



ZHENENG JINJIANG ENVIRONMENT HOLDING COMPANY LIMITED

浙能锦江环境控股有限公司

(Company Registration Number: 245144)

(Incorporated in the Cayman Islands on 8 September 2010)

**Unaudited Condensed Financial Statements For The Six Months and Full Year Ended
31 December 2024**

Condensed Consolidated Statement of Comprehensive Income

		Group 6 months ended 31 December 2024	Group 6 months ended 31 December 2023	Group Full year ended 31 December 2024	Group Full year ended 31 December 2023
	Note	RMB'000	RMB'000	RMB'000	RMB'000
Revenue	3	1,926,261	1,813,479	3,731,074	3,750,417
Cost of sales		(1,219,479)	(1,267,513)	(2,395,922)	(2,619,912)
Gross profit		706,782	545,966	1,335,152	1,130,505
Other income					
- Interest		14,246	19,139	32,336	39,457
- Others		117,640	126,774	195,424	238,213
Loss allowance recognised on financial assets		(17,151)	(110,642)	(17,151)	(110,642)
Other gains and losses, net		51,566	22,055	1,400	5,348
Expenses					
- Administrative		(135,230)	(146,963)	(268,818)	(268,863)
- Finance		(208,079)	(184,931)	(439,339)	(397,488)
- Others		(2,856)	(167,775)	(11,826)	(167,775)
Share of (loss)/profit of associates		(53)	289	(53)	289
Share of profit/(loss) of joint ventures		177	(8,472)	2,430	(8,635)
Profit before income tax		527,042	95,440	829,555	460,409
Income tax expense		(113,644)	(70,014)	(208,381)	(154,606)
Profit for the year	4	413,398	25,426	621,174	305,803
Other comprehensive (loss)/income					
<i>Item that may be reclassified subsequently to profit or loss:</i>					
Currency translation differences arising from consolidation		(1,134)	(2,606)	43,459	13,773
Other comprehensive (loss)/income, net of tax		(1,134)	(2,606)	43,459	13,773
Total comprehensive income for the period		412,264	22,820	664,633	319,576
Profit for the period attributable to:					
- equity holders of the Company		411,577	15,338	618,483	281,647
- non-controlling interests		1,821	10,088	2,691	24,156
		413,398	25,426	621,174	305,803
Total comprehensive income for the period attributable to:					
- equity holders of the Company		410,443	12,732	661,942	295,420
- non-controlling interests		1,821	10,088	2,691	24,156
		412,264	22,820	664,633	319,576
Earnings per share attributable to the equity holders of the Company: (RMB cents per share)					
Basic and diluted earnings per share	12	28.38	1.05	42.59	19.37

Condensed Statement of Financial Position

	Note	Group As at 31.12.24 RMB'000	Group As at 31.12.23 RMB'000	Company As at 31.12.24 RMB'000	Company As at 31.12.23 RMB'000
ASSETS					
Current assets					
Cash and cash equivalents		600,381	462,426	79,610	182,330
Pledged bank deposits		1,666,096	1,411,938	29,656	1,841
Trade and other receivables	5	3,397,587	2,947,267	-	-
Amounts due from related parties	6(b)	266,285	258,354	796	804
Service concession receivables	7	68,088	68,088	-	-
Derivative financial instruments		11,140	-	8,711	-
Inventories		115,786	126,532	-	-
Total current assets		6,125,363	5,274,605	118,773	184,975
Non-current assets					
Other receivables	5	346,216	165,565	2,995,247	2,953,794
Service concession receivables	7	696,321	714,152	-	-
Property, plant and equipment	8	11,118,384	10,835,918	-	-
Investments in associates		15,341	14,044	-	-
Investments in joint ventures		281,430	279,000	5,039	5,039
Investments in subsidiaries		-	-	1,799,828	1,799,828
Investment property		36,987	27,711	-	-
Intangible assets	9	4,487,036	4,637,015	-	-
Total non-current assets		16,981,715	16,673,405	4,800,114	4,758,661
Total assets		23,107,078	21,948,010	4,918,887	4,943,636
LIABILITIES					
Current liabilities					
Trade and other payables		1,649,711	2,121,493	1,987,015	1,983,083
Amounts due to related parties	6(b)	8,514	31,951	-	-
Borrowings and lease liabilities	10	5,273,753	4,175,372	1,454,484	1,153,799
Income tax liabilities		191,666	137,618	-	-
Total current liabilities		7,123,644	6,466,434	3,441,499	3,136,882
Net current liabilities		(998,281)	(1,191,829)	(3,322,726)	(2,951,907)
Non-current liabilities					
Trade and other payables		392,129	351,386	-	-
Borrowings and lease liabilities	10	6,954,780	7,138,119	-	92,729
Deferred tax liabilities		886,057	789,938	-	-
Provision for major overhauls		35,581	33,220	-	-
Total non-current liabilities		8,268,547	8,312,663	-	92,729
Total liabilities		15,392,191	14,779,097	3,441,499	3,229,611
NET ASSETS		7,714,887	7,168,913	1,477,388	1,714,025
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	11	96	96	96	96
Share premium	11	1,502,120	1,601,100	1,502,120	1,601,100
Treasury shares		(18,346)	-	(18,346)	-
Other reserves		860,291	648,621	1,057,112	1,057,112
Retained profits / (accumulated losses)		5,251,636	4,796,891	(1,063,594)	(944,283)
		7,595,797	7,046,708	1,477,388	1,714,025
Non-controlling interests		119,090	122,205	-	-
Total equity		7,714,887	7,168,913	1,477,388	1,714,025

Condensed Consolidated Statement of Changes in Equity

	Attributable to equity holders of the Company												Total Equity RMB'000
	Share capital RMB'000	Share premium RMB'000	Treasury shares RMB'000	Capital reserve RMB'000	Merger reserve RMB'000	Statutory surplus reserve RMB'000	Foreign currency translation reserve RMB'000	Special reserve RMB'000	Other reserve RMB'000	Retained profits RMB'000	Total RMB'000	Non- controlling interests RMB'000	
Group													
At 1 January 2024	96	1,601,100	-	393,694	(67,642)	281,034	(53,916)	10,146	85,305	4,796,891	7,046,708	122,205	7,168,913
Profit for the period	-	-	-	-	-	-	-	-	-	206,906	206,906	870	207,776
Other comprehensive income for the period	-	-	-	-	-	-	44,593	-	-	-	44,593	-	44,593
Total comprehensive income for the period	-	-	-	-	-	-	44,593	-	-	206,906	251,499	870	252,369
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(3,036)	(3,036)
<u>Appropriation and use of safety production expenses</u>													
Appropriation to special reserves	-	-	-	-	-	-	-	13,833	-	-	13,833	-	13,833
Use of special reserves	-	-	-	-	-	-	-	(8,814)	-	-	(8,814)	-	(8,814)
	-	-	-	-	-	-	-	5,019	-	-	5,019	-	5,019
<u>Transactions with owners, recognised directly in equity</u>													
Purchase of treasury shares	-	-	(1,584)	-	-	-	-	-	-	-	(1,584)	-	(1,584)
Dividends paid	-	(98,980)	-	-	-	-	-	-	-	-	(98,980)	-	(98,980)
	-	(98,980)	(1,584)	-	-	-	-	-	-	-	(100,564)	-	(100,564)
At 30 June 2024	96	1,502,120	(1,584)	393,694	(67,642)	281,034	(9,323)	15,165	85,305	5,003,797	7,202,662	120,039	7,322,701

Attributable to equity holders of the Company													
	Share capital	Share premium	Treasury shares	Capital reserve	Merger reserve	Statutory surplus reserve	Foreign currency translation reserve	Special reserve	Other reserve	Retained profits	Total	Non-controlling interests	Total Equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Group													
At 1 July 2024	96	1,502,120	(1,584)	393,694	(67,642)	281,034	(9,323)	15,165	85,305	5,003,797	7,202,662	120,039	7,322,701
Profit for the period	-	-	-	-	-	-	-	-	-	411,577	411,577	1,821	413,398
Other comprehensive loss for the period	-	-	-	-	-	-	(1,134)	-	-	-	(1,134)	-	(1,134)
Total comprehensive income for the period	-	-	-	-	-	-	(1,134)	-	-	411,577	410,443	1,821	412,264
<u>Appropriation and use of safety production expenses</u>													
Appropriation to special reserves	-	-	-	-	-	-	-	14,775	-	-	14,775	-	14,775
Use of special reserves	-	-	-	-	-	-	-	(15,371)	-	-	(15,371)	-	(15,371)
	-	-	-	-	-	-	-	(596)	-	-	(596)	-	(596)
<u>Appropriation for statutory surplus reserve</u>													
Appropriation to other reserves	-	-	-	-	-	163,738	-	-	-	(163,738)	-	-	-
<u>Transactions with owners, recognised directly in equity</u>													
Purchase of treasury shares	-	-	(16,762)	-	-	-	-	-	-	-	(16,762)	-	(16,762)
Capital contribution from non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	7,564	7,564
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(10,024)	(10,024)
<u>Changes in ownership interests in subsidiaries</u>													
Acquisition of additional interests in a subsidiary	-	-	-	-	50	-	-	-	-	-	50	(310)	(260)
At 31 December 2024	96	1,502,120	(18,346)	393,694	(67,592)	444,772	(10,457)	14,569	85,305	5,251,636	7,595,797	119,090	7,714,887

Attributable to equity holders of the Company												
	Share capital	Share premium	Capital reserve	Merger reserve	Statutory surplus reserve	Foreign currency translation reserve	Special reserve	Other reserve	Retained profits	Total	Non-controlling interests	Total Equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Group												
At 1 January 2023	96	1,601,100	393,694	(67,642)	234,282	(67,689)	-	56,172	4,561,996	6,712,009	162,698	6,874,707
Profit for the period	-	-	-	-	-	-	-	-	266,309	266,309	14,068	280,377
Other comprehensive income for the period	-	-	-	-	-	16,379	-	-	-	16,379	-	16,379
Total comprehensive income for the period	-	-	-	-	-	16,379	-	-	266,309	282,688	14,068	296,756
Capital contribution from non-controlling interests	-	-	-	-	-	-	-	-	-	-	2,200	2,200
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(2,875)	(2,875)
<u>Changes in ownership interests in subsidiaries</u>												
Acquisition of additional interests in a subsidiary	-	-	-	-	-	-	-	29,133	-	29,133	(52,776)	(23,643)
Winding up of a subsidiary	-	-	-	-	-	-	-	-	-	-	(11,198)	(11,198)
At 30 June 2023	96	1,601,100	393,694	(67,642)	234,282	(51,310)	-	85,305	4,828,305	7,023,830	112,117	7,135,947
At 1 July 2023	96	1,601,100	393,694	(67,642)	234,282	(51,310)	-	85,305	4,828,305	7,023,830	112,117	7,135,947
Profit for the period	-	-	-	-	-	-	-	-	15,338	15,338	10,088	25,426
Other comprehensive loss for the period	-	-	-	-	-	(2,606)	-	-	-	(2,606)	-	(2,606)
Total comprehensive income for the period	-	-	-	-	-	(2,606)	-	-	15,338	12,732	10,088	22,820
<u>Appropriation and use of safety production expenses</u>												
Appropriation to special reserves	-	-	-	-	-	-	13,495	-	-	13,495	-	13,495
Use of special reserves	-	-	-	-	-	-	(3,349)	-	-	(3,349)	-	(3,349)
	-	-	-	-	-	-	10,146	-	-	10,146	-	10,146
<u>Appropriation for statutory surplus reserves</u>												
Appropriation to other reserves	-	-	-	-	46,752	-	-	-	(46,752)	-	-	-
At 31 December 2023	96	1,601,100	393,694	(67,642)	281,034	(53,916)	10,146	85,305	4,796,891	7,046,708	122,205	7,168,913

