets ³	2,410	2,070
Impairment of trade and bills receivables, net	446	3,145
Foreign exchange differences, net	(1,744)	1,478

¹ Depreciation of property, plant and equipment in a total amount of RMB15,471,000 (six months ended 30 June 2024: RMB15,956,000) is included in "Cost of sales" in the condensed consolidated statement of profit or loss.

² Depreciation of right-of-use assets in a total amount of RMB373,000 (six months ended 30 June 2024: RMB373,000) is included in "Cost of sales" in the condensed consolidated statement of profit or loss.

³ The amortisation of operating concessions and other intangible assets (excluding computer software amounting to RMB1,111,000 (six months ended 30 June 2024: RMB971,000) which is included in "Administrative expenses") are included in "Cost of sales" in the condensed consolidated statement of profit or loss.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

7. FINANCE COSTS

An analysis of the Group's finance costs is as follows:

	For the six months ended 30 June	
	2025 (Unaudited) RMB'000	2024 (Unaudited) RMB'000
Continuing operations		
Interest on bank and other borrowings	75,079	55,824
Interest on lease liabilities	247	409
Total interest expenses	75,326	56,233
Less: Interest capitalised*	(851)	(543)
	74,475	55,690
Other finance costs:		
Increase in discounted amounts of provision for major overhauls arising from the passage of time	451	337
	74,926	56,027

* Interest expenses capitalised during both years arose from specific borrowings.

8. INCOME TAX

An analysis of the Group's income tax is as follows:

	For the six months ended 30 June	
	2025 (Unaudited) RMB'000	2024 (Unaudited) RMB'000
Continuing operations		
Current – Chinese Mainland		
Charge for the period	38,875	48,525
Underprovision in prior periods	851	–
	39,726	48,525
Deferred	(569)	(14,932)
Total tax charge for the period	39,157	33,593

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION *(CONTINUED)*

For the six months ended 30 June 2025

8. INCOME TAX *(CONTINUED)*

No provision for Hong Kong profits tax has been made for the six months ended 30 June 2025 and 2024 as the Group did not generate any assessable profits arising in Hong Kong during the period. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries/jurisdictions in which the Group operates, based on existing legislation, interpretations and practices in respect thereof. In accordance with the relevant tax laws of the PRC, certain subsidiaries of the Group which are engaged in the solid waste treatment business are exempted from corporate income tax for three years starting from the first year they generate revenue and enjoy a 50% tax reduction for the ensuing three years.

9. INTERIM DIVIDEND

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

10. EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY

From continuing operations

The calculation of the basic earnings per share amount from continuing operations for the six months ended 30 June 2025 is based on the profit for the period from continuing operations attributable to shareholders of the Company of RMB127,128,000 (six months ended 30 June 2024: RMB141,224,000), and 1,500,360,150 (six months ended 30 June 2024: 1,500,360,150) weighted average number of ordinary shares during the period.

The Group has no potentially dilutive ordinary shares in issue during the six months ended 30 June 2025 and 2024.

From continuing and discontinued operations

The calculation of the basic earnings per share amount from continuing and discontinued operations for the six months ended 30 June 2025 is based on the profit for the period from continuing and discontinued operations attributable to shareholders of the Company of RMB127,128,000 (six months ended 30 June 2024: RMB133,445,000), and 1,500,360,150 (six months ended 30 June 2024: 1,500,360,150) weighted average number of ordinary shares during the period.

The Group has no potentially dilutive ordinary shares in issue during the six months ended 30 June 2025 and 2024.

11. RECEIVABLES UNDER SERVICE CONCESSION ARRANGEMENTS

The Group's receivables under service concession arrangements represented the Group's unconditional right to receive cash or another financial asset for the construction services rendered and/or the consideration paid and payable by the Group for the right to charge users of the public service under service concession arrangements. They were all unbilled as at 30 June 2025 and 31 December 2024.

At 30 June 2025, certain solid waste treatment concession rights of the Group, which comprises operating concessions and receivables under service concession arrangements with an aggregate net carrying amount of RMB2,262,126,000 (31 December 2024: RMB2,308,544,000), which are managed by the Group pursuant to the relevant service concession arrangements signed with the grantors, are mortgaged for the Group's bank loans (note 15(c)).

