



# 北京控股環境集團有限公司

BEIJING ENTERPRISES ENVIRONMENT GROUP LIMITED

(Stock Code 154)



Interim Report 2024

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# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### Executive directors:

Mr. Chen Xinguo (*Chairman & Chief Executive Officer*)  
Ms. Sha Ning  
Mr. Yu Jie  
Mr. Li Ai  
Mr. Ng Kong Fat, Brian

### Independent non-executive directors:

Dr. Jin Lizuo  
Dr. Huan Guocang  
Dr. Wang Jianping  
Prof. Nie Yongfeng  
Mr. Cheung Ming  
Ms. Miao Li

## AUDIT COMMITTEE

Dr. Huan Guocang (*Committee Chairman*)  
Dr. Jin Lizuo  
Dr. Wang Jianping

## REMUNERATION COMMITTEE

Dr. Jin Lizuo (*Committee Chairman*)  
Dr. Huan Guocang  
Dr. Wang Jianping  
Mr. Chen Xinguo

## NOMINATION COMMITTEE

Mr. Chen Xinguo (*Committee Chairman*)  
Dr. Jin Lizuo  
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

66th Floor, Central Plaza  
18 Harbour Road  
Wanchai  
Hong Kong

## WEBSITE

<http://www.beegl.com.hk>

## STOCK CODE

154

## SHARE REGISTRARS

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

## AUDITOR

Ernst & Young  
*Certified Public Accountants*  
*Registered Public Interest Entity Auditor*

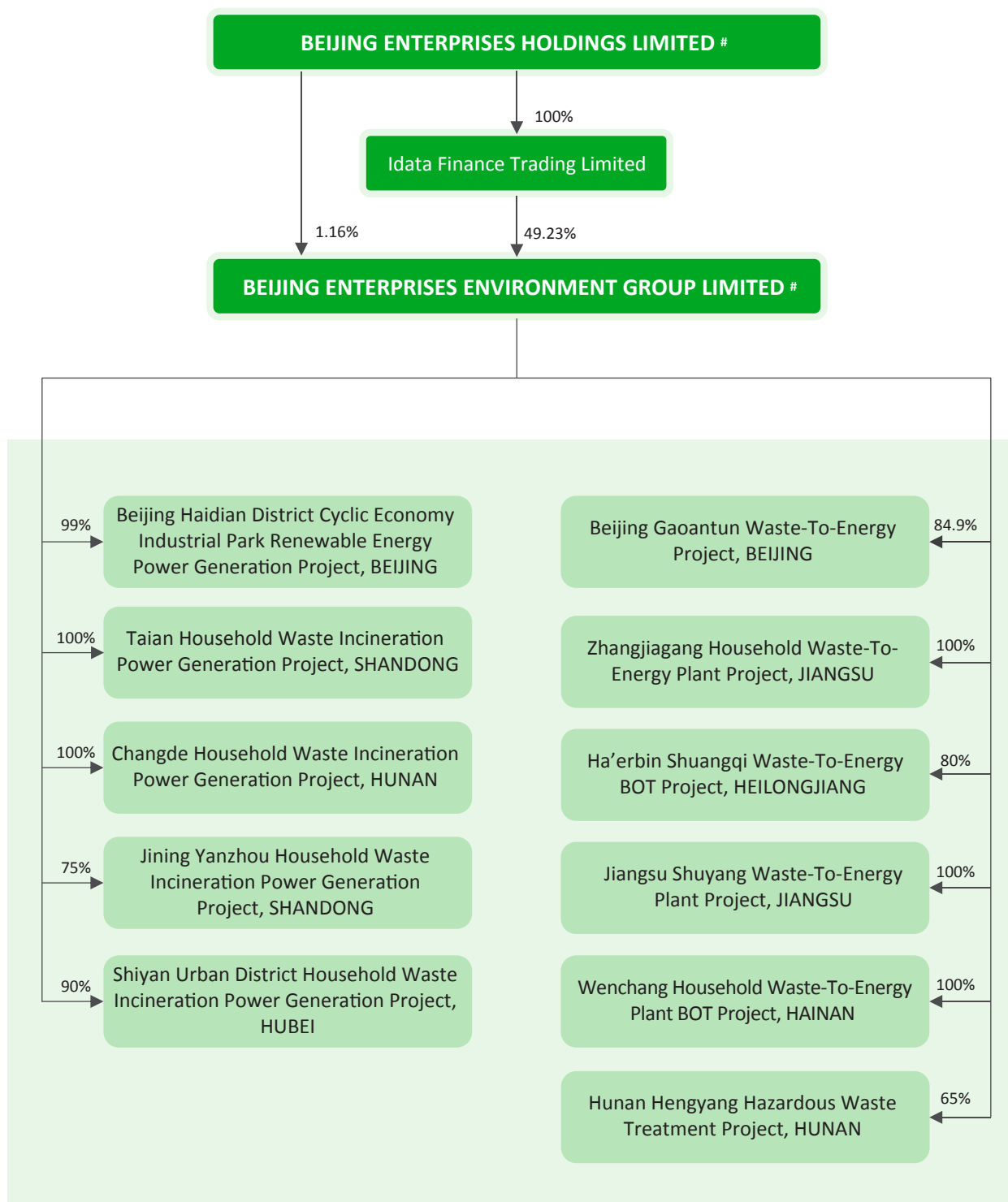
## PRINCIPAL BANKERS

**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 Merchant Bank  
The Industrial and Commercial Bank of China

# CORPORATE STRUCTURE

28 August 2024



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

# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEW

### Continuing operations – Solid Waste Treatment Segment

During the first half of 2024, the Group has nine solid waste treatment projects in business operation and one solid waste treatment project in construction in Chinese Mainland. The Group's daily treatment capacity of household waste incineration increased to 12,850 tonnes.

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)*	Wubei	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	

\* *construction in progress*

# *suspended in operation*

In terms of production and operation sector, in the face of unfavourable factors such as the increasingly fierce competition in the solid waste market and the continuous backslide of environmental protection policies, the Group vigorously expanded the sources of waste and coordinated business, and achieved notable growth in revenues from coordinated sludge treatment and heating and steam supply, with the operation showing the trend of stable improvement. The Group continued its efforts in scientific and technological innovation. In the first half of the year, the Group initiated 30 research and development projects and was granted 10 patents.

# MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

In the first half of 2024, the Group completed 2.2018 million tonnes of household waste intake (average 12,098 tonnes/day), increased by 8.7% year-on-year. The electricity generating volume was 861,000,000 kWh, increased by 9.8% year-on-year. We generated 725,000,000 kWh of on-grid electricity, increased by 9.5% year-on-year. Our heating and steam supply volume was 70,300 tonnes, increased by 107.8% year-on-year. The Group completed 307,000 tonnes of sludge treatment, increased by 74.8% year-on-year. During the period, the production and operation sector recorded revenue of RMB614 million, increased by 9.7% year-on-year and the gross profit was RMB289 million, increased by 13.2% year-on-year.

In terms of project construction sector, the construction of Shiyuan Urban District Household Waste Incineration Power Generation Project has achieved its milestone for the first half of the year, and will continue to strive to achieve commercial operation by the end of 2024. Due to the decrease in the number of large-scale construction projects, the Group recorded revenue from the project construction of RMB189 million, decreased by 51% year-on-year, and the gross profit of RMB25 million, decreased by 64.5% year-on-year, in the first half of 2024.