Condensed Statement of Changes in Equity

	Share capital RMB'000	Share premium RMB'000	Treasury shares RMB'000	Capital reserve RMB'000	Accumulated losses RMB'000	Total Equity RMB'000
Company						
At 1 January 2024	96	1,601,100	-	1,057,112	(944,283)	1,714,025
Loss and total comprehensive loss for the period	-	-	-	-	(79,613)	(79,613)
<u>Transactions with owners, recognised directly in equity</u>						
Purchase of treasury shares	-	-	(1,584)	-	-	(1,584)
Dividends paid	-	(98,980)	-	-	-	(98,980)
At 30 June 2024	96	1,502,120	(1,584)	1,057,112	(1,023,896)	1,533,848
At 1 July 2024	96	1,502,120	(1,584)	1,057,112	(1,023,896)	1,533,848
Loss and total comprehensive loss for the period	-	-	-	-	(39,698)	(39,698)
<u>Transactions with owners, recognised directly in equity</u>						
Purchase of treasury shares	-	-	(16,762)	-	-	(16,762)
At 31 December 2024	96	1,502,120	(18,346)	1,057,112	(1,063,594)	1,477,388
At 1 January 2023	96	1,601,100	-	1,057,112	(834,752)	1,823,556
Loss and total comprehensive loss for the period	-	-	-	-	(40,141)	(40,141)
At 30 June 2023	96	1,601,100	-	1,057,112	(874,893)	1,783,415
At 1 July 2023	96	1,601,100	-	1,057,112	(874,893)	1,783,415
Loss and total comprehensive loss for the period	-	-	-	-	(69,390)	(69,390)
At 31 December 2023	96	1,601,100	-	1,057,112	(944,283)	1,714,025

Condensed Consolidated Statement of Cash Flows

	Group 6 months ended 31 December 2024 RMB'000	Group 6 months ended 31 December 2023 RMB'000	Group Full year ended 31 December 2024 RMB'000	Group Full year ended 31 December 2023 RMB'000
Cash flows from operating activities				
Profit before tax	527,042	95,440	829,555	460,409
Adjustments for:				
- Amortisation of intangible assets	98,331	96,049	201,203	188,389
- Deferred grant recognised	(19,445)	(19,912)	(36,624)	(41,903)
- Depreciation of investment property	632	531	1,124	983
- Depreciation of property, plant and equipment	289,954	252,528	565,729	495,967
- Depreciation of right-of-use assets	7,052	8,822	15,598	17,093
- Finance expenses	208,079	184,931	439,339	397,488
- Foreign exchange losses/(gains)	21,995	(542)	32,326	5,781
- Financial income under service concession arrangements	(21,875)	(27,694)	(46,714)	(49,678)
- Bank interest income	(14,246)	(19,139)	(32,336)	(39,457)
- Impairment loss on advances to suppliers	3,652	-	9,152	-
- Impairment loss on intangible assets	-	167,775	-	167,775
- Impairment loss on property, plant and equipment	(796)	-	2,674	-
- Gain on disposal of shares of a joint venture	-	-	-	(2,260)
- (Gain)/Loss on disposal of property, plant and equipment	(350)	99	(131)	278
- Loss on disposal of subsidiaries	-	-	31,317	-
- Write-off of non-payable payables	(12,618)	-	(12,618)	-
- Gain on change in fair value of derivative financial instruments	(43,199)	-	(33,953)	-
- (Reversal of loss allowance)/Loss allowance on pledged bank deposits	(2,124)	37,206	(2,124)	37,206
- Loss allowance on trade receivables	13,797	70,991	13,797	70,991
- Loss allowance on other receivables, net	5,478	2,445	5,478	2,445
- Share of (profit)/loss of joint ventures	(177)	8,472	(2,430)	8,635
- Share of loss/(profit) of an associate	53	(289)	53	(289)
	1,061,235	857,713	1,980,415	1,719,853
Change in working capital				
- Trade and other receivables	(82,803)	(104,482)	(459,926)	(246,217)
- Service concession receivables	30,408	71,891	64,545	78,899
- Inventories	8,641	(28,167)	10,746	(18,161)
- Intangible assets	(38,235)	(70,963)	(38,235)	(278,328)
- Trade and other payables	(88,103)	228,071	(186,850)	140,499
- Amount due from related parties	1,059	(1,895)	(3,690)	(9,680)
- Amount due to related parties	(18,114)	(13,149)	(19,562)	(5,150)
Cash generated from operations	874,088	939,019	1,347,443	1,381,715
Income tax paid	(13,366)	(24,515)	(58,214)	(58,937)
Net cash from operating activities	860,722	914,504	1,289,229	1,322,778
Cash flows from investing activities				
Investments in associates	(1,349)	-	(1,349)	-
Interest received	14,246	19,139	32,336	39,457
Additions to property, plant and equipment	(850,863)	(462,653)	(1,225,662)	(940,385)
Additions to intangible assets - software	(1,497)	(1,051)	(2,819)	(1,051)
Proceeds from disposal of shares a joint venture	-	-	-	9,740
Proceeds from disposal of subsidiaries, net of cash disposed	-	-	146	-
Acquisition of additional interest in a subsidiary	-	(6,519)	-	(6,519)
Change in bank deposits pledged	12,829	38,400	(2,411)	34,447
Proceeds from disposal of property, plant and equipment	3,571	752	3,623	935
Net cash used in investing activities	(823,063)	(411,932)	(1,196,136)	(863,376)
Cash flows from financing activities				
Proceeds from borrowings	4,255,521	3,195,177	8,956,509	8,607,083
Repayment of borrowings	(4,238,445)	(3,155,032)	(8,080,185)	(8,549,616)
Payment of finance costs	(128,164)	(244,633)	(454,578)	(477,307)
Capital contributions from non-controlling interests	7,564	-	7,564	2,200
Dividends paid to owners of the Company	-	-	(98,980)	-
Dividends paid to non-controlling interests	(10,024)	-	(13,060)	(2,875)
Pledged bank deposits for borrowings	46,076	(200,775)	(251,514)	(202,005)
Repayment of lease liabilities	(3,064)	(2,205)	(3,064)	(4,018)
Purchase of treasury shares	(16,762)	-	(18,346)	-
Net cash (used in)/from financing activities	(87,298)	(407,468)	44,346	(626,538)
Net (decrease)/increase in cash and cash equivalents	(49,639)	95,104	137,439	(167,136)
Cash and cash equivalents				
Cash and cash equivalents at beginning of the period	649,860	379,429	462,426	627,047
Effects of currency translation on cash and cash equivalents	160	(12,107)	516	2,515
Cash and cash equivalents at the end of the period	600,381	462,426	600,381	462,426

Notes to the Condensed Consolidated Financial Statements

These notes form an integral part of the condensed financial statements.

1. General information

Zheneng Jinjiang Environment Holding Company Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) was incorporated as an exempt company with limited liability in Cayman Islands on 8 September 2010.

The Company was listed on the Mainboard of Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 3 August 2016.

The single largest shareholder is Zhejiang Provincial Energy Group Co., Ltd. (“**Zheneng Group**”), which is controlled by State-owned Assets Supervision and Administration Commission of the People’s Government of Zhejiang Province.

These condensed consolidated financial statements as at and for the six months (“**2H**”) and full year (“**FY**”) ended 31 December 2024 comprise the Company and the Group. The principal activity of the Company is that of an investment holding company. The Group is mainly engaged in the generation and sales of electricity and steam, operation of waste-to-energy (“**WTE**”) plants and project management, technical consulting and advisory services and energy management contracting business, principally in the People’s Republic of China (the “**PRC**”).

The condensed financial statements have not been audited or reviewed by auditors.

2. Basis of preparation

2.1 Statement of compliance

The condensed financial statements as at and for the six months ended 31 December 2024 have been prepared in accordance with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board, and should be read in conjunction with the Group’s last annual consolidated financial statements as at and for the year ended 31 December 2023. The condensed financial statements do not include all the information required for complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2023.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with International Financial Reporting Standards (“**IFRSs**”), except for the adoption of new and amended standards as set out in Note 2.4.

2.2 Basis of measurement

The condensed financial statements have been prepared on the historical cost basis except as otherwise disclosed.

The condensed financial statements are presented in Renminbi (“**RMB**”), which is the Company’s functional currency. All financial information presented in RMB have been rounded to the nearest thousand, unless otherwise stated.

2.3 Working capital position

As of 31 December 2024, the Group was in a negative working capital position with the current liabilities of the Group exceeding the current assets by approximately RMB998 million. This is mainly due to borrowings due for repayment within the next 12 months.

Notwithstanding the above, the Board of Directors of the Company believes that the Company and the Group will be able to continue as a going concern, and have prepared the financial statements on a going concern basis, after considering the following:

- (A) the Group's ability to finalise and obtain additional financing, including additional credit facilities from financial institutions subsequent to 31 December 2024;
- (B) the Group has continued to generate operating profits in the full year ended 31 December 2024 and been able to generate positive cash flows from its operations;
- (C) as at the date of this announcement, the Group has approximately RMB4,660 million of undrawn credit facilities;
- (D) the Group has continued to receive financial support, credit support and loans from its largest shareholder, the Zheneng Group, as follows:
 - (i) as of 31 December 2024, the Group has re-financed a working capital loan of RMB540 million (drawn down from a credit line of RMB900 million obtained from Zhejiang Provincial Energy Group Finance Co., Ltd. (a subsidiary of Zheneng Group), as announced by the Company on 6 May 2023 and 9 April 2024, respectively) from Zheneng Group. RMB540 million has been included in current liabilities as at 31 December 2024;
 - (ii) the credit assessment and credit approval process of the Group's bankers generally involves the relevant banks assessing the Group's credit based on their credit assessment of Zheneng Group, and the relevant banks would typically earmark credit lines to be extended to the Group out of the overall credit lines and limits extended to Zheneng Group;
 - (iii) Management will continue to actively seek an even greater degree of support from Zheneng Group, which is a state-owned provincial energy enterprise with great financial strength and good credit standing that can enhance the stability of the Group's capital structure. This will help to improve broadening the Group's financing channels and reduce financing costs in relation to the Group's future fund-raising plans, so as to strengthen the working capital position and the relevant financial ratios of the Group; and
- (E) Management has reviewed the Group's cash flow projection, which covers a period of at least twelve months from 31 December 2024, and is of the opinion that, taking into account the above-mentioned plans and measures, the Group will have sufficient funds to finance its operations and to meet its financial obligations as and when they fall due within twelve months from 31 December 2024.