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

12. TRADE AND BILLS RECEIVABLES

An ageing analysis of the Group's trade and bills receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
Billed:		
Within 3 months	174,078	127,504
4 to 6 months	69,320	86,769
7 to 12 months	75,317	69,016
1 to 2 years	67,106	40,208
2 to 3 years	11,144	47,515
Over 3 years	54,533	22,714
	451,498	393,726
Unbilled*	472,146	420,458
	923,644	814,184

- * The unbilled balance represents entitlements to renewable energy tariff subsidies from the sale of electricity of which the credit term is mainly 60 days. It would be billed when certain administration approvals are obtained from the PRC government.

Notes:

- Various companies of the Group have different credit policies, depending on the requirements of their markets in which they operate and the businesses they engage in. The credit period granted to customers is generally one to three months. An ageing analysis of the trade and bills receivables is regularly prepared and closely monitored in order to minimise any related credit risk. Trade and bills receivables are non-interest-bearing and the Group does not hold any collateral or other credit enhancements over its trade receivable balances.
- Included in the Group's trade and bills receivables is an amount of RMB51,000 (31 December 2024: RMB38,000) due from a non-controlling equity holder of a subsidiary, arising from transactions carried out in the ordinary course of business of the Group. The balance is unsecured, interest-free and receivable on credit terms.
- At 31 December 2024, certain trade receivables of RMB50,000 arising from the provision of solid waste treatment services were pledged to secure a bank loan granted to the Group.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

13. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	Notes	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
Prepayments		22,438	20,133
Deposits and other receivables	(a)	286,217	239,024
Due from fellow subsidiaries	(b)	18,168	17,805
Due from a non-controlling equity holder of a subsidiary	(b)	1,598	1,598
		328,421	278,560
Impairment		(5,041)	(5,041)
		323,380	273,519
Current portion		(323,143)	(273,264)
		237	255
Non-current portion			

Notes:

- (a) Deposits and other receivables mainly represent value added tax recoverable and deposits with suppliers.
- (b) The balances with fellow subsidiaries and a non-controlling equity holder of a subsidiary are unsecured, interest-free and repayable on demand.

14. SHARE CAPITAL

	30 June 2025 Equivalent to (Unaudited) (Unaudited) HK\$'000 RMB'000		31 December 2024 Equivalent to (Audited) (Audited) HK\$'000 RMB'000	
Issued and fully paid:				
1,500,360,150 ordinary shares	2,227,564	1,972,895	2,227,564	1,972,895

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

15. BANK AND OTHER BORROWINGS

	Notes	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
Bank loans			
Unsecured	(b)	200,696	136,204
Secured	(c)	1,477,292	1,469,085
		1,677,988	1,605,289
Other loans – unsecured			
The immediate holding company	(d)	2,450,903	2,477,836
A fellow subsidiary	(e)	456,829	497,829
		2,907,732	2,975,665
Total bank and other borrowings		4,585,720	4,580,954
Portion classified as current liabilities		(2,598,227)	(2,613,704)
Non-current portion		1,987,493	1,967,250

Notes:

- (a) At 30 June 2025 and 31 December 2024, except for the loan from Idata, the immediate holding company, which is denominated in Hong Kong dollars, the Group's bank and other borrowings are all denominated in Renminbi.
- (b) At 30 June 2025, the Group's unsecured bank loans bear interest at rates ranging from five-year or above Loan Prime Rate (the "LPR") promulgated by the People's Bank of China less 131 basis points to one-year LPR plus 35 basis points (31 December 2024: ranging from five-year or above LPR less 131 basis points to one-year LPR plus 35 basis points) and are repayable by installments up to 2038 (31 December 2024: up to 2035).
- (c) At 30 June 2025, the Group's secured bank loans bear interest at rates ranging from five-year or above LPR less 90 basis points to less 63 basis points (31 December 2024: ranging from five-year or above LPR less 87 basis points to one-year LPR plus 35 basis points) and are repayable by installments up to 2035 (31 December 2024: up to 2034).
- The loans are secured by mortgage over certain solid waste treatment concession rights of the Group, which comprises operating concessions and receivables under service concession arrangements with an aggregate net carrying amount of RMB2,262,126,000 (31 December 2024: RMB2,308,544,000), which are managed by the Group pursuant to the relevant service concession arrangements signed with the grantors (note 11).
- (d) The loan from Idata as at 30 June 2025 has provided interest at 3.5% (31 December 2024: bore interest at 1.7%) per annum and is extended to be repayable in December 2025.
- (e) At 30 June 2025 and 31 December 2024, the loans advanced from 北京控股集團財務有限公司 ("BG Finance"), a fellow subsidiary, bear interest at rates ranging from five-year or above LPR less 25 to 40 basis points and are repayable by installments up to 2035.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