## Discontinued operation – Ecological Construction Services Segment

As the synergy between the ecological construction services and the Group's principal business is not obvious, the Group completed the disposal of its equity interest in Beijing Beikong Ecology & Construction Group Co., Ltd. ("Beikong Ecology") in June 2024 and ceased the operation of the ecological construction services business so as to focus its resources on continuing to expand the solid waste treatment market. A loss of RMB7.78 million from the discontinued operation was recorded during the period.

## PROSPECT

2024 is a critical year for achieving the objectives of the "14th Five-Year Plan". The Group is well aware of the acute situation ahead and will seize the period of strategic opportunities in the solid waste market in order to seek opportunities amidst challenges. We seek to continuously enhance the utilisation rate of production capacity of the existing projects, implement incremental projects in the market, and create a second growth curve through expanding light asset businesses, including entrusted operation and equipment general contracting, so as to promote the Company's operations to a new level.

## FINANCIAL REVIEW

### Revenue and gross profit

During the six months ended 30 June 2024, the Group recorded revenue from continuing operations of RMB803.23 million, decreased by 15.0% as compared with last corresponding period of RMB945.47 million. The revenue derived from the solid waste treatment and the sale of electricity and steam amounted to RMB614.33 million, increased by 9.7% as compared with last corresponding period of RMB559.92 million. The revenue derived from the waste incineration plant construction, sale of equipment and related services amounted to RMB188.9 million, decreased by 51.0% as compared with last corresponding period of RMB385.55 million.



## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

The Group's gross profit amounted to RMB313.40 million, decreased by 3.5% as compared with last corresponding period of RMB324.6 million. The overall gross profit margin increased from 34.3% to 39.0%.

	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	
	2024 RMB million	2023 RMB million	2024 RMB million	2023 RMB million	2024 %	2023 %
Continuing operations:						
Household waste treatment	142.70	133.70				
Other solid waste treatment	108.61	79.42				
Sale of electricity and steam	363.02	346.80				
	<b>614.33</b>	559.92	<b>288.74</b>	255.10	<b>47.0</b>	45.6
Waste incineration plant construction, sale of equipment and related services	188.90	385.55	24.66	69.50	13.1	18.0
	<b>803.23</b>	945.47	<b>313.40</b>	324.60	<b>39.0</b>	34.3

### Other income and gains, net

The Group recorded net other income and gains from continuing operations of RMB33.75 million during the six months ended 30 June 2024, decreased by RMB5.42 million as compared with last corresponding period of RMB39.17 million. The other income for the period mainly comprised (i) value added tax refund from waste treatment business of RMB28.27 million (first half of 2023: RMB32.24 million), (ii) interest income of RMB3.23 million (first half of 2023: RMB3.64 million) and (iii) government grants of RMB1.68 million (first half of 2023: RMB1.39 million).

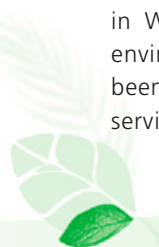
### Administrative expenses

The Group's administrative expenses from continuing operations for the six months ended 30 June 2024 increased by 21.2% or RMB17.8 million to RMB101.94 million, of which research and development expenses increased by 55.9% or RMB7.47 million to RMB20.84 million.

### Other operating expenses, net

The Group incurred net other operating expenses from continuing operations of RMB5.01 million during the six months ended 30 June 2024, decreased by RMB7.83 million as compared with last corresponding period of RMB12.84 million. The other operating expenses for the period mainly comprised (i) impairment loss on trade receivables of RMB3.15 million (first half of 2023: RMB4.9 million) and (ii) net foreign exchange loss of RMB1.48 million (first half of 2023: RMB7.68 million).

During the six months ended 30 June 2023, the pollution discharge permit of a solid waste incineration plant in Wenchang, Hainan Province has been expired and failed to be renewed under the current measures on environmental protection and emission imposed by the PRC government, therefore, the plant's operation had been suspended since then and the Group had provided an impairment on the remaining receivables under service concession arrangements of RMB20.44 million during that period.





# MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

## Finance costs

The Group's finance cost from continuing operations for the six months ended 30 June 2024 decreased by 31.0% from RMB81.22 million to RMB56.03 million, which mainly comprised interest on bank loans of RMB23.43 million (first half of 2023: RMB25.15 million), interest on the shareholder's loan in the principal of HK\$2,693.3 million (the "Shareholder's Loan") from Idata Finance Trading Limited ("Idata", the immediate holding company) of RMB20.72 million (first half of 2023: RMB19.98 million) and interest on loans from fellow subsidiaries of RMB11.67 million (first half of 2023: RMB35.34 million).

## Income tax

The Group's income tax expense from continuing operations for the six months ended 30 June 2024 increased by 18.8% from RMB28.28 million to RMB33.59 million, comprising current tax expenses of RMB48.53 million (first half of 2023: RMB23.23 million) and deferred tax credit of RMB14.93 million (first half of 2023: tax charge of RMB5.05 million). The Group's effective tax rate for the year was 18.2% (first half of 2023: 17.1%).

## 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 entire 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 transfer of the 51% equity interest in Beikong Ecology 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.

During the six months ended 30 June 2024, loss from the discontinued operation amounted to RMB8.47 million (first half of 2023: profit of RMB1.65 million), which comprised of (i) operating loss for the period of RMB3.29 million (first half of 2023: profit of RMB1.65 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 2024 was RMB328.46 million, decreased by 8.3% or RMB29.84 million as compared with last corresponding period of RMB358.3 million. Profit for the period amounted to RMB142.11 million, increased by 2.6% or RMB3.61 million as compared with last corresponding period of RMB138.50 million. Profit for the period attributable to shareholders of the Company amounted to RMB133.45 million, increased by 1.4% or RMB1.85 million as compared with last corresponding period of RMB131.6 million.

For continuing operations, EBITDA for the six months ended 30 June 2024 was RMB334.22 million, decreased by 3.8% or RMB13.23 million as compared with last corresponding period of RMB347.45 million. Profit for the period amounted to RMB150.58 million, increased by 10.0% or RMB13.73 million as compared with last corresponding period of RMB136.85 million. Profit for the period attributable to shareholders of the Company amounted to RMB141.23 million, increased by 8.2% or RMB10.72 million as compared with last corresponding period of RMB130.51 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	
	2024 RMB million	2023 RMB million	2024 RMB million	2023 RMB million	2024 RMB million	2023 RMB million
Continuing operations						
Solid waste treatment segment	354.75	374.67	191.90	184.09	182.55	177.75
Corporate and others segment	(20.53)	(27.22)	(41.32)	(47.24)	(41.32)	(47.24)
	334.22	347.45	150.58	136.85	141.23	130.51
Discontinued operation						
Ecological construction services segment	(5.76)	10.85	(8.47)	1.65	(7.78)	1.09
	328.46	358.30	142.11	138.50	133.45	131.60

### FINANCIAL POSITION

#### Significant investing and financing activities

During the six months ended 30 June 2024, the Group disposed of its equity interest in Beikong Ecology and resulting into the discontinuous of its ecological construction services during the period.

Except for the expansion construction and continuing technical modifications on the existing waste incineration 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 2024, the Group had total assets and total liabilities amounted to RMB9,759 million and RMB6,030 million, respectively, decreased by RMB138 million and RMB211 million as compared with those as at 31 December 2023, respectively. Net assets of the Group was RMB3,729 million, increased by RMB73 million from the end of last year.