The Company will continue to prudently monitor its cashflow to meet its operational needs as well as to service its debt obligations as and when they fall due. The Board will provide updates to shareholders via SGXNET as and when there are material developments on the aforementioned matters.

2.4 New and amended standards adopted by the Group

A number of new standards and amendments to standards have become applicable for the current reporting period. The adoption of these standards does not have any material impact on the financial position or financial results of the Group.

2.5 Use of judgements and estimates

In preparing the condensed financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2023.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial period are included in the following notes:

- Note 3 – Service concession arrangements
- Note 8 – Impairment of property, plant and equipment

3. Revenue

The Group's operations and main revenue streams are those described in the last annual financial statements for the year ended 31 December 2023. An analysis of revenue is as follows:

Disaggregation of revenue from contracts with customers

	Group 2H2024 RMB'000	Group 2H2023 RMB'000	Group FY2024 RMB'000	Group FY2023 RMB'000
WTE project construction and operation				
<u>WTE business</u>				
- Sales of electricity	895,669	835,945	1,740,890	1,651,860
- Sales of steam	444,113	426,050	889,191	831,847
- Revenue from waste treatment and by-product	517,277	446,209	1,000,980	941,306
	<u>1,857,059</u>	<u>1,708,204</u>	<u>3,631,061</u>	<u>3,425,013</u>
<u>Construction services provided under BOT concession agreements</u>				
- Revenue from construction services provided under service concession agreements (Notes 7 and 9)	40,972	65,198	40,972	256,530
- Financial income under service concession agreements (Note 7)	21,875	27,694	46,714	49,678
	<u>62,847</u>	<u>92,892</u>	<u>87,686</u>	<u>306,208</u>
Total	<u>1,919,906</u>	<u>1,801,096</u>	<u>3,718,747</u>	<u>3,731,221</u>
Project technical and management service, equipment selection and sale and EMC business	6,355	12,383	12,327	19,196
Total revenue	<u>1,926,261</u>	<u>1,813,479</u>	<u>3,731,074</u>	<u>3,750,417</u>

Timing of revenue recognition

	Group 2H2024 RMB'000	Group 2H2023 RMB'000	Group FY2024 RMB'000	Group FY2023 RMB'000
<u>At a point in time</u>				
- Sales of electricity	895,669	835,945	1,740,890	1,651,860
- Sales of steam	444,113	426,050	889,191	831,847
- Revenue from by-product of waste treatment	60,232	-	111,855	-
	<u>1,400,014</u>	<u>1,261,995</u>	<u>2,741,936</u>	<u>2,483,707</u>
<u>Over time</u>				
- Revenue from waste treatment	457,045	446,209	889,125	941,306
- Revenue from construction services provided under service concession agreements (Notes 7 and 9)	40,972	65,198	40,972	256,530
- Project technical and management service and EMC business	6,355	12,383	12,327	19,196
	<u>504,372</u>	<u>523,790</u>	<u>942,424</u>	<u>1,217,032</u>
- Financial income under service concession agreements (Note 7)	21,875	27,694	46,714	49,678
Total revenue	<u>1,926,261</u>	<u>1,813,479</u>	<u>3,731,074</u>	<u>3,750,417</u>

A breakdown of sales and operating profit after tax as follows:-

	Group 31 Dec 2024 RMB'000	Group 31 Dec 2023 RMB'000	% Increase/ (Decrease)
(a) Sales reported for first half year	1,804,813	1,936,938	-6.82
(b) Operating profit after tax before deducting non-controlling interests reported for first half year	207,776	280,377	-25.89
(c) Sales reported for second half year	1,926,261	1,813,479	6.22
(d) Operating profit after tax before deducting non-controlling interests reported for second half year	413,398	25,426	1,525.89

The Group's businesses were not affected significantly by seasonal or cyclical factors during the financial periods reported on.

4. Profit for the period

The following significant items have been included in arriving at profit for the period:

	Group 2H2024 RMB'000	Group 2H2023 RMB'000	Group FY2024 RMB'000	Group FY2023 RMB'000
Profit for the period has been arrived at after charging/(crediting):				
Amortisation of intangible assets	98,331	96,049	201,203	188,389
Cost of inventories recognised as expense	380,158	359,748	751,616	833,813
Depreciation of investment property	632	531	1,124	983
Depreciation of property, plant and equipment	289,954	252,528	565,729	495,967
Depreciation of right-of-use assets	7,052	8,822	15,598	17,093
Employee compensation	197,773	220,221	388,803	403,005
Foreign exchange losses/(gains)	13,929	(26,607)	24,616	(5,662)
Government grants	(19,445)	(19,912)	(36,624)	(41,903)
Value added tax refund	(58,808)	(43,804)	(93,076)	(77,501)
Impairment loss on advances to suppliers	3,652	-	9,152	-
Impairment loss on property, plant and equipment	(796)	-	2,674	-
Impairment loss on intangible assets	-	167,775	-	167,775
(Gain)/Loss on disposal of property, plant and equipment	(350)	99	(131)	278
Loss on disposal of subsidiaries	-	-	31,317	-
Gain on change in fair value of derivative financial instruments	(43,199)	-	(33,953)	-
Write-off of non-payable payables	12,618	-	12,618	-
Loss allowance recognised on financial assets	17,151	110,642	17,151	110,642
Gain on disposal of shares of a joint venture	-	-	-	(2,260)
Underprovision of tax in prior years	1,532	3,446	4,440	1,400

5. Trade and other receivables

	Group As at 31 December 2024 RMB'000	Group As at 31 December 2023 RMB'000
Trade receivables – third parties	2,648,271	2,257,479
Less: Loss allowance (Note (iii))	(52,475)	(102,664)
Bills receivables	21,067	21,996
	<u>2,616,863</u>	<u>2,176,811</u>
Amount due from non-controlling interests - trade	59,927	35,045
Total trade and bills receivables	<u>2,676,790</u>	<u>2,211,856</u>
Advances to suppliers (Note (i), (iv))	352,378	208,155
Other receivables (Note (ii))	373,209	366,779
Less: Loss allowance (Note (iii))	(24,053)	(44,801)
Sub-total of other receivables	<u>349,156</u>	<u>321,978</u>
Other tax recoverable		
- Value added tax recoverable	326,404	330,383
- Others	25	1,971
Prepayments	39,050	38,489
Total trade and other receivables	<u>3,743,803</u>	<u>3,112,832</u>
Analysed for reporting purposes as:		
- Current assets	3,397,587	2,947,267
- Non-current assets	<u>346,216</u>	<u>165,565</u>
	<u>3,743,803</u>	<u>3,112,832</u>

- (i) Advances to suppliers comprise the prepayments agreed in the Group's equipment procurement contracts and project construction contracts for its projects under construction and are unsecured and interest free.
- (ii) Other receivables include staff advances, refundable deposits, compensation receivable on closure of WTE plant, and others.
- (iii) For the year ended 31 December 2023, loss allowance for trade receivables and other receivables included total impairment losses of RMB63,986,000 and RMB26,226,000, respectively related to the India projects. As of 31 December 2024, the equity transfer of the Indian subsidiaries has been completed. In FY2024, an impairment loss of RMB5,480,000 was recognised on other receivables due to financial difficulties of customers.
- (iv) In 2024, impairment loss of RMB9,150,000 was recognised on the prepayment for equipment procurement as these were deemed irrecoverable based on the outcome of arbitration involving two of the Group's power plants in the PRC.

6. Related party balances and transactions

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

- (a) In addition to the information disclosed in Note 10 on borrowings from Zheneng Group, the following transactions took place between the Group and its related parties at terms agreed between the parties.

	Group FY2024 RMB'000	Group FY2023 RMB'000
Companies in which Zheneng Group has control over:		
- Purchases of materials	3,190	7,403
- Interest expense	18,515	20,825
	<hr/>	<hr/>
Companies in which Jinjiang Group has control over:		
- Purchases of materials	2,036	185
- Revenue from EMC business	-	(94)
- Rendering of technical and management services	(1,373)	(1,442)
	<hr/>	<hr/>
Joint ventures:		
- Interest income	(9,871)	(9,871)
	<hr/>	<hr/>

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

	Group As at 31 December 2024 RMB'000	Group As at 31 December 2023 RMB'000
Trade:		
Amounts due from companies in which the major shareholders have control over	15,699	12,748
Amounts due from joint ventures	2,628	7,511
	<hr/>	<hr/>
	18,327	20,259
Non-trade:		
Amounts due from a joint venture	247,958	238,095
	<hr/>	<hr/>
	266,285	258,354
	<hr/>	<hr/>
Trade:		
Amounts due to companies in which the major shareholders have control over	7,314	30,463
Amounts due to joint ventures	120	120
	<hr/>	<hr/>
	7,434	30,583
	<hr/>	<hr/>
Non-trade:		
Amounts due to companies in which the major shareholders have control over	645	933
Amounts due to joint ventures	435	435
	<hr/>	<hr/>
	1,080	1,368
	<hr/>	<hr/>
	8,514	31,951
	<hr/>	<hr/>

The non-trade amounts due from a joint venture are the interest-bearing advances to the joint venture of the Group, Zibo Green New Energy Co., Ltd., for financing the construction and operating costs of its WTE facility.