16. TRADE PAYABLES

An ageing analysis of the Group's trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
Billed:		
Less than 3 months	78,565	148,039
4 to 6 months	52,111	56,193
7 to 12 months	28,770	27,532
Over 1 year	136,165	122,116
	295,611	353,880
Unbilled*	196,310	264,784
	491,921	618,664

* The unbilled balance represented construction payables for solid waste incineration plants which have not been billed by the suppliers.

Notes:

- (a) Included in the Group's trade payables is an amount of RMB21,339,000 (31 December 2024: RMB21,733,000) due to a non-controlling equity holder of a subsidiary, arising from transactions carried out in the ordinary course of business of the Group. The balance is unsecured, interest-free and repayable on credit terms similar to those offered by the non-controlling equity holder of a subsidiary to its major customers.
- (b) The trade payables are non-interest-bearing and are normally settled within one to six months, except for certain balances of which the settlement period is arising from construction, which will depend on the construction status.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

17. OTHER PAYABLES AND ACCRUALS

	Notes	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
Other payables	(a)	69,907	80,042
Contract liabilities		15,011	14,688
Lease liabilities		10,682	14,831
Accruals		49,130	43,669
Due to the immediate holding company	(b)	167,534	126,370
Due to fellow subsidiaries	(c)	98,559	98,966
Total other payables and accruals		410,823	378,566
Portion classified as current liabilities		(404,997)	(368,835)
Non-current portion		5,826	9,731

Notes:

- (a) Other payables are non-interest-bearing and have an average term of three to six months.
- (b) The balance with the immediate holding company represents interest payable and are unsecured, interest-free and repayable on demand.
- (c) The balances with fellow subsidiaries are unsecured, interest-free and repayable on demand.

18. CONTINGENT LIABILITIES

Indemnities issued to financial institutions for performance bonds in respect of construction and maintenance of waste incineration plants undertaken by subsidiaries are RMB70,000,000 (31 December 2024: RMB70,000,000).

Save as disclosed above, as at 30 June 2025, the Group did not have any significant contingent liabilities which have not been provided for in the financial statements.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

19. CAPITAL COMMITMENTS

The Group had the following capital commitments at the end of the reporting period:

	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
Contracted, but not provided for:		
Service concession arrangements on a BOT basis	–	11,420

20. RELATED PARTY DISCLOSURES

(a) In addition to the transactions detailed elsewhere in this financial information, the Group had the following material transactions with related parties during the period:

Name of related parties	Nature of transactions	Notes	For the six months ended 30 June	
			2025 (Unaudited) RMB'000	2024 (Unaudited) RMB'000
Immediate holding company:				
Idata	Interest expense	(i)	43,006	20,719
Fellow subsidiaries:				
北海北控環境科技 發展有限公司 ("Beihai Beikong")	Sale of equipment*	(ii)	–	2,791
BG Finance	Interest income [#]	(iii)	11	24
BG Finance	Interest expense	(iv)	8,502	11,666
Other related company:				
山東太陽紙業股份有限公司 ("Sun Paper")	Sale of steam [#]	(v)	882	1,256

* These transactions constitute connected transactions of the Company that are subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

[#] These transactions constitute continuing connected transactions that are subject to the announcement, reporting and annual review requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

20. RELATED PARTY DISCLOSURES (CONTINUED)

(a) (continued)