#### Property, plant and equipment

The Group's property, plant and equipment mainly comprised those equipped for the Shandong Taian Project which operated under Build-Own-Operate ("BOO") arrangements of RMB496 million. During the six months ended 30 June 2024, the net carrying amount of the Group's property, plant and equipment decreased by RMB34 million to RMB526 million, of which capital expenditure of RMB3 million (first half of 2023: RMB10 million) has been incurred and depreciation of RMB21 million (first half of 2023: RMB42 million) has been recognised in profit or loss.

## 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 2024, 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 will appoint an independent professional valuer to further assess the goodwill impairment testing at the financial year end.

### **Right-of-use assets**

The Group's right-of-use assets decreased by depreciation of RMB4 million to RMB47 million during the six months ended 30 June 2024.

### **Operating concessions**

The Group's operating concessions are recognised from the solid waste treatment plants operated under Build-Operate-Transfer ("BOT") arrangements. Mainly resulting from the construction of the Shiyan Project during the six months ended 30 June 2024, the net carrying amount of the Group's operating concessions increased by RMB69 million to RMB2,789 million, of which additions to operating concessions of RMB136 million (first half of 2023: RMB248 million) has been incurred and amortisation of RMB67 million (first half of 2023: RMB58 million) has been recognised in profit or loss.

### **Other intangible assets**

During the six months ended 30 June 2024, the net carrying amount of the Group's other intangible assets increased by RMB2 million to RMB53 million, which mainly comprised the fair value of the operation rights and licenses of RMB33 million (31 December 2023: RMB34 million) and computer software of RMB20 million (31 December 2023: RMB17 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 2024, the carrying amount of the Group's receivables under service concession arrangements increased by RMB10 million to RMB2,443 million, of which the additional receivables recognised from the Shiyan Project amounted to RMB51 million.

### **Contract assets**

Following the discontinuous of ecological construction services, the Group's contract assets significantly decreased by RMB290 million to RMB82 million from the end of last year.

### **Inventories**

The Group's inventories mainly represented coal and consumables used for the operation of solid waste incineration plants and was steadily maintained at RMB39 million.

### **Trade and bills receivables**

The Group's trade and bills receivables increased by RMB104 million to RMB811 million (net of impairment of RMB29 million) from the end of last year, which comprised receivables (before impairment) from grid electricity of RMB486 million (increased by RMB91 million), waste treatment services of RMB352 million (increased by RMB79 million), construction and related services of RMB2 million (decreased by RMB64 million).



## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

According to the ageing analysis as at 30 June 2024, national subsidy of grid electricity of RMB397 million (49.0% of the total receivables) are unbilled and invoice date of the Group's trade and bills receivables fall within six months amounted to RMB245 million (30.2% of the total receivables).

### **Prepayments, deposits and other receivables**

The Group's total prepayments, deposits and other receivables increased by RMB19 million to RMB297 million from the end of last year, which mainly comprised value added tax refund and other taxes recoverable of RMB139 million, balances due from fellow subsidiaries of RMB50 million, prepayments of RMB21 million, deposits and other receivables of RMB87 million.

### **Bank and other borrowings**

During the six months ended 30 June 2024, the Group repaid bank loans and other borrowings of RMB110 million and advanced new bank loans of RMB232 million. As at 30 June 2024, the Group has total bank and other borrowings amounted to RMB4,491 million, which comprised (i) the Shareholder's Loan of HK\$2,693.3 million which is due for repayment at the end of year, (ii) bank loans of RMB1,471 million from commercial banks in Chinese Mainland, and (iii) other borrowings from 北京控股集團財務有限公司, a fellow subsidiary, of RMB570 million. Excluding the Shareholder's Loan which bears interest at 1.7% per annum, the weighted average interest rate of the Group's bank and other borrowings was reduced from approximately 3.6% to 3.5% per annum.

### **Deferred income**

The Group's deferred income mainly represented PRC government grants and subsidies on solid waste treatment business, which decreased by RMB5 million to RMB150 million from the end of last year.

### **Trade payables**

The Group's trade payables decreased by RMB259 million to RMB601 million from the end of last year, of which RMB295 million are unbilled.

### **Other payables and accruals**

The Group's total other payables and accruals increased by RMB2 million to RMB416 million from the end of last year. Included in other payables and accruals are loan interest payable to Idata of RMB104 million and amounts due to fellow subsidiaries of RMB100 million.

### **Liquidity and financial resources**

The Group adopts conservative treasury policies in cash management. As at 30 June 2024, the Group had cash and cash equivalents of RMB1,173 million and bank and other borrowings (included the Shareholder's Loan of HK\$2,693.3 million which is due for repayment at the end of year) of RMB4,491 million, resulting that the Group has current liabilities of RMB3,773 million exceeded its current assets of RMB2,789 million.

In consideration of the stable cash recurring nature of the Group's solid waste treatment operations, the Group's internal resources and the undertakings from Beijing Enterprises Holdings Limited, the intermediate holding company, and Idata 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. In addition, the Company will negotiate with the holding companies with intention to extent the payment term of the Shareholder's Loan by the end of year.

# MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

## Key performance indicators

	For the six months ended 30 June	
	2024	2023
Continuing operations:		
Gross profit margin	39.0%	34.3%
Operating profit margin	29.9%	26.1%
Net profit margin	18.7%	14.5%
Return on average equity	3.9%	3.9%
	30 June 2024	31 December 2023
Current ratio (times)	0.74	0.74
Debt ratio (total liabilities/total assets)	61.8%	63.1%
Gearing ratio (net debt/total equity)	89.0%	88.2%

## Capital expenditure and commitment

During the six months ended 30 June 2024, the Group has total capital expenditures amounted to RMB143 million, of which RMB136 million was spent on construction and modification of waste incineration plants and RMB7 million was spent on purchase of other assets. As at 30 June 2024, the Group has capital commitment for service concession arrangements amounted to RMB261 million.

## Charges on the Group's assets

As at 30 June 2024, save as (i) 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 RMB2,348 million, which are managed by the Group pursuant to the relevant service concession arrangements signed with the grantors; and (ii) the Group's bank deposits of RMB1 million, the Group did not have any material charges on the Group's assets.

## Foreign exchange exposure

The Company's presentation currency for its consolidated financial statements has been changed from Hong Kong dollars to Renminbi from 1 January 2023. As most of the Group's transactions and assets are denominated and settled in Renminbi, the Board considers that Renminbi is more appropriate as the presentation currency for the Group's consolidated financial statements. During the six months ended 30 June 2024, the losses arising on settlement or translation of monetary items of RMB1.48 million are taken to profit or loss and the net comprehensive losses arising on translation of foreign operations and financial statements of RMB25.89 million are recognised in the exchange fluctuation reserve. Currently, the Group has not used derivative financial instruments to hedge against its foreign currency risk.



## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### Contingent liabilities

As at 30 June 2024, indemnities issued to financial institutions for performance bonds in respect of construction and maintenance of waste incineration plants undertaken by 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

Following the disposal of the subsidiary engaged in ecological construction services business, the Group has 1,112 employees as at 30 June 2024, comparing with 1,248 employees as at 31 December 2023. Total staff cost from continuing operations for the six months ended 30 June 2024 amounted to RMB129.72 million, increased by 6.6% as compared with RMB121.67 million in the corresponding period of 2023. 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 2024

	Notes	For the six months ended 30 June	
		2024 (Unaudited) RMB'000	2023 (Unaudited) RMB'000 (Restated)
<b>CONTINUING OPERATIONS</b>			
REVENUE	4	803,230	945,465
Cost of sales		(489,830)	(620,862)
Gross profit		313,400	324,603
Other income and gains, net	5	33,746	39,167
Administrative expenses		(101,941)	(84,135)
Impairment of receivables under service concession arrangements, net		–	(20,438)
Other operating expenses, net		(5,007)	(12,839)
PROFIT FROM OPERATING ACTIVITIES OF CONTINUING OPERATIONS	6	240,198	246,358
Finance costs	7	(56,027)	(81,219)
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS		184,171	165,139
Income tax	8	(33,593)	(28,284)
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS		150,578	136,855
<b>DISCONTINUED OPERATION</b>			
Profit/(loss) for the period from a discontinued operation	9	(8,465)	1,647
PROFIT FOR THE PERIOD		142,113	138,502
ATTRIBUTABLE TO:			
Shareholders of the Company		133,445	131,596
Non-controlling interests		8,668	6,906
		142,113	138,502
EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY			
Basic and diluted (RMB cents)	11		
– For profit for the period		8.89	8.77
– For profit from continuing operations		9.41	8.70

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2024

	For the six months ended 30 June	
	2024 (Unaudited) RMB'000	2023 (Unaudited) RMB'000 (Restated)
PROFIT FOR THE PERIOD	<b>142,113</b>	138,502
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD, NET OF INCOME TAX		
Item that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	<b>(44,843)</b>	(51,539)
Items that will not be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of the Company's financial statements	<b>18,958</b>	76,649
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<b>116,228</b>	163,612
ATTRIBUTABLE TO:		
Shareholders of the Company	<b>107,657</b>	156,889
Non-controlling interests	<b>8,571</b>	6,723
	<b>116,228</b>	163,612





# INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2024

	Notes	30 June 2024 (Unaudited) RMB'000	31 December 2023 (Audited) RMB'000
<b>ASSETS</b>			
Non-current assets:			
Property, plant and equipment		526,212	560,201
Right-of-use assets		47,056	51,416
Goodwill		1,021,521	1,010,296
Operating concessions		2,789,199	2,720,093
Other intangible assets		52,767	50,902
Receivables under service concession arrangements	12	2,358,367	2,349,195
Prepayments, deposits and other receivables	14	806	556
Deferred tax assets		174,986	159,675
<b>Total non-current assets</b>		<b>6,970,914</b>	6,902,334
Current assets:			
Contract assets		81,648	371,820
Inventories		38,935	42,988
Receivables under service concession arrangements	12	84,803	83,674
Trade and bills receivables	13	810,996	707,260
Prepayments, other receivables and other assets	14	295,931	276,973
Pledged deposits		1,001	–
Cash and cash equivalents		1,173,014	1,209,940
<b>Total current assets</b>		<b>2,486,328</b>	2,692,655
Non-current assets held for disposal		302,173	302,173
<b>Total current assets</b>		<b>2,788,501</b>	2,994,828
<b>TOTAL ASSETS</b>		<b>9,759,415</b>	9,897,162



# INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(CONTINUED)*

30 June 2024

	Notes	30 June 2024 (Unaudited) RMB'000	31 December 2023 (Audited) RMB'000
<b>EQUITY AND LIABILITIES</b>			
Equity attributable to shareholders of the Company			
Share capital	15	<b>1,972,895</b>	1,972,895
Reserves		<b>1,464,188</b>	1,356,531
		<b>3,437,083</b>	3,329,426
Non-controlling interests		<b>292,258</b>	326,934
<b>TOTAL EQUITY</b>		<b>3,729,341</b>	3,656,360
Non-current liabilities:			
Bank and other borrowings	16	<b>1,814,890</b>	1,721,509
Provision for major overhauls		<b>13,515</b>	12,540
Other payables	18	<b>13,582</b>	17,337
Deferred income		<b>149,875</b>	154,414
Deferred tax liabilities		<b>265,560</b>	262,266
Total non-current liabilities		<b>2,257,422</b>	2,168,066
Current liabilities:			
Trade payables	17	<b>600,883</b>	860,375
Other payables and accruals	18	<b>402,165</b>	396,466
Bank and other borrowings	16	<b>2,676,591</b>	2,714,238
Tax payables		<b>93,013</b>	101,657
Total current liabilities		<b>3,772,652</b>	4,072,736
<b>TOTAL LIABILITIES</b>		<b>6,030,074</b>	6,240,802
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>9,759,415</b>	9,897,162



# INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2024

	Attributable to shareholders of the Company						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	Total (Unaudited) RMB'000		
<b>At 1 January 2024</b>	<b>1,972,895</b>	<b>21,944*</b>	<b>44,705*</b>	<b>149,664*</b>	<b>1,140,218*</b>	<b>3,329,426</b>	<b>326,934</b>	<b>3,656,360</b>
Profit for the period	-	-	-	-	133,445	133,445	8,668	142,113
Other comprehensive income/(loss) for the period:								
Exchange differences on translation of foreign operations	-	-	(44,746)	-	-	(44,746)	(97)	(44,843)
Exchange differences on translation of the Company's financial statements	-	-	18,958	-	-	18,958	-	18,958
Total comprehensive income/(loss) 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)	-	-	-
<b>At 30 June 2024</b>	<b>1,972,895</b>	<b>10,474*</b>	<b>18,917*</b>	<b>158,775*</b>	<b>1,276,022*</b>	<b>3,437,083</b>	<b>292,258</b>	<b>3,729,341</b>
At 1 January 2023 (restated)	1,972,895	21,944	28,881	52,782	1,046,146	3,122,648	317,571	3,440,219
Profit for the period (restated)	-	-	-	-	131,596	131,596	6,906	138,502
Other comprehensive income/(loss) for the period:								
Exchange differences on translation of foreign operations (restated)	-	-	(51,356)	-	-	(51,356)	(183)	(51,539)
Exchange differences on translation of the Company's financial statements (restated)	-	-	76,649	-	-	76,649	-	76,649
Total comprehensive income for the period (restated)	-	-	25,293	-	131,596	156,889	6,723	163,612
Transfer to PRC reserve funds (restated)	-	-	-	18,141	(18,141)	-	-	-
At 30 June 2023	1,972,895	21,944	54,174	70,923	1,159,601	3,279,537	324,294	3,603,831

\* These reserve accounts comprise the consolidated reserves of RMB1,464,188,000 (31 December 2023: RMB1,356,531,000) in the interim condensed consolidated statement of financial position as at 30 June 2024.



# INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2024

	Note	For the six months ended 30 June	
		2024 (Unaudited) RMB'000	2023 (Unaudited) RMB'000 (Restated)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations		<b>113,275</b>	87,534
Chinese Mainland income tax paid		<b>(44,087)</b>	(50,074)
<b>Net cash flows from operating activities</b>		<b>69,188</b>	37,460
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchases of items of property, plant and equipment		<b>(2,574)</b>	(10,214)
Additions of operating concessions		<b>(135,788)</b>	(96,915)
Disposal of a subsidiary	19	<b>(53,910)</b>	–
Interest received		<b>3,233</b>	3,992
Decrease/(increase) in pledged deposits		<b>(1,001)</b>	480
Increase in time deposits with maturity of more than three months when acquired		–	(85,336)
Other cash flows from investing activities, net		<b>(4,102)</b>	(92)
<b>Net cash flows used in investing activities</b>		<b>(194,142)</b>	(188,085)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Capital contributions from non-controlling equity holder of a subsidiary		<b>1,000</b>	–
New bank loans		<b>232,245</b>	107,027
Repayment of bank loans		<b>(67,384)</b>	(496,463)
Repayment of other loans		<b>(42,860)</b>	(54,000)
Interest paid		<b>(35,107)</b>	(65,434)
Other cash flows used in financing activities, net		<b>(4,396)</b>	(3,352)
<b>Net cash flows from/(used in) financing activities</b>		<b>83,498</b>	(512,222)
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>			
Cash and cash equivalents at beginning of period		<b>1,209,940</b>	2,328,991
Effect of foreign exchange rate changes, net		<b>4,530</b>	6,036
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>		<b>1,173,014</b>	1,672,180

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS *(CONTINUED)*

For the six months ended 30 June 2024

	For the six months ended 30 June	
	2024 (Unaudited) RMB'000	2023 (Unaudited) RMB'000 (Restated)
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances other than time deposits	1,144,483	1,621,395
Saving deposits placed in a financial institution (a fellow subsidiary)	7,438	26,973
Time deposits placed in banks	22,094	153,815
Less: Pledged deposits	(1,001)	(3)
Cash and cash equivalents as stated in the condensed consolidated statement of financial position	1,173,014	1,802,180
Less: Time deposits with maturity of more than three months when acquired	-	(130,000)
Cash and cash equivalents as stated in the condensed consolidated statement of cash flows	1,173,014	1,672,180



# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2024

## 1. BASIS OF PREPARATION

The unaudited interim condensed consolidated financial information of the Group for the six months ended 30 June 2024 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 2023.

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 as at 30 June 2024. 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 due by the Company to Idata until such time when the Group is in a position to repay without impairing its liquidity and financial position, the directors of the Company considered that the Group will be able to operate on a going concern basis. Accordingly, the unaudited interim condensed consolidated financial information have been prepared on a going concern basis.

The financial information relating to the year ended 31 December 2023 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 2023 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 2023. 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.

### **Change of presentation currency**

Pursuant to a resolution of the Board passed on 8 December 2023, the Group’s presentation currency for its consolidated financial statements has been changed from HK\$ to RMB. The effects of the change in the presentation currency have been accounted for retrospectively with comparative figures restated. The comparative amounts in the consolidated financial statements are presented as if RMB had always been the presentation currency of the consolidated financial statements. The interim condensed consolidated statement of profit or loss, interim condensed consolidated statement of other comprehensive income, interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the six months ended 30 June 2023, and certain explanatory notes have been restated to conform with the current period presentation.

# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2024

## 2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2023, except for the adoption of the following revised Hong Kong Financial Reporting Standards ("HKFRSs") for the first time for the current period's financial information:

Amendments to HKFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to HKAS 1	<i>Classification of Liabilities as Current or Non-current</i> (the "2020 Amendments")
Amendments to HKAS 1	<i>Non-current Liabilities with Covenants</i> (the "2022 Amendments")

These revised HKFRSs did not have any significant impact on the financial position or performance of the Group.

## 3. 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;
- (b) the ecological construction services segment engages in the provision of ecological construction, design, project survey and design, and construction project management services (disposed of during the period and classified as a discontinued operation, note 9); and
- (c) the corporate and others segment comprises corporate income and expense items.

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 period.

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 2024

### 3. OPERATING SEGMENT INFORMATION (CONTINUED)

The following table presents the revenue and profit/(loss) information for the six months ended 30 June 2024 and 2023 and the total assets and total liabilities information as at 30 June 2024 and 31 December 2023 regarding the Group's operating segments.

#### Six months ended 30 June 2024/As at 30 June 2024

	Continuing operations			Discontinued operation	
	Solid waste treatment (Unaudited) RMB'000	Corporate and others (Unaudited) RMB'000	Total (Unaudited) RMB'000	Ecological construction services (Unaudited) RMB'000	Total (Unaudited) RMB'000
Segment revenue (note 4)	803,230	–	803,230	103,190	906,420
Cost of sales	(489,830)	–	(489,830)	(94,739)	(584,569)
Gross profit	313,400	–	313,400	8,451	321,851
Profit/(loss) from operating activities	260,751	(20,553)	240,198	(2,631)	237,567
Loss on disposal of a subsidiary	–	–	–	(3,929)	(3,929)
Finance costs	(35,308)	(20,719)	(56,027)	(655)	(56,682)
Profit/(loss) before tax	225,443	(41,272)	184,171	(7,215)	176,956
Income tax	(33,541)	(52)	(33,593)	(1,250)	(34,843)
Profit/(loss) for the period	191,902	(41,324)	150,578	(8,465)	142,113
Segment profit/(loss) attributable to shareholders of the Company	182,548	(41,324)	141,224	(7,779)	133,445
Segment assets	9,473,680	285,735	9,759,415	–	9,759,415
Segment liabilities	3,413,653	2,616,421	6,030,074	–	6,030,074

# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2024

## 3. OPERATING SEGMENT INFORMATION (CONTINUED)

Six months ended 30 June 2023/As at 31 December 2023 (restated)

	Continuing operations			Discontinued operation	
	Solid waste treatment (Unaudited) RMB'000	Corporate and others (Unaudited) RMB'000	Total (Unaudited) RMB'000	Ecological construction services (Unaudited) RMB'000	Total (Unaudited) RMB'000
Segment revenue (note 4)	945,465	–	945,465	132,631	1,078,096
Cost of sales	(620,862)	–	(620,862)	(114,118)	(734,980)
Gross profit	324,603	–	324,603	18,513	343,116
Profit/(loss) from operating activities	273,609	(27,251)	246,358	3,214	249,572
Finance costs	(61,237)	(19,982)	(81,219)	(1,473)	(82,692)
Profit/(loss) before tax	212,372	(47,233)	165,139	1,741	166,880
Income tax	(28,283)	(1)	(28,284)	(94)	(28,378)
Profit/(loss) for the period	184,089	(47,234)	136,855	1,647	138,502
Segment profit/(loss) attributable to shareholders of the Company	177,745	(47,236)	130,509	1,087	131,596
Segment assets	9,231,909	196,347	9,428,256	468,906	9,897,162
Segment liabilities	3,298,714	2,534,887	5,833,601	407,201	6,240,802

During the six months ended 30 June 2024, the Group has addition of property, plant and equipment and operating concessions with a total cost of RMB138,943,000 (six months ended 30 June 2023: RMB258,722,000, restated).