7. Service concession receivables

	Group As at 31 December 2024 RMB'000	Group As at 31 December 2023 RMB'000
Service concession receivables	764,409	782,240
Less: Amount due within one year shown under current assets	(68,088)	(68,088)
Service concession receivables due after one year	<u>696,321</u>	<u>714,152</u>
Expected collection schedule is analysed as follows		
Within 1 year	68,088	68,088
Within 2 to 5 years	232,485	232,485
Over 5 years	463,836	481,667
	<u>764,409</u>	<u>782,240</u>

8. Property, plant and equipment

<u>Group</u>	Property, plant and equipment RMB'000	Right-of-use assets RMB'000	Total RMB'000
Cost			
At 1 January 2023	13,220,619	614,066	13,834,685
Additions	927,536	6,393	933,929
Disposals/Written off	(7,352)	(10,943)	(18,295)
Exchange difference	11,228	2,271	13,499
At 31 December 2023	<u>14,152,031</u>	<u>611,787</u>	<u>14,763,818</u>
Additions	912,575	33,938	946,513
Transfer	(31,114)	-	(31,114)
Disposals/Written off	(14,478)	-	(14,478)
Disposal of subsidiaries	(93,496)	-	(93,496)
Exchange difference	(1,809)	(1,142)	(2,951)
At 31 December 2024	<u>14,923,709</u>	<u>644,583</u>	<u>15,568,292</u>
Accumulated depreciation			
At 1 January 2023	(3,269,896)	(134,859)	(3,404,755)
Depreciation for the year	(495,967)	(17,093)	(513,060)
Disposals/Written off	6,139	10,943	17,082
Exchange difference	(4,043)	-	(4,043)
At 31 December 2023	<u>(3,763,767)</u>	<u>(141,009)</u>	<u>(3,904,776)</u>
Depreciation for the year	(565,729)	(15,598)	(581,327)
Transfer	18,108	-	18,108
Disposals/Written off	10,986	-	10,986
Disposal of subsidiaries	32,885	-	32,885
Exchange difference	14	-	14
At 31 December 2024	<u>(4,267,503)</u>	<u>(156,607)</u>	<u>(4,424,110)</u>
Accumulated impairment			
At 1 January 2023	(27,490)	-	(27,490)
Written off	4,366	-	4,366
At 31 December 2023	<u>(23,124)</u>	<u>-</u>	<u>(23,124)</u>
Impairment loss	(2,674)	-	(2,674)
At 31 December 2024	<u>(25,798)</u>	<u>-</u>	<u>(25,798)</u>
Carrying values			
At 31 December 2024	<u>10,630,408</u>	<u>487,976</u>	<u>11,118,384</u>
At 31 December 2023	<u>10,365,140</u>	<u>470,778</u>	<u>10,835,918</u>

Impairment of property, plant and equipment

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

During FY2024, management assessed and recognised an impairment loss of RMB2,674,000 in respect of power plant equipment in the PRC based on the outcome of arbitration.

During FY2023, one of the subsidiaries of the Company in Brazil, Jinjiang Environment Holding Limitada, was wound up by way of a members' voluntary winding up and the related assets of RMB4,366,000, which were previously fully impaired, were written off.

9. Intangible assets

	Group As at 31 December 2024 RMB'000	Group As at 31 December 2023 RMB'000
Software	21,652	12,685
Service concession arrangement (Note (a))	4,465,384	4,624,330
	<u>4,487,036</u>	<u>4,637,015</u>
 (a) Service concession arrangement		
Cost		
At 1 January 2024/1 January 2023	5,730,605	5,447,482
Additions	40,596	283,123
Disposal of subsidiaries	(206,972)	-
At 31 December 2024/31 December 2023	<u>5,564,229</u>	<u>5,730,605</u>
Accumulated amortisation		
At 1 January 2024/1 January 2023	(908,298)	(722,884)
Amortisation	(199,542)	(185,414)
Disposal of subsidiaries	8,995	-
At 31 December 2024/31 December 2023	<u>(1,098,845)</u>	<u>(908,298)</u>
Accumulated impairment		
At 1 January 2024/1 January 2023	(197,977)	(30,202)
Impairment losses	-	(167,775)
Written off	197,977	-
At 31 December 2024/31 December 2023	<u>-</u>	<u>(197,977)</u>
Net book value	<u>4,465,384</u>	<u>4,624,330</u>

The Group entered into service concession agreements with the local government authorities, pursuant to the design, construction, operation and maintenance of WTE plants during the concession period ranging from 21 years to 30 years, starting from the commencement date of commercial operation.

Service concession construction revenue (as detailed in Note 3) recorded in FY2024 and FY2023 represents the revenue recognised during the construction stage of the service concession period.

The right that the Group has received to charge for the sale of electricity and waste treatment has been recognised as an intangible asset at the fair value of the construction services provided and is amortised over the operating period of the WTE plant on a straight-line basis from the date on which the WTE plant commences operation.

During FY2023, an impairment loss of RMB167,775,000 was recognised on the intangible assets due to the difficulties and uncertainty encountered in the progress of the power plants of the Build-Operate-Transfer (BOT) projects in Lucknow and Gurgaon, India. In addition, loss allowances of RMB66,847,000 and RMB37,206,000 were recognised for trade and other receivables (refer to Note 5) and pledged bank deposits for performance bond respectively. As of 31 December 2024, the equity transfer of the Indian subsidiaries has been completed.

No impairment loss was recognised for FY2024.

10. Borrowings and lease liabilities

	Group As at 31 December 2024 RMB'000	Group As at 31 December 2023 RMB'000
Amount repayable within one year or less, or on demand		
- Secured borrowings	3,249,443	2,832,457
- Unsecured borrowings	2,022,609	1,340,159
- Lease liabilities	1,701	2,756
	5,273,753	4,175,372
Amount repayable after one year		
- Secured borrowings	5,558,485	5,749,784
- Unsecured borrowings	1,395,995	1,386,777
- Lease liabilities	300	1,558
	6,954,780	7,138,119
Total borrowings and lease liabilities, net of transaction costs	12,228,533	11,313,491

The carrying amount of borrowings approximate their fair value. The borrowings are secured by the pledge of certain property, plant and equipment, trade receivables, shares of a subsidiary, bank deposits, investment property, right-of-use assets and intangible assets.

Included in the borrowings of the Group are borrowings with an aggregate principal amount of RMB540,000,000 (31 December 2023: RMB540,000,000) from a subsidiary of Zheneng Group, namely Zhejiang Provincial Energy Group Finance Co., Ltd.

11. Share capital and share premium

	Group and Company		
	No. of ordinary shares	Share capital RMB'000	Share premium RMB'000
Fully paid ordinary shares			
As at 1 January 2023 and as at 31 December 2023	1,454,024,700	96	1,601,100
Less: Treasury shares	(8,697,300)	-	-
Less: Dividends paid	-	-	(98,980)
As at 31 December 2024, excluding treasury shares	1,445,327,400	96	1,502,120

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

There were no changes in the share capital of the Company in FY2024.

The total number of issued shares excluding treasury shares as at 31 December 2024 was 1,445,327,400 (31 December 2023: 1,454,024,700).

As at 31 December 2024, the Company held 8,697,300 (31 December 2023: Nil) treasury shares which represented 0.60% (31 December 2023: Nil%) of the total number of issued shares (excluding treasury shares).

There were no sales, transfers, disposal, cancellation and/or use of treasury shares during FY2024.

The Company had no convertibles or subsidiary holdings as at 31 December 2024 and 31 December 2023.

12. Earnings per share

	Group FY2024	Group FY2023
Basic and fully diluted earnings per share (RMB cents)	42.59	19.37
Weighted average number of shares	1,452,066,354	1,454,024,700

The earnings per share was computed based on the weighted average number of shares excluding treasury shares for the period.

13. Net asset value

	Group As at 31 December 2024	Group As at 31 December 2023	Company As at 31 December 2024	Company As at 31 December 2023
Assets				
Net asset value per share (RMB cents)	533.78	493.04	102.22	117.88
Number of shares in issue (excluding treasury shares) at the end of the period	1,445,327,400	1,454,024,700	1,445,327,400	1,454,024,700

The net asset value per share as at 31 December 2024 and 31 December 2023 were computed based on the number of shares in issue (excluding treasury shares) at the end of the period.

14. Fair value measurements

The fair value of financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis or using prices or rates from observable current market transactions as input. The fair values of derivative assets and liabilities (forward exchange contracts) are based on banks' quotes.

Management has assessed that the carrying amounts of the other financial assets and financial liabilities recorded at amortised cost in the condensed interim financial statements approximate their fair values at the end of the reporting period.

15. Commitments

Capital expenditures contracted for at the balance sheet date but not recognised in the financial statements, excluding those relating to investments in associates and investments in joint ventures, are as follows:

	Group As at 31 December 2024 RMB'000	Group As at 31 December 2023 RMB'000
Property, plant and equipment	2,603,647	1,628,629

16. Segment information

The Group's reportable and operating segments are as follows:

- (1) WTE project construction and operation comprise sales of electricity and steam, waste treatment, construction services provided and financial income under service concession.
- (2) Project technical and management service, equipment selection and sale and EMC business comprise service income.

	WTE project construction and operation RMB'000	Project technical and management service, equipment selection and sale and EMC business RMB'000	Total RMB'000
1 January 2024 to 31 December 2024			
Segment revenue			
External revenue	3,718,747	12,327	3,731,074
Inter-segment revenue	-	362,393	362,393
	<u>3,718,747</u>	<u>374,720</u>	<u>4,093,467</u>
Elimination	-	(362,393)	(362,393)
Revenue	<u>3,718,747</u>	<u>12,327</u>	<u>3,731,074</u>
Segment profit			
Government grants and VAT refund	1,335,010	142	1,335,152
Gain on disposal of property, plant and equipment	129,115	585	129,700
Gain on disposal of property, plant and equipment	131	-	131
Impairment loss on property, plant and equipment	(2,674)	-	(2,674)
Impairment loss on advances to suppliers	(9,152)	-	(9,152)
Loss on disposal of subsidiaries	(31,317)	-	(31,317)
Loss allowance recognised on financial assets			(17,151)
Foreign exchange losses			(24,616)
Gains on change in fair value of derivative financial instruments			33,953
Other income			121,309
Administrative expenses			(268,818)
Finance costs			(439,339)
Share of loss of associates			(53)
Share of profit of joint ventures			2,430
Profit before tax			<u>829,555</u>
As at 31 December 2024			
Assets and Liabilities			
Segment assets	19,583,076	636,261	20,219,337
Unallocated			2,887,741
Consolidated total assets			<u>23,107,078</u>
Segment liabilities	13,607,369	622,838	14,230,207
Unallocated			1,161,984
Consolidated total liabilities			<u>15,392,191</u>
1 January 2024 to 31 December 2024			
Other segment information			
Depreciation and amortisation	772,110	11,544	783,654
Additions to non-current assets	942,379	10,040	952,419

	WTE project construction and operation RMB '000	Project technical and management service, equipment selection and sale and EMC business RMB '000	Total RMB '000
1 January 2023 to 31 December 2023			
Segment revenue			
External revenue	3,731,221	19,196	3,750,417
Inter-segment revenue	-	366,047	366,047
	3,731,221	385,243	4,116,464
Elimination	-	(366,047)	(366,047)
Revenue	3,731,221	19,196	3,750,417
Segment profit			
Government grants and VAT refund	1,129,447	1,058	1,130,505
	118,453	951	119,404
Loss on disposal on property, plant and equipment	(278)	-	(278)
Loss allowance recognised on financial asset			(110,642)
Impairment loss on intangible assets			(167,775)
Gain on disposal of shares of a joint venture			2,260
Foreign exchange gain			5,662
Other income			155,970
Administrative expenses			(268,863)
Finance costs			(397,488)
Share of profit of associates			289
Share of loss of joint ventures			(8,635)
Profit before tax			460,409
As at 31 December 2023			
Assets and Liabilities			
Segment assets	18,584,081	626,072	19,210,153
Unallocated			2,737,857
Consolidated total assets			21,948,010
Segment liabilities	13,444,505	315,540	13,760,045
Unallocated			1,019,052
Consolidated total liabilities			14,779,097
1 January 2023 to 31 December 2023			
Other segment information			
Depreciation and amortisation	690,243	12,189	702,432
Additions to non-current assets	1,146,712	9,926	1,156,638

All assets are allocated to reportable segments other than investments in joint ventures and associates, other tax recoverable, pledged bank deposits, cash and cash equivalents and the non-trade related balances due from related parties and non-controlling interests.