Notes

- (i) For the six months ended 30 June 2025, the interest expense on an unsecured loan with a principal amount of HK\$2,693,300,000 is provided with reference to the prevailing market rates at 3.5% annum (six months ended 30 June 2024: the interest rate was mutually agreed between the Company (as borrower) and Idata (as lender) under the loan agreement dated 28 March 2022 at 1.7% per annum, which was determined with reference to the prevailing market rates).
- (ii) The sale of equipment to Beihai Beikong were mutually agreed between 北京北控環境保護有限公司 (as vendor), a wholly-owned subsidiary of the Company, and Beihai Beikong (as purchaser) under the supply contract dated 3 September 2021. Further details of the transaction are set out in the circular of the Company dated 30 September 2021.
- (iii) The interest income received from BG Finance was mutually agreed between the parties under the deposit services master agreement dated 20 December 2023, pursuant to which the Group may, in its ordinary and usual course of business, place and maintain deposits with BG Finance on normal commercial terms from time to time for the period from 1 January 2024 to 31 December 2026. The deposit rate will not be lower than (i) the minimum interest rate prescribed by the People's Bank of China; (ii) the interest rates offered by commercial banks in Hong Kong and the PRC to the Group; and (iii) the interest rates offered by BG Finance to other members of 北京控股集團有限公司 ("BEGCL"), for the same type of deposits at the same period; and the cumulative daily outstanding deposit balance in Hong Kong dollars equivalent placed by the Group with BG Finance (including any interest accrued thereon) during the term of the agreement will not exceed RMB21,800,000. The deposits placed by the Group with BG Finance as at 30 June 2025 amounted to RMB13,931,000 (31 December 2024: RMB4,661,000). Further details of the transaction are set out in the announcement of the Company dated 20 December 2023.
- (iv) The interest expenses were paid for loans obtained from BG Finance and the interest rates were mutually agreed with BG Finance with reference to the prevailing market rates.
- (v) The sale of steam to Sun Paper were mutually agreed between 北發合利(濟寧)環保電力有限公司 ("Beifa Jining"), a 75% indirectly owned subsidiary of the Company, and Sun Paper, a connected person of Beifa Jining, under the steam supply contract (the "Contract") dated 30 May 2023. Pursuant to the Contract, Beifa Jining supplies industrial steam to Sun Paper and Sun Paper supplies steam condensate and desalinated water to Beifa Jining, with unit prices mutually agreed between the Contract parties, for the validity period up to 31 December 2025. The annual caps of the fee settlement for the year ending 31 December 2023, 2024 and 2025 are determined at HK\$32,000,000, HK\$90,000,000 and HK\$90,000,000. Further details of the transactions are set out in the announcement of the Company dated 30 May 2023.

(b) Outstanding balances with related parties

- (i) Details of the Group's balances with the immediate holding company, fellow subsidiaries and non-controlling equity holders of subsidiaries included in trade and bills receivables, prepayments, deposits and other receivables, trade payables and other payables and accruals as at the end of the reporting period are disclosed in notes 12(b), 13(b), 16(a), 17(b) and 17(c) to the financial information, respectively.
- (ii) Details of the Group's cash deposits placed in a fellow subsidiary and other loans borrowed from the immediate holding company, a fellow subsidiary and a non-controlling equity holder of a subsidiary as at the end of the reporting period are disclosed in notes 15(d), 15(e) and 20(a)(iii) to the financial information, respectively.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION *(CONTINUED)*

For the six months ended 30 June 2025

20. RELATED PARTY DISCLOSURES *(CONTINUED)*

(c) Compensation of key management personnel of the Group

	For the six months ended 30 June	
	2025 (Unaudited) RMB'000	2024 (Unaudited) RMB'000
Short term employee benefits	8,570	7,256
Post-employment benefits	614	503
Total compensation paid to key management personnel	9,184	7,759

(d) Transactions with other state-owned entities in Chinese Mainland

The Company is a state-owned enterprise of the PRC government and is subject to the control of The State-owned Assets Supervision and Administration Commission of The People's Government of Beijing Municipality and ultimate control of the PRC government. The Group operates in an economic environment predominated by enterprises directly or indirectly owned and/or controlled by the PRC government through its numerous authorities, affiliates or other organisations (collectively "Other SOEs"). During the period, the Group has transactions with the Other SOEs including, but not limited to, the sale of electricity, provision of waste treatment and construction services, bank deposits and utilities consumptions. The directors consider that the transactions with the Other SOEs are activities in the ordinary course of the Group's businesses, and that the dealings of the Group have not been significantly or unduly affected by the fact that the Group and the Other SOEs are ultimately controlled or owned by the PRC government. The Group has also established pricing policies for products and services and such pricing policies do not depend on whether or not the customers are Other SOEs. Having due regard to the substance of the relationships, the directors are of the opinion that none of these transactions are material related party transactions that require separate disclosure.