### 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 interim condensed consolidated financial information.



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

For the six months ended 30 June 2024

### 3. OPERATING SEGMENT INFORMATION (CONTINUED)

#### Information about a major customer

During the six months ended 30 June 2024, the Group had transactions with two (six months ended 30 June 2023: one) external customers of the solid waste treatment segment, each of which accounted for 10% or more of the Group's total revenue from continuing operations. The revenue from continuing operations generated from sales to each of these customers is set out below:

	For the six months ended 30 June	
	2024 (Unaudited) RMB'000	2023 (Unaudited) RMB'000 (Restated)
Customer A	102,894	117,677
Customer B	98,219	N/A

N/A: Less than 10% of the Group's total revenue from continuing operations

### 4. REVENUE

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

	For the six months ended 30 June	
	2024 (Unaudited) RMB'000	2023 (Unaudited) RMB'000 (Restated)
Household waste treatment service income*	142,699	133,700
Hazardous and medical waste treatment service income	12,123	9,530
Food waste, leachate, sludge and other treatments service income	96,490	69,882
Sales of electricity	351,326	341,477
Sales of steam	11,693	5,325
Waste incineration plant construction and related service income*	186,108	373,851
Sale of equipment	2,791	11,700
	<b>803,230</b>	<b>945,465</b>

\* Imputed interest income under service concession arrangements during the period amounting to RMB63,190,000 (six months ended 30 June 2023: RMB54,282,000, restated) 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 2024

## 4. REVENUE (CONTINUED)

### Disaggregated revenue information

Six months ended 30 June 2024

Segment	Continuing operations	Discontinued operation	Total (Unaudited) RMB'000
	Solid waste treatment (Unaudited) RMB'000	Ecological construction services (Unaudited) RMB'000	
<b>Types of goods or services</b>			
Household waste treatment services	80,242	–	80,242
Hazardous and medical waste treatment services	12,123	–	12,123
Food waste, leachate, sludge and other treatments services	96,490	–	96,490
Electricity	351,326	–	351,326
Steam	11,693	–	11,693
Waste incineration plant construction and related services	185,375	–	185,375
Equipment	2,791	–	2,791
Ecological construction services	–	100,911	100,911
Ecological design services	–	2,279	2,279
Total revenue from contracts with customers	740,040	103,190	843,230
Revenue from another source: Imputed interest income	63,190	–	63,190
Total revenue	803,230	103,190	906,420
<b>Geographical markets</b>			
Total revenue from contracts with customers in Chinese Mainland	740,040	103,190	843,230
Revenue from another source: Imputed interest income	63,190	–	63,190
Total revenue	803,230	103,190	906,420
<b>Timing of revenue recognition</b>			
Goods and services transferred at a point of time	554,665	2,279	556,944
Services transferred over time	185,375	100,911	286,286
Total revenue from contracts with customers	740,040	103,190	843,230
Revenue from another source: Imputed interest income	63,190	–	63,190
Total revenue	803,230	103,190	906,420

# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2024

## 4. REVENUE (CONTINUED)

### Disaggregated revenue information (continued)

Six months ended 30 June 2023 (restated)

Segment	Continuing operations	Discontinued operation	Total (Unaudited) RMB'000
	(Unaudited) RMB'000	Ecological construction services (Unaudited) RMB'000	
<b>Types of goods or services</b>			
Household waste treatment services	86,057	–	86,057
Hazardous and medical waste treatment services	9,530	–	9,530
Food waste, leachate, sludge and other treatments services	69,882	–	69,882
Electricity	341,477	–	341,477
Steam	5,325	–	5,325
Waste incineration plant construction and related services	367,212	–	367,212
Equipment	11,700	–	11,700
Ecological construction services	–	130,341	130,341
Ecological design services	–	2,290	2,290
Total revenue from contracts with customers	891,183	132,631	1,023,814
Revenue from another source: Imputed interest income	54,282	–	54,282
Total revenue	945,465	132,631	1,078,096
<b>Geographical markets</b>			
Total revenue from contracts with customers in Chinese Mainland	891,183	132,631	1,023,814
Revenue from another source: Imputed interest income	54,282	–	54,282
Total revenue	945,465	132,631	1,078,096
<b>Timing of revenue recognition</b>			
Goods and services transferred at a point of time	523,971	2,290	526,261
Services transferred over time	367,212	130,341	497,553
Total revenue from contracts with customers	891,183	132,631	1,023,814
Revenue from another source: Imputed interest income	54,282	–	54,282
Total revenue	945,465	132,631	1,078,096

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

For the six months ended 30 June 2024

### 5. OTHER INCOME AND GAINS, NET

An analysis of the Group's other income and gains, net from continuing operations is as follows:

	For the six months ended 30 June	
	2024 (Unaudited) RMB'000	2023 (Unaudited) RMB'000 (Restated)
Value added tax refund	28,267	32,238
Interest income	3,233	3,639
Government grant*	1,677	1,388
Others	569	1,902
	<b>33,746</b>	39,167

\* The government grants recognised by the Group during the period represented subsidies received from certain government authorities as incentives to promote energy saving technologies in the local provinces.

### 6. PROFIT FROM OPERATING ACTIVITIES

The Group's profit from operating activities of continuing operations is arrived at after charging:

	For the six months ended 30 June	
	2024 (Unaudited) RMB'000	2023 (Unaudited) RMB'000 (Restated)
Depreciation of property, plant and equipment	20,370	37,477
Depreciation of right-of-use assets	4,360	4,338
Amortisation of operating concessions*	67,225	58,398
Amortisation of other intangible assets*	2,070	882
Impairment loss of trade receivables	3,145	4,903
Impairment loss of receivables under service concession arrangements (note 12)	–	20,438
Foreign exchange differences, net	1,478	7,679

\* The amortisation of operating concessions and other intangible assets (excluding computer software amounting to RMB971,000 (six months ended 30 June 2023: RMB162,000, restated) 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 2024

### 7. FINANCE COSTS

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

	For the six months ended 30 June	
	2024 (Unaudited) RMB'000	2023 (Unaudited) RMB'000 (Restated)
Interest on bank and other borrowings	55,824	80,467
Interest on lease liabilities	409	559
Total interest expenses	56,233	81,026
Less: Interest capitalised	(543)	(93)
	55,690	80,933
Other finance costs:		
Increase in discounted amounts of provision for major overhauls arising from the passage of time	337	286
	56,027	81,219

### 8. INCOME TAX

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

	For the six months ended 30 June	
	2024 (Unaudited) RMB'000	2023 (Unaudited) RMB'000 (Restated)
Current – Chinese Mainland		
Charge for the period	48,525	28,957
Overprovision in prior periods	–	(5,724)
	48,525	23,233
Deferred	(14,932)	5,051
Total tax charge for the period from continuing operations	33,593	28,284
Total tax charge for the period from a discontinued operation	1,250	94
	34,843	28,378



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

For the six months ended 30 June 2024

### **8. INCOME TAX *(CONTINUED)***

No provision for Hong Kong profits tax has been made for the six months ended 30 June 2024 and 2023 as the Group did not generate any assessable profits arising in Hong Kong during the periods. 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 People's Republic of China (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 generated revenue and enjoy a 50% tax reduction for the ensuing three years.

### **9. 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 entire 51% equity interest in 北京北控生態建設集團有限公司 ("Beikong Ecology") to Hainan Gerun for a cash consideration of RMB41,488,000 through public tender at China Beijing Equity Exchange ("CBEX"). Hainan Gerun has settled the cash consideration to the designated account of CBEX on 12 June 2024 and 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.