All liabilities are allocated to reportable segments other than income tax liabilities, other tax liabilities, deferred tax liabilities and the non-trade related balances due to related parties.

Geographical information

Most of the Group's revenue is generated from sales and the provision of services in the PRC based on where products are sold or services are rendered, and most of the Group's identifiable assets and liabilities are located in the PRC.

Information about major customers

For FY2024 and FY2023, there was no single customer that accounted for 10% or more of the Group's revenue for the two reportable and operating segments.

Other Information Required Under Appendix 7.2 of the Listing Manual of the SGX-ST

1. Review of performance of the Group

Consolidated Statement of Comprehensive Income

2H2024 vs 2H2023

Revenue

	2H2024 RMB'000	%	2H2023 RMB'000	%	Change %
WTE project construction and operation					
<u>WTE business</u>					
- Sales of electricity	895,669	46.5	835,945	46.1	7.1
- Sales of steam	444,113	23.1	426,050	23.5	4.2
- Revenue from waste treatment and by-product	517,277	26.9	446,209	24.6	15.9
	<u>1,857,059</u>	96.5	<u>1,708,204</u>	94.2	8.7
<u>Construction services provided under BOT concession agreements</u>					
- Revenue from construction services provided under service concession agreements	40,972	2.1	65,198	3.6	(37.2)
- Financial income under service concession agreements	21,875	1.1	27,694	1.5	(21.0)
	<u>62,847</u>	3.2	<u>92,892</u>	5.1	(32.3)
Total	<u>1,919,906</u>	99.7	<u>1,801,096</u>	99.3	6.6
Project technical and management service, equipment selection and sale and EMC business					
	<u>6,355</u>	0.3	<u>12,383</u>	0.7	(48.7)
Total revenue	<u>1,926,261</u>	100.0	<u>1,813,479</u>	100.0	6.2

Details of the electricity generated and supplied, steam supplied and waste treated for 2H2024 and 2H2023 are as follows:

	Group 2H2024	Group 2H2023	Change %
Electricity generated ('000 KWh)	2,176,576	2,069,192	5.2
On-grid electricity supplied ('000 KWh)	1,734,056	1,616,316	7.3
Steam supplied ('000 tonnes)	2,610	2,476	5.4
Waste treated ('000 tonnes)	6,600	6,627	(0.4)

Gross profit and gross profit margin

	Gross Profit (RMB'000)		Gross Profit Margin	
	2H2024	2H2023	2H2024	2H2023
WTE business (excluding gross profit from construction services provided under BOT concession agreements)	679,803	514,186	36.61%	30.10%
Construction services provided under BOT concession agreements	5,588	8,893	13.64%	13.64%
Financial income under service concession agreements	21,875	27,694	N.A	N.A
Project technical and management service and EMC business	(484)	(4,807)	(7.62%)	(38.82%)
Total	<u>706,782</u>	<u>545,966</u>	36.69%	30.11%

The increase in gross profit by RMB160.8 million from RMB546.0 million in 2H2023 to RMB706.8 million in 2H2024 and the increase in gross profit margin by 6.58% are mainly attributable to:

WTE business (excluding gross profit from construction services provided under BOT concession agreements)

Revenue from our WTE business (excluding revenue from construction services provided under BOT concession agreements) increased RMB148.9 million from RMB1,708.2 million in 2H2023 to RMB1,857.1 million in 2H2024. This was mainly attributable to (i) the expansion of existing power plant steam supply business, (ii) the higher tonnage supply after technical transformation and optimization of the power plant management, and (iii) revenue from by-product such as slag has been recognised under revenue from WTE business according to the strategic layout of circular economy.

The gross profit of our WTE business (excluding gross profit from construction services provided under BOT concession agreements) increased by RMB165.6 million or 32.2% from RMB514.2 million in 2H2023 to RMB679.8 million in 2H2024, which is mainly due to:

1. The gross profit of WTE plants put into trial operation and commencement of operations of WTE plants (including Shijiazhuang Jiasheng WTE Facility in Hebei Province, Jinghong Jiasheng WTE Facility in Xishuangbanna, Yunnan Province and others) increased by RMB6.79 million in 2H2024 as compared to 2H2023.
2. The gross profit of Zhuji Bafang Facility in Zhejiang Province increased by RMB13.4 million in 2H2024 as compared to 2H2023, mainly due to higher steam supplied and lower coal prices in 2H2024 as compared to 2H2023, resulting increase of RMB11.0 million in gross profit, and an increase of RMB2.4 million in gross profit from lower environmental protection costs in 2H2024 compared to 2H2023.
3. The India projects had no revenue in the current period. Due to the gross loss incurred in 2H2023, the gross profit increased by RMB13.9 million in 2H2024 as compared to 2H2023.
4. The gross profit of the other WTE facilities increased by RMB131.5 million in 2H2024 as compared to 2H2023. The increases are mainly due to (i) increase of RMB21.8 million in gross profit due to higher tonnage supply following the technical transformation and optimization of the power plant management, (ii) increase of RMB7.8 million in gross profit due to the expansion of steam supply business in Lianyungang Sunrise WTE Facility in Jiangsu Province, Gaomi Lilangmingde WTE Facility in Shandong Province, Zibo Green Energy WTE Facility in Zibo City, Shandong Province and others, (iii) increase in gross profit of RMB6.0 million from the revenue from the expansion of kitchen waste and resource recycling projects, (iv) According to management's strategic layout of circular economy, the revenue from by-product such as slag previously classified under other income has been recognised under revenue from WTE business in 2024. This recognition resulted in gross profit increase of RMB60.2 million in 2H2024 as compared to 2H2023, (v) increase in gross profit of RMB26.5 million due to the continuous strengthening of the control over the cost of environmental protection auxiliary materials, resulting in a reduction in related costs in 2H2024 as compared to 2H2023, and (vi) increase of RMB9.2 million in gross profit due to expansion of resources such as waste at existing power plants.

The gross profit margin increased from 30.10% in 2H2023 to 36.61% in 2H2024. As mentioned above, this is mainly due to the higher tonnage supply following the technical transformation and optimization of the power plant management, expansion steam supply business of existing power plant and the recognition of revenue from by-product such as slag.

Construction services provided under BOT concession agreements

The gross profit from construction services provided under BOT concession agreements (including financial income) decreased RMB9.1 million from RMB36.6 million in 2H2023 to RMB27.5 million in 2H2024. This was mainly due to a reduction in the implementation of BOT project construction. The revenue from financial income under service concession agreements increased RMB5.8 million in 2H2024 as compared to 2H2023.

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

In 2H2024, project technical and management services, equipment selection and sale and EMC business reported a gross loss of RMB0.48 million, mainly due to the decrease in project technical and management services, as well as equipment selection and sales business.

Other income

	Group 2H2024 RMB'000	Group 2H2023 RMB'000	Increase / (Decrease) RMB'000	Change +/(-) %
Bank interest income	14,246	19,139	(4,893)	(25.6)
Government grants	19,445	19,912	(467)	(2.3)
Value added tax refund	58,808	43,804	15,004	34.3
Gain on sales of scrap materials	34,103	55,414	(21,311)	(38.5)
Interest income from joint ventures and others	5,284	7,644	(2,360)	(30.9)
Other income	131,886	145,913	(14,027)	(9.6)

Other income decreased RMB14.0 million or 9.6% from RMB145.9 million in 2H2023 to RMB131.9 million in 2H2024, mainly due to (i) decrease of RMB21.3 million in gain on sales of scrap materials in 2H2024 due to the revenue from by-product such as slag has been recognised under revenue from WTE business, and (ii) due to the early repayment of loans in January 2025, the corresponding guarantee deposit of approximately RMB490 million was released ahead of schedule. As a result, the interest was settled based on the current rate instead of the agreed rate, reducing the estimated interest income for 2024 by RMB5.5 million. The decrease in other income was partially offset by the increase of RMB15.0 million in value added tax refund.

Loss allowance recognised on financial assets

Loss allowance recognised on financial assets of RMB17.2 million in 2H2024 was mainly due to (i) loss allowance of RMB13.8 million expected credit losses recognised for trade receivables, (ii) loss allowance of RMB5.5 million recognised for other receivables due to financial difficulties of the counterparties, and (iii) reversal of loss allowance of RMB2.1 million based on the received amount from the release of the deposit for performance bond of the India project. In 2H2023, loss allowance recognised on financial assets of RMB110.6 million mainly due to the impairment loss related to the difficulties and uncertainty encountered in the progress of the power plant of the BOT projects in Lucknow and Gurgaon, India, where the disposal of the equity interest in the Indian projects has been completed in 2024.