21. OTHER FINANCIAL INFORMATION

The net current liabilities and total assets less current liabilities of the Group as at 30 June 2025 amounted to RMB402,737,000 (31 December 2024: RMB742,430,000) and RMB6,548,195,000 (31 December 2024: RMB6,326,842,000), respectively.

22. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

The interim condensed consolidated financial information was approved and authorised for issue by the board of directors on 28 August 2025.

DISCLOSEABLE INFORMATION

DIRECTORS

The directors of the Company during the six months ended 30 June 2025 and up to the date of this report were:

Executive directors:

Mr. CHEN Xinguo (Chairman)
Ms. SHA Ning
Mr. YU Jie
Mr. LI Ai (Chief Executive Officer)
Mr. NG Kong Fat, Brian

Independent non-executive directors:

Dr. HUAN Guocang
Dr. WANG Jianping
Mr. CHEUNG Ming
Ms. MIAO Li
Dr. LUO Shengqiang (Appointed on 16 January 2025)
Dr. JIN Lizuo (Resigned on 16 January 2025)
Prof. NIE Yongfeng (Resigned on 16 January 2025)

CHANGES IN DIRECTORS' INFORMATION

Save as disclosed above, since the date of the Company's 2024 annual report, there has been no material change in the directors' information that is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

DIRECTORS' SERVICE CONTRACTS

At 30 June 2025, no director had a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Save as the transactions with its fellow subsidiaries, further details of which are set out in note 20(a) to the interim condensed consolidated financial information, no director nor a connected entity of a director had a material interest, either directly or indirectly, in any transaction, arrangement or contracts of significance to the business of the Group to which the Company, the holding company of the Company, or any of the Company's subsidiaries or fellow subsidiaries was a party during the six months ended 30 June 2025.

DISCLOSEABLE INFORMATION (CONTINUED)

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the six months ended 30 June 2025 and up to the date of this report, Mr. CHEN Xinguo and Ms. SHA Ning are vice presidents of BEHL, which is also involved in the solid waste treatment business. They 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.

Notwithstanding the fact that the Company and BEHL are both engaged in the solid waste treatment business, the Company considers that there has not been competition between the Company and BEHL in view of the following factors:

- (a) clear geographical delineation among solid waste treatment projects;
- (b) no competition in relation to the supply of solid waste and sale of electricity; and
- (c) a deed of non-competition has been provided by BEHL in favour of the Company in order to completely avoid any competition between the Company and BEHL.

As the board of directors of the Company is independent from the board of directors of BEHL, and the above directors do not control the board of directors of the Company, the Group is capable of carrying on its businesses independently of, and at arm's length from, the business of BEHL.

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

At 30 June 2025, the interests and short positions of the directors and chief executive in the share capital and underlying shares of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register 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 for Securities Transactions by Directors of Listed Issuers (the "Model Code"), were as follows:

Long positions in ordinary shares of the Company:

Name of director	Number of ordinary shares held, capacity and nature of interest			Percentage of the Company's total number of issued shares
	Directly beneficially owned	Through a controlled corporation	Total	
Mr. NG Kong Fat, Brian	1,600,000	8,792,755 [#]	10,392,755	0.69

[#] The 8,792,755 ordinary shares are held by Sunbird Holdings Limited, a company controlled by Mr. NG Kong Fat, Brian and his associate.

DISCLOSEABLE INFORMATION *(CONTINUED)*

Save as disclosed above, as at 30 June 2025, none of the directors and chief executive had registered an interest or a short position in the shares or underlying shares of the Company or any of its associated corporations that was required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

At no time during the six months ended 30 June 2025 were rights to acquire benefits by means of the acquisition of shares in the Company granted to any of the directors or their respective spouses or minor children, or were any such rights exercised by them; or was the Company, its holding company, or any of its subsidiaries or fellow subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

CONTRACT OF SIGNIFICANCE

Save as the transactions with its fellow subsidiaries, further details of which are set out in note 20(a) to the interim condensed consolidated financial information, no contracts of significance in relation to the Group's business in which the Company, any of its subsidiaries or fellow subsidiaries, or its parent company was a party and in which a director had a material interest, whether directly or indirectly, subsisted during the six months ended 30 June 2025 or at 30 June 2025.