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

For the six months ended 30 June 2024

### 9. DISCONTINUED OPERATION (CONTINUED)

The results of the discontinued operation are presented below:

	For the six months ended 30 June	
	2024 (Unaudited) RMB'000	2023 (Unaudited) RMB'000
Revenue	103,190	132,631
Other income and gains, net	73	380
Cost of sales	(94,739)	(114,118)
Administrative expenses	(11,155)	(15,135)
Other operating expenses, net	–	(544)
Finance costs	(655)	(1,473)
Profit/(loss) from the discontinued operation	(3,286)	1,741
Loss on the disposal of the discontinued operation (note 19)	(3,929)	–
Profit/(loss) before tax from the discontinued operation	(7,215)	1,741
Income tax	(1,250)	(94)
Profit/(loss) for the period from the discontinued operation	(8,465)	1,647
Attributable to:		
Shareholders of the Company from the discontinued operation	(7,779)	1,087
Non-controlling interests from the discontinued operation	(686)	560
	(8,465)	1,647

The net cash flows of the discontinued operation are as follows:

	For the six months ended 30 June	
	2024 (Unaudited) RMB'000	2023 (Unaudited) RMB'000
Operating activities	(52,589)	8,862
Investing activities	56	(6,580)
Financing activities	19,345	12,305
Net cash inflow/(outflow)	(33,188)	14,587
Earnings/(loss) per share:		
Basic and diluted, from the discontinued operation (cents)	(0.52)	0.07

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

For the six months ended 30 June 2024

## **9. DISCONTINUED OPERATION *(CONTINUED)***

The calculation of the basic earnings/(loss) per share from the discontinued operation for the six months ended 30 June 2024 is based on the loss attributable to shareholders of the Company from the discontinued operation of RMB7,779,000 (six months ended 30 June 2023: profit of RMB1,087,000), and the 1,500,360,150 (six months ended 30 June 2023: 1,500,360,150) ordinary shares in issue during the period.

The Group has no potentially dilutive ordinary shares in issue during the six months ended 30 June 2024 and 2023.

## **10. INTERIM DIVIDEND**

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2024 (six months ended 30 June 2023: Nil).

## **11. EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY**

The calculation of the basic earnings per share amount for the six months ended 30 June 2024 is based on the profit for the period attributable to shareholders of the Company of RMB133,445,000 (six months ended 30 June 2023: RMB131,596,000, restated), profit attributable to shareholders of the Company from continuing operations of RMB141,224,000 (six months ended 30 June 2023: RMB130,509,000, restated), and the 1,500,360,150 (six months ended 30 June 2023: 1,500,360,150) ordinary shares in issue during the period.

The Group has no potentially dilutive ordinary shares in issue during the six months ended 30 June 2024 and 2023.

## **12. 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 2024 and 31 December 2023.

At 30 June 2024, 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 RMB2,348,194,000 (31 December 2023: RMB2,395,699,000), 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 16(c)).

During the six months ended 30 June 2023, the pollution discharge permit of the solid waste incineration plant of Wenchang has been expired and failed to be renewed under the current measures on environmental protection and emission imposed by the PRC government, therefore, the plant's operation has been suspended since then and the Group has provided an impairment on the remaining receivables under service concession arrangements of RMB20,438,000.



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

For the six months ended 30 June 2024

### 13. 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:

	<b>30 June 2024 (Unaudited) RMB'000</b>	31 December 2023 (Audited) RMB'000
Billed:		
Within 3 months	<b>155,941</b>	160,675
4 to 6 months	<b>88,684</b>	73,500
7 to 12 months	<b>61,165</b>	32,388
1 to 2 years	<b>25,227</b>	53,235
2 to 3 years	<b>52,052</b>	55,940
Over 3 years	<b>30,933</b>	6,731
	<b>414,002</b>	382,469
Unbilled*	<b>396,994</b>	324,791
	<b>810,996</b>	707,260

\* The unbilled balance represents entitlements to renewable energy tariff subsidies from the sale of electricity.

Notes:

- (a) 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.
- (b) Included in the Group's trade and bills receivables is an amount of RMB537,000 (31 December 2023: RMB616,000) 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.
- (c) At 30 June 2024, certain trade receivables of RMB50,000 (31 December 2023: RMB1,093,000) arising from the provision of solid waste treatment services were pledged to secure a bank loan granted to the Group (note 16(c)).

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

For the six months ended 30 June 2024

### 14. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	Notes	30 June 2024 (Unaudited) RMB'000	31 December 2023 (Audited) RMB'000
Prepayments		20,810	46,034
Deposits and other receivables	(a)	225,998	187,756
Due from fellow subsidiaries	(b)	53,372	47,182
Due from non-controlling equity holders of subsidiaries	(b)	1,598	1,598
		<b>301,778</b>	282,570
Impairment		<b>(5,041)</b>	(5,041)
		<b>296,737</b>	277,529
Current portion		<b>(295,931)</b>	(276,973)
		<b>806</b>	556
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 non-controlling equity holders of subsidiaries are unsecured, interest-free and repayable on demand.

### 15. SHARE CAPITAL

	30 June 2024 Equivalent to		31 December 2023 Equivalent to	
	(Unaudited) HK\$'000	(Unaudited) RMB'000	(Audited) HK\$'000	(Audited) 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 2024

## 16. BANK AND OTHER BORROWINGS

	Notes	30 June 2024 (Unaudited) RMB'000	31 December 2023 (Audited) RMB'000
Bank loans			
Unsecured	(b)	74,336	40,538
Secured	(c)	1,396,553	1,319,490
		<b>1,470,889</b>	1,360,028
Other loans – unsecured			
The immediate holding company	(d)	2,450,903	2,423,970
Fellow subsidiaries	(e)	569,689	612,549
Others	(f)	–	39,200
		<b>3,020,592</b>	3,075,719
Total bank and other borrowings		<b>4,491,481</b>	4,435,747
Portion classified as current liabilities		<b>(2,676,591)</b>	(2,714,238)
Non-current portion		<b>1,814,890</b>	1,721,509

Notes:

- (a) At 30 June 2024 and 31 December 2023, 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 RMB.
- (b) At 30 June 2024, 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 2023: rates ranging from one-year LPR less 35 to plus 35 basis points) and are repayable by installments up to 2031 (31 December 2023: up to 2026).
- (c) At 30 June 2024, the Group's secured bank loans bear interest at rates ranging from five-year or above LPR less 90 basis points to one-year LPR plus 35 basis points (31 December 2023: 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 2034 (31 December 2023: up to 2034). The loans are secured by mortgage over (i) 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 RMB2,348,194,000 (31 December 2023: RMB2,395,699,000), which are managed by the Group pursuant to the relevant service concession arrangements signed with the grantors (note 12); and (ii) trade receivables of RMB50,000 (31 December 2023: RMB1,093,000) arising from the provision of solid waste treatment services (note 13(b)).
- (d) At 30 June 2024, the loan from Idata bears interest at 1.7% per annum and is repayable in December 2024.

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

For the six months ended 30 June 2024

### 16. BANK AND OTHER BORROWINGS (CONTINUED)

Notes: (continued)

- (e) At 30 June 2024, the loans from 北京控股集團財務有限公司 (“BG Finance”), a fellow subsidiary, in the aggregate principal amount of RMB569,689,000 (31 December 2023: RMB612,549,000), which bear interest at rates ranging from one-year LPR less 25 basis points to five-year or above LPR less 4.4 basis points and are repayable by installments up to 2035.
- (f) At 31 December 2023, the loans from a non-controlling equity holder of a subsidiary in aggregated amount of RMB39,200,000, which bore interest at rates ranging from 3.85% to 4.35% per annum and are repayable within one year. The loans are removed from the Group through disposal of a subsidiary, details please refer to note 19.

### 17. 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:

	<b>30 June 2024 (Unaudited) RMB’000</b>	31 December 2023 (Audited) RMB’000
Billed:		
Less than 3 months	<b>142,505</b>	253,557
4 to 6 months	<b>15,829</b>	206,793
7 to 12 months	<b>19,307</b>	17,555
Over 1 year	<b>128,056</b>	119,476
	<b>305,697</b>	597,381
Unbilled*	<b>295,186</b>	262,994
	<b>600,883</b>	860,375

- \* 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 RMB25,614,000 (31 December 2023: RMB23,296,000) due to non-controlling equity holders of subsidiaries, 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 holders of subsidiaries to their major customers.
- (b) The trade payables are non-interest-bearing and normally settled within one to six months.