Other gains and losses, net

	Group 2H2024 RMB'000	Group 2H2023 RMB'000	Increase / (Decrease) RMB'000	Change +/(-) %
Foreign exchange (losses)/gains	(13,929)	26,607	(40,536)	N.A
Gains on change in fair value of derivative financial instruments	43,199	-	43,199	N.A
Gain/(Loss) on disposal of property, plant and equipment	350	(99)	449	N.A
Write-off of non-payable payables	12,618	-	12,618	N.A
Gains on transfer of green low-carbon indicators	18,585	-	18,585	N.A
Others	(9,257)	(4,453)	(4,804)	N.A
Other gains and losses, net	51,566	22,055	29,511	>100%

Other gains and losses, net increased RMB29.5 million from other gains of RMB22.1 million in 2H2023 to RMB51.6 million in 2H2024, mainly due to (i) increase of RMB2.7 million in net foreign currency liabilities exchange and hedging in 2H2024 as compared to 2H2023. This includes an exchange loss of RMB13.9 million in 2H2024, which reduced total gains by RMB40.5 million and a gain of RMB43.2 million from hedging derivative financial instruments in 2H2024, (ii) in 2H2024, a review was conducted on long-term outstanding payables with no subsequent transactions. Based on the legal opinion, amounts that were not claimed within the litigation period, suppliers that had been deregistered and lost contact, or amounts confirmed by suppliers to be non-payable were written back as income amounting to RMB12.6 million, and (iii) Zhuji Bafang Facility in Zhejiang Province obtained green low-carbon indicators according to policy. The accumulated green low-carbon indicators from previous years were transferred to third parties, resulting in a gain of RMB18.59 million in 2H2024.

Administrative expenses

Administrative expenses decreased RMB11.7 million from RMB147.0 million in 2H2023 to RMB135.2 million in 2H2024, mainly due to the decrease in expenses after the disposal of the India projects in 1H2024.

Finance costs

Finance costs increased RMB23.2 million from RMB184.9 million in 2H2023 to RMB208.1 million in 2H2024, mainly due to the increase in interest expenses following the official commencement of operations of Shijiazhuang Jiasheng WTE Facility in Hebei Province and Jinghong Jiasheng WTE Facility in Xishuangbanna, Yunnan Province for which the interest expenses were previously capitalised.

Other expenses

The other expenses of RMB2.9 million in 2H2024 were mainly due to an impairment loss of RMB3.7 million for the expected unrecoverable advances for relevant equipment, as per the outcome of arbitration. This was offset by the adjustment of impairment loss of properties, plants, and equipment for the first half of the year, amounting to RMB0.79 million in 2H2024. The other expenses of RMB167.8 million in 2H2023 was mainly due to the recognition of impairment on the assets relating to the BOT projects as the difficulties and uncertainty encountered in the progress of the power plant of the BOT projects in Lucknow and Gurgaon, India, where the disposal of the equity interest in the Indian projects has been completed in 2024.

Profit before tax

As a result of the foregoing, profit before tax increased RMB431.6 million from RMB95.4 million in 2H2023 to RMB527.0 million in 2H2024.

Income tax expense

Income tax expenses increased RMB43.6 million to RMB113.6 million in 2H2024 as compared to 2H2023 mainly due to the increase in profit before impairment losses. In 2H2024, Group's high-tech enterprises continued to enjoy tax incentives and some of the Group's WTE facilities continued to enjoy preferential tax rates during the exemption period.

Total comprehensive income for the period

As a result of the foregoing, total comprehensive income for the period increased from RMB22.8 million in 2H2023 to RMB412.3 million in 2H2024.

FY2024 vs FY2023

Revenue

	FY2024		FY2023		Change
	RMB'000	%	RMB'000	%	%
WTE project construction and operation					
<u>WTE business</u>					
- Sales of electricity	1,740,890	46.7	1,651,860	44.0	5.4
- Sales of steam	889,191	23.8	831,847	22.2	6.9
- Revenue from waste treatment and by-product	1,000,980	26.8	941,306	25.1	6.3
	<u>3,631,061</u>	97.3	<u>3,425,013</u>	91.3	6.0
<u>Construction services provided under BOT concession agreements</u>					
- Revenue from construction services provided under service concession agreements	40,972	1.1	256,530	6.9	(84.0)
- Financial income under service concession agreements	46,714	1.3	49,678	1.3	(6.0)
	<u>87,686</u>	2.4	<u>306,208</u>	8.2	(71.4)
Total	<u>3,718,747</u>	99.7	<u>3,731,221</u>	99.5	(0.3)
Project technical and management service, equipment selection and sale and EMC business					
	<u>12,327</u>	0.3	<u>19,196</u>	0.5	(35.8)
Total revenue	<u>3,731,074</u>	100.0	<u>3,750,417</u>	100.0	(0.5)

Details of the electricity generated and supplied, steam supplied and waste treated for FY2024 and FY2023 are as follows:

	Group FY2024	Group FY2023	Change %
Electricity generated ('000 KWh)	4,238,271	4,011,977	5.6
On-grid electricity supplied ('000 KWh)	3,377,080	3,125,025	8.1
Steam supplied ('000 tonnes)	5,251	4,711	11.5
Waste treated ('000 tonnes)	12,826	13,259	(3.3)

Gross profit and gross profit margin

	Gross Profit (RMB '000)		Gross Profit Margin	
	FY2024	FY2023	FY2024	FY2023
WTE business (excluding gross profit from construction services provided under BOT concession agreements)	1,282,708	1,044,778	35.33%	30.50%
Construction services provided under BOT concession agreements	5,588	34,991	13.64%	13.64%
Financial income under service concession agreements	46,714	49,678	N.A	N.A
Project technical and management service and EMC business	142	1,058	1.15%	5.51%
Total	1,335,152	1,130,505	35.78%	30.14%

The increase in gross profit by RMB204.7 million from RMB1,130.5 million in FY2023 to RMB1,335.2 million in FY2024 and the increase in gross profit margin by 5.64% are mainly attributable to:

WTE business (excluding gross profit from construction services provided under BOT concession agreements)

Revenue from our WTE business (excluding revenue from construction services provided under BOT concession agreements) increased RMB206.0 million or 6.0% from RMB3,425.0 million in FY2023 to RMB3,631.1 million in FY2024. This was mainly attributable to (i) the expansion of existing power plant steam supply business, (ii) the higher tonnage supply after technical transformation and optimization of the power plant management, and (iii) revenue from by-product such as slag has been recognised under revenue from WTE business according to the strategic layout of circular economy.

The gross profit of our WTE business (excluding gross profit from construction services provided under BOT concession agreements) increased by RMB237.9 million or 22.8% from RMB1,044.8 million in FY2023 to RMB1,282.7 million in FY2024, which is mainly due to:

1. The gross profit of WTE plants put into trial operation and commencement of operations of WTE plants (including Shijiazhuang Jiasheng WTE Facility in Hebei Province, Jinghong Jiasheng WTE Facility in Xishuangbanna, Yunnan Province and others) decreased by RMB11.3 million in FY2024 as compared to FY2023.
2. The gross profit of Zhuji Bafang Facility in Zhejiang Province increased by RMB43.6 million in FY2024 as compared to FY2023, mainly due to higher steam supplied and lower coal prices in FY2024 as compared to FY2023, resulting increase of RMB49.8 million in gross profit. The increase was partially offset by a decrease of RMB6.3 million in gross profit due to higher environmental protection costs in FY2024 as compared to FY2023.
3. The India projects had no revenue in the current period. However, due to the gross loss incurred in FY2023, the gross profit increased by RMB8.0 million in FY2024 as compared to FY2023.

4. The gross profit of the other WTE facilities increased by RMB197.6 million in FY2024 as compared to FY2023. The increases are mainly due to (i) increase of RMB47.9 million in gross profit due to higher tonnage supply following the technical transformation and optimization of the power plant management, (ii) increase of RMB17.8 million in gross profit due to the expansion of steam supply business in Lianyungang Sunrise WTE Facility in Jiangsu Province, Gaomi Lilangmingde WTE Facility in Shandong Province, Zibo Green Energy WTE Facility in Zibo City, Shandong Province and others, (iii) increase in gross profit of RMB9.7 million from the revenue from the expansion of kitchen waste and resource recycling projects, (iv) according to management's strategic layout of circular economy, revenue from by-product such as slag has been recognised under revenue from WTE business in FY2024, resulting in a gross profit increase of RMB111.9 million in FY2024 as compared to FY2023, (v) increase in gross profit of RMB34.2 million due to the continuous strengthening of the control over the cost of environmental protection auxiliary materials, resulting in a reduction in related costs in FY2024 as compared to FY2023. However, the increase in gross profit was partially offset by the competition for waste resources in some regions led to a reduction in the volume of waste that can be billed. After offsetting some of the impact through the compensated procurement of alternative fuels and the corresponding power output, the overall effect resulted in a decrease in gross profit of RMB23.8 million.

The gross profit margin increased from 30.50% in FY2023 to 35.33% in FY2024. As mentioned above, this is mainly due to the higher tonnage supply following the technical transformation and optimization of the power plant management, expansion steam supply business of existing power plant and recognition of revenue from by-product such as slag.

Construction services provided under BOT concession agreements

The gross profit from construction services provided under BOT concession agreements (including financial income) decreased RMB32.4 million from RMB84.7 million in FY2023 to RMB52.3 million in FY2024. Due to the decrease in implementation of BOT projects in the current period, the revenue from financial income under service concession agreements decreased by RMB3.0 million in FY2024 as compared to FY2023.

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

The gross profit from project technical and management services, equipment selection and sale and EMC business decreased from RMB1.1 million in FY2023 to RMB0.1 million in FY2024. This was mainly due to the reductions in project technical and management services.

Other income

	Group	Group	Increase /	Change
	FY2024	FY2023	(Decrease)	Change
	RMB'000	RMB'000	RMB'000	+ / (-) %
Bank interest income	32,336	39,457	(7,121)	(18.0)
Government grants	36,624	41,903	(5,279)	(12.6)
Value added tax refund	93,076	77,501	15,575	20.1
Gain on sales of scrap materials	54,060	105,141	(51,081)	(48.6)
Interest income from joint ventures and others	11,664	13,668	(2,004)	(14.7)
Other income	<u>227,760</u>	<u>277,670</u>	(49,910)	(18.0)

Other income decreased RMB49.9 million or 18.0% from RMB277.7 million in FY2023 to RMB227.8 million in FY2024, mainly due to the decrease of RMB51.1 million in gain on sales of scrap materials in FY2024 due to the revenue from by-product such as slag has been recognised under revenue from WTE business.

Loss allowance recognised on financial assets

Loss allowance recognised on financial assets of RMB17.2 million in FY2024 was mainly due to (i) loss allowance of RMB13.8 million expected credit losses recognised for trade receivables, (ii) loss allowance of RMB5.5 million recognised for other receivables due to financial difficulties of the counterparties, and (iii) reversal of loss allowance of RMB2.1 million based on the received amount from the release of the deposit for performance bond of the India project. In FY2023, loss allowance recognised on financial assets of RMB110.6 million mainly due to the impairment loss related to the difficulties and uncertainty encountered in the progress of the power plant of the BOT projects in Lucknow and Gurgaon, India, where the disposal of the equity interest in the Indian projects has been completed in 2024.