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

At 30 June 2025, the following interests and short positions of 5% or more of share capital of the Company were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

Long positions in ordinary shares of the Company:

Name	Notes	Number of ordinary shares held, capacity and nature of interest			Percentage of the Company's share capital
		Directly beneficially owned	Through controlled corporations	Total	
Idata		738,675,000	–	738,675,000	49.23
BEHL	(a)	17,445,000	738,675,000	756,120,000	50.40
Beijing Enterprises Group (BVI) Company Limited ("BEBVI")	(b)	–	756,120,000	756,120,000	50.40
BEGCL	(b)	–	756,120,000	756,120,000	50.40
Cosmos Friendship Limited ("Cosmos")		347,000,000	–	347,000,000	23.13
Khazanah Nasional Berhad ("Khazanah")	(c)	–	347,000,000	347,000,000	23.13

DISCLOSEABLE INFORMATION *(CONTINUED)*

Notes:

- (a) The interest disclosed includes the ordinary shares owned by Idata. Idata is a wholly-owned subsidiary of BEHL. Accordingly, BEHL is deemed to be interested in the ordinary shares owned by Idata.
- (b) The interests disclosed include the ordinary shares owned by BEHL and Idata. BEBVI and BEGCL are the immediate holding company and the ultimate holding company of BEHL, respectively. Accordingly, each of BEBVI and BEGCL is deemed to be interested in the ordinary shares owned by each of BEHL and Idata.
- (c) The interest disclosed includes the ordinary shares owned by Cosmos. Cosmos is a wholly-owned subsidiary of Khazanah. Accordingly, Khazanah is deemed to be interested in the ordinary shares owned by Cosmos.

Save as disclosed above, as at 30 June 2025, no person, other than the directors, whose interests are set out in the section “Directors’ and chief executive’s interests and short positions in shares and underlying shares” above, had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

PURCHASE, REDEMPTION, OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company’s listed securities during the six months ended 30 June 2025.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the directors, at least 25% of the Company’s total number of issued shares were held by the public as at the date of this report.

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE PRACTICES

In the opinion of the directors of the Company, save as disclosed below, the Company has complied with all the applicable code provisions (the “Code Provisions”) of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules for the six months ended 30 June 2025.

- (1) Under Code Provision C.1.6, independent non-executive directors and other non-executive directors should also attend general meetings and develop a balanced understanding of the views of shareholders. However, certain independent non-executive directors of the Company were unable to attend the 2025 annual general meeting of the Company due to other business engagements.
- (2) Under Code Provision C.2.1, the roles of chairman and chief executive should be separate and should not be performed by the same individual. For the period from 1 January 2025 to 26 March 2025, Mr. CHEN Xinguo assumed the positions of Chairman of the Board and Chief Executive Officer. The Board considered that such arrangement can bring benefits to the Company’s business development and management at such period, and will not impair the balance of power and authority between the Board and the management of the Company. With effect from 27 March 2025, Mr. LI Ai replaced Mr. CHEN Xinguo and assumed the position of Chief Executive Officer.
- (3) Under Code Provision C.5.1, the board should meet regularly and board meetings should be held at least four times a year at approximately quarterly intervals. However, the Company considers it is more efficient to hold board meetings to address emerging issues as appropriate. Sufficient measures have been taken to ensure that there is efficient communication among the directors.

DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix C3 of the Listing Rules for securities transactions by the directors of the Company. All the directors of the Company have confirmed that, following specific enquiry by the Company, they have complied with the required standard as set out in the Model Code throughout the six months ended 30 June 2025.

CORPORATE GOVERNANCE *(CONTINUED)*

AUDIT COMMITTEE

The Audit Committee was established with written terms of reference in accordance with Rule 3.21 of the Listing Rules and Code Provision D.3. The current members of the Audit Committee comprise three independent non-executive directors, namely Dr. HUAN Guocang (committee chairman), Dr. WANG Jianping and Dr. LUO Shengqiang.

The Audit Committee has reviewed the interim results, financial positions, impacts of the new accounting standards and management issues of the Group during the six months ended 30 June 2025.

RISK MANAGEMENT AND INTERNAL CONTROL

The board of directors has overall responsibility for the Group's risk management and internal control systems and for reviewing their effectiveness. The Board will conduct regular review regarding internal control systems of the Group. The top management of the Company convened meeting periodically to discuss financial, operational and risk management control. During the six months ended 30 June 2025, the Board has reviewed the operational and financial reports, budgets and business plans provided by the management.