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

For the six months ended 30 June 2024

### 18. OTHER PAYABLES AND ACCRUALS

	Notes	<b>30 June 2024 (Unaudited) RMB'000</b>	31 December 2023 (Audited) RMB'000
Other payables	(a)	<b>113,109</b>	100,358
Contract liabilities		<b>52,256</b>	56,004
Lease liabilities		<b>18,821</b>	22,809
Accruals		<b>27,503</b>	49,111
Due to the immediate holding company	(b)	<b>104,050</b>	82,415
Due to fellow subsidiaries	(b)	<b>100,008</b>	103,106
Total other payables and accruals		<b>415,747</b>	413,803
Portion classified as current liabilities		<b>(402,165)</b>	(396,466)
Non-current portion		<b>13,582</b>	17,337

Notes:

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

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

For the six months ended 30 June 2024

### 19. DISPOSAL OF A SUBSIDIARY

As detailed in note 9 to the financial information, the Group has completed the disposal of Beikong Ecology during the period. The assets and liabilities of Beikong Ecology as at the date of disposal were as follows:

	30 June 2024 (Unaudited) RMB'000
Net assets disposed of:	
Property, plant and equipment	15,535
Other intangible assets	28
Contract assets	235,287
Trade and bills receivables	58,270
Prepayments, other receivables and other assets	16,754
Cash and cash equivalents	53,910
Trade payables	(121,026)
Other payables and accruals	(102,012)
Bank and other borrowings	(54,000)
Tax payables	(13,082)
Non-controlling interests	(44,247)
	45,417
Loss on disposal of a subsidiary (note 9)	(3,929)
	41,488
Satisfied by:	
Cash	41,488

An analysis of the net outflow of cash and cash equivalents in respect of the disposal of a subsidiary is as follows:

	30 June 2024 (Unaudited) RMB'000
Cash consideration*	-
Cash and cash equivalents disposed of	(53,910)
Net outflow of cash and cash equivalents in respect of the disposal of a subsidiary	(53,910)

\* Hainan Gerun has settled the cash consideration to the designated account of CBEX and the release of the cash consideration is subject to the clearance of The State Administration of Foreign Exchange.

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

For the six months ended 30 June 2024

### 20. 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 2023: RMB70,000,000).

Save as disclosed above, as at 30 June 2024, the Group did not have any significant contingent liabilities which have not been provided for in the financial statements.

### 21. CAPITAL COMMITMENTS

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

	<b>30 June 2024 (Unaudited) RMB'000</b>	31 December 2023 (Audited) RMB'000
Contracted, but not provided for:		
Service concession arrangements on a BOT basis	<b>261,091</b>	413,330

### 22. 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 party	Nature of transactions	Notes	For the six months ended 30 June	
			<b>2024 (Unaudited) RMB'000</b>	2023 (Unaudited) RMB'000 (Restated)
Immediate holding company:				
Idata	Interest expense	(i)	<b>20,719</b>	19,980
Fellow subsidiaries:				
北海北控環境科技 發展有限公司 ("Beihai Beikong")	Sale of equipment*	(ii)	<b>2,791</b>	11,700
BG Finance	Interest income#	(iii)	<b>24</b>	33
BG Finance	Interest expense	(iv)	<b>11,666</b>	14,803
北京控股投資管理有限公司 ("BG Management")	Interest expense	(iv)	-	20,533
Other related company:				
山東太陽紙業股份有限公司 ("Sun Paper")	Sale of steam#	(v)	<b>1,256</b>	-

\* 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 2024

## 22. RELATED PARTY DISCLOSURES (CONTINUED)

### (a) (continued)

Notes:

- (i) The interest expense payable to Idata was mutually agreed between the Company (as borrower) and Idata (as lender) under the loan agreement dated 28 March 2022 in the loan principal amount of HK\$2,693,300,000. The loan has a three-year tenure, is unsecured and bears interest 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 2024 amounted to RMB7,438,000 (31 December 2023: RMB11,794,000). 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 BG Management and the interest rates were mutually agreed with BG Finance and BG Management, respectively, with reference to the market lending 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 13(b), 14(b), 17(a) and 18(b) 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, fellow subsidiaries and a non-controlling equity holder of a subsidiary as at the end of the reporting period are disclosed in notes 16(d), (e) and (f) and 22(a)(iii) to the financial information, respectively.

# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2024

## 22. RELATED PARTY DISCLOSURES (CONTINUED)

### (c) Compensation of key management personnel of the Group

	For the six months ended 30 June	
	2024 (Unaudited) RMB'000	2023 (Unaudited) RMB'000 (Restated)
Short term employee benefits	7,256	6,641
Post-employment benefits	503	401
Total compensation paid to key management personnel	7,759	7,042

### (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.

## 23. OTHER FINANCIAL INFORMATION

The net current liabilities and total assets less current liabilities of the Group as at 30 June 2024 amounted to RMB984,151,000 (31 December 2023: RMB1,077,908,000) and RMB5,986,763,000 (31 December 2023: RMB5,824,426,000), respectively.

## 24. 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 2024.

# DISCLOSEABLE INFORMATION

## DIRECTORS

The directors of the Company during the six months ended 30 June 2024 and up to the date of this report were:

### Executive directors:

Mr. Chen Xinguo (Chairman & Chief Executive Officer)  
Ms. Sha Ning  
Mr. Yu Jie  
Mr. Li Ai (Appointed on 1 February 2024)  
Mr. Ng Kong Fat, Brian  
Mr. Ke Jian (Resigned on 1 February 2024)

### Independent non-executive directors:

Dr. Jin Lizuo  
Dr. Huan Guocang  
Dr. Wang Jianping  
Prof. Nie Yongfeng  
Mr. Cheung Ming  
Ms. Miao Li (Appointed on 22 May 2024)

## CHANGES IN DIRECTORS' INFORMATION

Save as disclosed above, since the date of the Company's 2023 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 2024, 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 22(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 2024.



## DISCLOSEABLE INFORMATION (CONTINUED)

### DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the six months ended 30 June 2024 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 2024, 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 <sup>#</sup>	10,392,755	0.69

<sup>#</sup> 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 2024, 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 2024 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 22(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 2024 or at 30 June 2024.

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

At 30 June 2024, 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 2024, 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 2024.

### **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 2024.

- (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 2024 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. With effect from 1 February 2024, Mr. Chen assumes the positions of Chairman of the Board and Chief Executive Officer. The Board considers that such arrangement can bring benefits to the Company’s business development and management at present, and will not impair the balance of power and authority between the Board and the management of the Company.
- (3) Under Code Provision C.2.7, the chairman should at least annually hold meetings with the non-executive directors (including independent non-executive directors) without the executive directors present. However, the Company considers it is more effective for non-executive directors to voice their views by individual communication with the chairman of the board.
- (4) 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 2024.



## 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. Jin Lizuo and Dr. Wang Jianping.

The Audit Committee has reviewed the interim results, financial positions, risk management, internal control, impacts of the new accounting standards and management issues of the Group during the six months ended 30 June 2024.

### **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 2024, the Board has reviewed the operational and financial reports, budgets and business plans provided by the management.