Other gains and losses, net

	Group	Group	Increase / (Decrease)	Change
	FY2024	FY2023	(Decrease)	+ / (-) %
	RMB'000	RMB'000	RMB'000	
Foreign exchange (losses)/gains	(24,616)	5,662	(30,278)	N.A
Gains on change in fair value of derivative financial instruments	33,953	-	33,953	N.A
Gain/(Loss) on disposal of property, plant and equipment	131	(278)	409	N.A
Loss on disposal of subsidiaries	(31,317)	-	(31,317)	N.A
Gain on disposal of shares of a joint venture	-	2,260	(2,260)	N.A
Write-off of non-payable payables	12,618	-	12,618	N.A
Gains on transfer of green low-carbon indicators	18,585	-	18,585	N.A
Others	(7,954)	(2,296)	(5,658)	N.A
Other gains and losses, net	1,400	5,348	(3,948)	N.A

Other gains and losses, net decreased RMB3.9 million from other gains of RMB5.3 million in FY2023 to RMB1.4 million in FY2024, mainly due to the loss on disposal of India subsidiaries of RMB31.3 million in FY2024 which comprised a gain on disposal of RMB13.7 million and offset with a currency translation differences reclassified from other reserves to profit or loss on disposal of RMB45.0 million (the reclassification does not affect the equity attributable to owners of the Company at the end of the period and total comprehensive income for the period). However, the decrease was partially offset by (i) the increase of RMB3.7 million in net foreign currency liabilities exchange and hedging in FY2024 as compared to FY2023. This includes an exchange loss of RMB24.6 million in FY2024 and a gain of RMB33.9 million from hedging derivative financial instruments in FY2024, (ii) in FY2024, a review was conducted on long-term outstanding payables with no subsequent transactions. Based on the legal opinions, amounts that were not claimed within the litigation period, suppliers that had been deregistered and lost contact, or amounts confirmed by suppliers to be non-payable were written back as income amounting to RMB12.6 million, and (iii) Zhuji Bafang Facility in Zhejiang Province obtained green low-carbon indicators according to policy. The accumulated green low-carbon indicators from previous years were transferred to a third party, resulting in a gain of RMB18.59 million in 2H2024.

Administrative expenses

Administrative expenses amounted to RMB268.8 million in FY2024, which is basically unchanged compared to RMB268.9 million in FY2023.

Finance costs

Finance costs increased RMB41.9 million from RMB397.5 million in FY2023 to RMB439.3 million in FY2024, mainly due to the increase in interest expenses following the official commencement of operations of Shijiazhuang Jiasheng WTE Facility in Hebei Province and Jinghong Jiasheng WTE Facility in Xishuangbanna, Yunnan Province for which the interest expenses were previously capitalised.

Other expenses

The Group incurred impairment losses of RMB11.8 million in FY2024, which included an impairment loss of RMB9.15 million for the expected unrecoverable advances for relevant equipment and RMB2.7 million impairment loss for properties, plants, and equipment, as per the outcome of arbitration. The other expenses of RMB167.8 million in FY2023 was mainly due to the recognition of impairment on the assets relating to the BOT projects as the difficulties and uncertainty encountered in the progress of the power plant of the BOT projects in Lucknow and Gurgaon, India, where the disposal of the equity interest in the Indian projects has been completed in 2024.

Profit before tax

As a result of the foregoing, profit before tax increased RMB369.1 million or 80.2% from RMB460.4 million in FY2023 to RMB829.6 million in FY2024.

Income tax expense

Income tax expenses increased RMB53.8 million to RMB208.4 million in FY2024 as compared to FY2023 mainly due to the increase in profit before impairment losses. In FY2024, Group's high-tech enterprises continued to enjoy tax incentives and some of the Group's WTE facilities continued to enjoy preferential tax rates during the exemption period.

Total comprehensive income for the period

As a result of the foregoing, total comprehensive income for the period increased from RMB319.6 million in FY2023 to RMB664.6 million in FY2024.

Statement of Financial Position

	31 December 2024	31 December 2023	Increase / (Decrease)	Increase / (Decrease)
	RMB Million	RMB Million	RMB Million	%
Current assets	6,125.4	5,274.6	850.8	16.1
Non-current assets	16,981.7	16,673.4	308.3	1.8
Total assets	23,107.1	21,948.0	1,159.1	5.3
Current liabilities	7,123.6	6,466.4	657.2	10.2
Non-current liabilities	8,268.6	8,312.7	(44.1)	-0.5
Total liabilities	15,392.2	14,779.1	613.1	4.1
Capital and reserves	7,714.9	7,168.9	546.0	7.6

Current assets

The increase is mainly due to (i) the increase of RMB431.4 million or 16.7% in trade and other receivables (excluding amount due from non-controlling interests and other tax recoverable) from RMB2,579.9 million as at 31 December 2023 to RMB3,011.2 million as at 31 December 2024 mainly due to the increase in receivables from governments, (ii) the increase of RMB254.2 million or 18.0% in pledged bank deposits from RMB1,411.9 million as at 31 December 2023 to RMB1,666.1 million as at 31 December 2024, mainly due to an increase in deposits for loan deposits made during the period, and (iii) the increase of RMB138.0 or 29.8% in cash and cash equivalents from RMB462.4 million as at 31 December 2023 to RMB600.4 million as at 31 December 2024.

Non-current assets

The main changes were due to property, plant and equipment recognized in accordance with the construction progress of new and reconstruction of BOO projects and the amortisation of BOT projects during period. In particular, (i) property, plant and equipment increased by RMB282.5 million from RMB10,835.9 million as at 31 December 2023 to RMB11,118.4 million as at 31 December 2024 due to the additions in reconstruction projects of Tianjin Sunrise WTE Facility, Wuhan Jinjiang WTE Facility, and other projects, which increased the costs of assets. However, the disposal of Indian assets partially offset the above increase, and (ii) the increase of 180.7 million or 109.1% in other receivables from RMB165.6 million as at 31 December 2023 to RMB346.2 million as at 31 December 2024, mainly due to an increase in advances of engineering equipment payments. However, the increase was partially offset by the decrease of RMB150.0 million in intangible assets from RMB4,637.0 million as at 31 December 2023 to RMB4,487.0 million as at 31 December 2024, due to the amortisation of intangible assets.

Current liabilities

The increase is mainly due to (i) current borrowings and lease liabilities increasing RMB1,098.4 million or 26.3% from RMB4,175.4 million as at 31 December 2023 to RMB5,273.8 million as at 31 December 2024, mainly due to an increase in the financing of overseas loans under domestic guarantees and working capital borrowings to supplement working capital requirements, and (ii) trade and other payables decreasing RMB471.8 million or 22.2% from RMB2,121.5 million as at 31 December 2023 to RMB1,649.7 million as at 31 December 2024, mainly due to the decrease in construction and equipment payables of the domestic power plants and the decrease in payables following the disposal of projects in India.

Non-current liabilities

The decrease is mainly due to non-current borrowings and lease liabilities decreasing RMB183.3 million or 2.6% from RMB7,138.1 million as at 31 December 2023 to RMB6,954.8 million as at 31 December 2024. This was partially offset by the increase in deferred tax liabilities of RMB96.1 or 12.2% from RMB789.9 million as at 31 December 2023 to RMB886.1 million as at 31 December 2024, mainly due to taxable temporary differences.

Capital and reserves

The increase of RMB546.0 million or 7.6% from RMB7,168.9 million as at 31 December 2023 to RMB7,714.9 million as at 31 December 2024 mainly due to the total comprehensive income for the period of RMB664.6 million and partially offset by dividends paid of RMB99.0 million.

Consolidated Statement of Cashflows

	Group 2H2024	Group FY2024
	RMB Million	RMB Million
Net cash from operating activities	860.7	1,289.2
Net cash used in investing activities	(823.0)	(1,196.1)
Net cash (used in)/from financing activities	(87.3)	44.4
Cash and cash equivalents at beginning of the period	649.9	462.4
Effects of currency translation on cash and cash equivalents	0.1	0.5
Cash and cash equivalents at the end of the period	600.4	600.4

In 2H2024, operating cash inflow was RMB860.7 million. This is due to (i) operating cash inflow before movements in working capital of RMB1,061.2 million after deducting abnormal gains and losses without cash flow, (ii) decrease in cash inflow due to the increase in trade and other receivables and decrease in trade and other payables, (iii) increase in activities for the construction of BOT projects (which includes, Expansion Project of Yunnan Green Energy WTE Facility in Kunming City, Yunnan Province, Jinghong Jiasheng WTE Facility in Xishuangbanna Dai Autonomous Prefecture, Yunnan Province, and others) resulting in operating cash outflow of RMB92.6 million, and (iv) payment of income tax resulting a cash outflow of RMB13.4 million.

In FY2024, operating cash inflow was RMB1,289.2 million. This is due to (i) operating cash inflow before movements in working capital of RMB1,980.4 million after deducting abnormal gains and losses without cash flow, (ii) decrease in cash inflow due to the increase in trade and other receivables and decrease in trade and other payables, (iii) increase in activities for the construction of BOT projects (which includes, Expansion Project of Yunnan Green Energy WTE Facility in Kunming City, Yunnan Province, Jinghong Jiasheng WTE Facility in Xishuangbanna Dai Autonomous Prefecture, Yunnan Province, and others) resulting in operating cash outflow of RMB175.3 million, and (iv) payment of income tax resulting a cash outflow of RMB58.2 million.

In 2H2024, investing cash outflow was RMB823.0 million. This is mainly due to the investments in property, plant and equipment of RMB850.9 million which includes the payment for equipment and construction for the Tianjin Sunrise WTE Facility, Wuhan Jinjiang WTE Facility and others.

In FY2024, investing cash outflow was RMB1,196.1 million. This is mainly due to the investments in property, plant and equipment of RMB1,225.7 million which includes the payment for equipment and construction for Tianjin Sunrise WTE Facility, Wuhan Jinjiang WTE Facility and others.

In 2H2024, financing cash outflow was RMB87.3 million. This is due to (i) repayment or early repayment of borrowings and finance costs of RMB4,366.6 million, (ii) purchase of treasury shares of RMB16.7 million during the period, and partially offset by (iii) the new borrowings amounting to RMB4,255.5 million, including the renewal of loans, new borrowings, project financing and new leases. Other main cash outflows include the changes in the balance of pledged deposits for loans.

In FY2024, financing cash inflow was RMB44.4 million. This is due to (i) the new borrowings amounting to RMB8,956.5 million, including the renewal of loans, new borrowings, project financing and new leases, and partially offset by (ii) repayment or early repayment of borrowings and finance costs of RMB8,534.8 million, (iii) cash outflows of RMB251.5 million from the changes in pledged bank deposits for borrowings, and (iv) payment of cash dividends amounting to RMB99 million.

Bank balances and cash as at 31 December 2024 was RMB600.4 million.

2. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

The Company's profit guidance announcement released on 8 February 2025 had disclosed that based on the preliminary assessment of the latest unaudited consolidated management accounts, the Group expected to record a significant increase in total comprehensive income in 2H2024 and FY2024, as compared to total comprehensive income of RMB22.8 million and RMB319.6 million in 2H2023 and FY2023 respectively, and that this is mainly attributable to the absence in 2H2024 and FY2024 of significant impairment losses of RMB271.8 million in aggregate which were recorded as at 31 December 2023 given the difficulties and uncertainty associated with projects in India which were formerly owned by the Group.

The Group's financial results for 2H2024 and FY2024 are consistent with the aforementioned profit guidance previously disclosed to shareholders.

3. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

(A) Economic Outlook and Governmental Policies in the PRC

Faced with increasing external pressures and growing internal difficulties, the Chinese government has navigated through challenges and made steady progress by strengthening and innovating macroeconomic regulation in response to changing circumstances. Through calm adaptation and comprehensive policy measures, China effectively promoted a significant rebound in economic performance. The country's GDP grew by 5.0% year-on-year in 2024, reaching a total economic output of RMB134.9 trillion, surpassing RMB130 trillion for the first time. This steady increase in economic output indicates a new level of economic strength, technological capability, comprehensive national power, and living standards for the Chinese people. It also signifies a stronger development foundation, better structure, improved sustainability, and greater resilience to risks for China.

The renewable energy industry is thriving, with increased investment in clean energy and the accelerated construction of a new energy system. By the end of 2024, China's installed capacity of new energy power generation, including wind power, solar power, and biomass power, reached 1.45 billion kilowatts, surpassing the installed capacity of thermal power for the first time.

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

- The Central Committee of the Communist Party of China and the State Council issued the "Opinions on Accelerating the Comprehensive Green Transformation of Economic and Social Development.", which emphasises the need to synergize pollution reduction and carbon reduction efforts while accelerating the comprehensive green transformation of economic and social development, with a continuous increase in the "green content" of economic growth.

- The "Decision of the Central Committee of the Communist Party of China on Further Deepening Reform and Promoting Chinese-style Modernization" emphasized the importance of establishing systems and mechanisms to promote high-quality economic development and facilitate the development of new quality productivity.
- The National Energy Administration of China issued the "Regulations on the Issuance and Trading of Renewable Energy Green Power Certificates", clarifying that only green certificates may be taken to certify the environmentally-friendly attributes of China's renewable energy electricity and are the only credential for the production and consumption of renewable energy electricity. The regulations mandate comprehensive issuance of green certificates. Following the issuance of the document, the scale of green certificate issuance and trading steadily expanded, and the level of green electricity consumption in society rapidly increased.
- China implemented a series of policies and solutions to address the risks associated with local government hidden debts. The General Office of the Central Committee of the Communist Party of China and the General Office of the State Council issued the "Opinions on Resolving the Problem of Delayed Payments to Enterprises," further clarifying the work direction and specific measures for resolving delayed payments. The 12th meeting of the Standing Committee of the 14th National People's Congress also approved the largest debt relief measures in recent years: increasing the local government debt limit by RMB6 trillion to replace existing hidden debts, thereby creating space for local governments to better develop the economy and ensure people's livelihoods. With the implementation of debt relief policies, the collection time for the Group's accounts receivable is expected to be shortened, its balance sheet and cash flow health will be improved, and the risk of asset impairment will also be correspondingly decreased.
- China's support for the circular economy was reflected not only in policy but also in substantial financial investments. The Central Economic Work Conference proposed increasing the issuance of ultra-long-term special bonds to continuously support the implementation of the "Two Significant" projects and the "Two New" policies. The Ministry of Finance allocated approximately RMB300 billion in ultra-long-term special bonds, providing new opportunities for the environmental protection industry. In 2024, reconstruction projects of Shijiazhuang Jiasheng WTE Facility and Suihua Green Energy WTE Facility were successfully included in the list of equipment renewal projects supported by ultra-long-term special bond funds, and there are a number of other projects of the Group which may be so included as well.
- The National Development and Reform Commission of China issued the "Notice on Further Standardizing the Implementation of New Mechanism Projects for Government and Social Capital Cooperation", which stipulates that highly market-oriented commercial and industrial projects, as well as public welfare projects without operating income, may not use the concession model. The notice also emphasises prioritizing support for private enterprises to participate in revitalizing existing asset projects through the concession model and encourages qualified state-owned enterprises to participate in revitalizing existing asset concession projects that do not involve new construction or reconstruction in a standardized manner. The Company, having characteristics of both state-owned enterprises and private enterprises, stands to benefit from the new mechanism's implementation for further business expansion.

(B) Operational Matters

In 2024, the solid waste industry faced significant challenges, with a slowdown in the growth of the stock market and overcapacity. The Group maintained strategic stability, adapting to local conditions for development. From meticulous operations to proactive safety measures, from strategic planning to steady market expansion, the Group focused on key tasks and steadily promoted high-quality development. The Group extended the industrial chain, built an industrial ecosystem, and developed new quality productivity around existing WTE projects. It initiated preliminary research and technical selection for projects such as slag disposal (self-built), fly ash resource utilisation, and waste tire disposal.

At the same time, the Group vigorously promoted the construction and upgrading of domestic and international WTE projects. The construction of the Palembang project in Indonesia officially commenced in September 2024, and the project construction is currently progressing actively and orderly.

The Group is also continuing to follow up on the progress of compensation for the closure of the Old Zibo New Energy WTE Facility in Zibo City, Shandong Province, and Old Kunming Wuhua WTE Facility in Kunming, Yunnan Province. The Group completed soil remediation for the Old Zibo New Energy WTE Facility and passed on-site acceptance. After completing the evaluation report on the remediation effect, it will be submitted to the Shandong Provincial Environmental Protection Department, and it is expected that land acquisition and storage can be completed within 2025, followed by the application for closure compensation from the local government. Due to the sluggish real estate market in recent years, the auction of land has been difficult, putting significant pressure on Kunming city's finances. After communication with the Kunming Soil Storage Center, it was agreed that the land acquisition and storage procedure and compensation agreement negotiations would only begin after a buyer submits a bid to purchase the Old Kunming Wuhua WTE Facility's land. While continuing to promote the land acquisition and storage work, the Company plans to initiate an asset revitalization plan to address these challenges.

As of 31 December 2024, the Group has invested in 27 operational WTE facilities, 3 kitchen waste treatment facilities and 8 waste resource recycling facilities in the PRC with a total installed waste treatment capacity of 44,405 tonnes per day and installed capacity of 921MW. Furthermore, the Group has 7 projects under construction, 13 WTE projects in the preparatory stage in the PRC and overseas. Taking into consideration all its projects in operation, under construction and in the planning phase, the Group's total installed waste treatment capacity is expected to reach 59,305 tonnes per day and 1,300MW upon the completion of these projects.

In the 2H2024, the Group once again won the "Top 10 Most Influential Companies in Solid Waste" award from the E20 Environmental Platform and received the "2024 Outstanding ESG Practicing Company" award from Polaris Environmental Network. The Group has been listed in the "Top 50 Chinese Environmental Enterprises by Revenue" and the "Global Top 500 New Energy Enterprises" rankings for consecutive years. Additionally, the Jilin Xixiang WTE Facility, Jinghong Jiasheng WTE Facility, Songyuan Xinxiang WTE Facility and Kunming Jinjiang WTE Facility were recognized with the "Polaris Cup" Benchmark Operation Management Plant, County-level Waste Incineration Treatment Benchmark Project, Excellent Environmental Science Education Base, and Innovative Development Plant awards.

4. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion: -

- (a) Updates on the efforts taken to resolve each outstanding audit issue.**
- (b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.**

This is not required for any audit issue that is a material uncertainty relating to going concern.

Not applicable as the Group's latest financial statements are not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

5. If a decision regarding dividend has been made:-

- (a) Whether an interim (final) ordinary dividend has been declared (recommended); and**

Yes, a final cash dividend has been recommended.

- (b)(i) Amount per share (cents)**

2.30 Singapore cents per ordinary share.

- (b)(ii) Previous corresponding period (cents)**

1.30 Singapore cents per ordinary share.

- (c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of the shareholders, this must be stated).**

The dividend is tax exempt in the hands of the shareholders.

(d) The date the dividend is payable.

The date for dividend payment will be announced at a later date, subject to approval by shareholders at the forthcoming annual general meeting.

(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.

To be announced at a later date.

6. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for that decision.

Not applicable.

7. Interested Person Transactions

The Group has obtained a general mandate from shareholders for Interested Person Transactions (IPTs), the aggregate value of such transactions as required under Rule 920(1)(a)(ii).

Name of interested person	Nature of Relationship	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) RMB'000	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000) RMB'000
Purchases of materials from:			
Zhejiang Petroleum Fuel Oil Sales Co., Ltd.	Associate of Zheneng Group	-	799
Zhejiang Petroleum Integrated Energy Sales Co., Ltd	Associate of Zheneng Group	-	2,048
Engineering, procurement and construction services from:			
Zhejiang Zheneng Technology Environmental Protection Group Co., Ltd. (f.k.a. Zhejiang Tiandi Environmental Protection Technology Co., Ltd.)	Associate of Zheneng Group	-	1,960
Interest expenses to:			
Zhejiang Provincial Energy Group Finance Co., Ltd.	Associate of Zheneng Group	18,018	-
Rental income from:			
Cayman Shanxian Energy Comprehensive Utilisation Co., Ltd.	Associate of Mr. Dou Zhenggang, a controlling shareholder of the Company ("Mr. Dou")	1,850	-
Interest income from:			
Zibo Green New Energy Co., Ltd.	Associate of Mr. Dou	10,463	-
Total		30,331	4,807

Note: For interest income, the value of interest can be determined only after the relevant period as the interest rate is based on the interest rate agreed in the financing agreement signed between Zibo Green New Energy Co., Ltd. and the third-party financial institution, and will be reviewed every quarter. Accordingly, disclosure of the aggregate value is based on the actual amount incurred for the period.

8. Confirmation pursuant to Rule 720 (1) of the Listing Manual.

The Company confirms that it has procured the undertakings from all its Directors and Executive Officers in the format set out in Appendix 7.7 pursuant to Rule 720(1) of the Listing Manual.

9. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704 (13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Pursuant to Rule 704(13) of the Listing Manual, the Company confirms that there is no person occupying a managerial position in the Company or in any of its principal subsidiaries, who is a relative of a Director or Chief Executive Officer or Substantial Shareholder of the Company.

BY ORDER OF THE BOARD

Wei Dongliang
Executive Chairman
28 February 2025