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北京控股環境集團有限公司
BEIJING ENTERPRISES ENVIRONMENT GROUP LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 154)

ANNOUNCEMENT OF SUMMARISED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

HIGHLIGHTS

- The Group's revenue from continuing operations for the six months ended 30 June 2025 amounted to RMB722.36 million, decreased by approximately 10.1% as compared with RMB803.23 million in the corresponding period of last year.
- The Group's EBITDA for the period amounted to RMB347.89 million, increased by approximately 5.9% as compared with RMB328.46 million in the corresponding period of last year.
- Profit for the period attributable to shareholders of the Company amounted to RMB127.13 million, decreased by approximately 4.7% as compared with RMB133.45 million in the corresponding period of last year.
- Basic and diluted earnings per share amounted to RMB8.47 cents.
- Net assets per share attributable to shareholders of the Company as at 30 June 2025 amounted to RMB2.54.
- The Board does not recommend the payment of an interim dividend for the period.

The board (the “Board”) of directors (the “Directors”) of Beijing Enterprises Environment Group Limited (the “Company”) is pleased to announce the unaudited interim condensed consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the six months ended 30 June 2025, together with comparative figures for the corresponding period in last year, as follows:

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2025

		For the six months ended 30 June	
		2025	2024
		(Unaudited)	(Unaudited)
	Notes	RMB'000	RMB'000
CONTINUING OPERATIONS			
REVENUE	3	722,362	803,230
Cost of sales		<u>(423,453)</u>	<u>(510,667)</u>
Gross profit		298,909	292,563
Other income	5	41,358	33,746
Other gain and loss		1,111	(5,007)
Administrative expenses		<u>(89,519)</u>	<u>(81,104)</u>
PROFIT FROM OPERATING ACTIVITIES	6	251,859	240,198
Finance costs	7	<u>(74,926)</u>	<u>(56,027)</u>
PROFIT BEFORE TAX		176,933	184,171
Income tax	8	<u>(39,157)</u>	<u>(33,593)</u>
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS		137,776	150,578
DISCONTINUED OPERATION			
LOSS FOR THE PERIOD FROM A DISCONTINUED OPERATION		<u>—</u>	<u>(8,465)</u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS (CONTINUED)

For the six months ended 30 June 2025

		For the six months ended 30 June	
		2025	2024
		(Unaudited)	(Unaudited)
	Notes	RMB'000	RMB'000
PROFIT FOR THE PERIOD		<u>137,776</u>	<u>142,113</u>
Attributable to shareholders of the Company:			
– from continuing operations		127,128	141,224
– from the discontinued operation		<u>–</u>	<u>(7,779)</u>
		<u>127,128</u>	<u>133,445</u>
Attributable to non-controlling interests:			
– from continuing operations		10,648	9,354
– from the discontinued operation		<u>–</u>	<u>(686)</u>
		<u>10,648</u>	<u>8,668</u>
		<u>137,776</u>	<u>142,113</u>
EARNINGS PER SHARE			
From continuing and discontinued operations			
EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY			
– Basic and diluted (RMB cents)	9	<u>8.47</u>	<u>8.89</u>
From continuing operations			
EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY			
– Basic and diluted (RMB cents)	9	<u>8.47</u>	<u>9.41</u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2025

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2025

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

30 June 2025

		30 June 2025 (Unaudited) <i>RMB'000</i>	31 December 2024 (Audited) <i>RMB'000</i>
	<i>Note</i>		
EQUITY AND LIABILITIES			
Equity attributable to shareholders of the Company			
Share capital		1,972,895	1,972,895
Reserves		1,837,320	1,640,341
		3,810,215	3,613,236
Non-controlling interests		313,931	303,236
TOTAL EQUITY		4,124,146	3,916,472
Non-current liabilities:			
Bank and other borrowings		1,987,493	1,967,250
Provision for major overhauls		15,764	14,491
Other payables		5,826	9,731
Deferred income		146,556	149,175
Deferred tax liabilities		268,410	269,723
Total non-current liabilities		2,424,049	2,410,370
Current liabilities:			
Trade payables	12	491,921	618,664
Other payables and accruals		404,997	368,835
Bank and other borrowings		2,598,227	2,613,704
Tax payables		78,284	81,095
Total current liabilities		3,573,429	3,682,298
TOTAL LIABILITIES		5,997,478	6,092,668
TOTAL EQUITY AND LIABILITIES		10,121,624	10,009,140

NOTES:

1. BASIS OF PREPARATION OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

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

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

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

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

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

2. APPLICATION OF AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

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

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

Application of amendments to HKFRS Accounting Standards

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

Amendments to HKAS 21

Lack of Exchangeability

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

3. REVENUE

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

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

Disaggregated revenue information

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

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

4. OPERATING SEGMENT INFORMATION

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

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

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

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

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

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

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

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

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

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

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

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

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

Geographical information

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

Information about major customer

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

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

5. OTHER INCOME

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

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

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

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

6. PROFIT FROM OPERATING ACTIVITIES

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

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

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

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

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

7. FINANCE COSTS

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

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

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

8. INCOME TAX

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

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

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

9. EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY

From continuing operations

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

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

From continuing and discontinued operations

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

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

10. RECEIVABLES UNDER SERVICE CONCESSION ARRANGEMENTS

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

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

11. TRADE AND BILLS RECEIVABLES

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

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

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

Notes:

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

12. TRADE PAYABLES

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

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

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

Notes:

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

13. OTHER FINANCIAL INFORMATION

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

INTERIM DIVIDEND

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

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

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

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

[#] *suspended in operation*

Solid waste treatment business

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

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

Project construction, sale of equipment and related services business

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

PROSPECT

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

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

FINANCIAL REVIEW

Continuing operations

Revenue and gross profit

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

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

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

Other income

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

Other gain and loss

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

Administrative expenses

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

Finance costs

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

Income tax

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

Discontinued operation

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

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

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

EBITDA and profit for the period

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

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

FINANCIAL POSITION

Significant investing and financing activities

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

Total assets and liabilities

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

Property, plant and equipment

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

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

Goodwill

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

Right-of-use assets

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

Operating concessions

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

Other intangible assets

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

Receivables under service concession arrangements

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

Contract assets

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

Inventories

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

Trade and bills receivables

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

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

Prepayments, deposits and other receivables

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

Bank and other borrowings

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

Deferred income

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

Trade payables

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

Other payables and accruals

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

Liquidity and financial resources

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

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

Key performance indicators

	For the six months ended 30 June	
	2025	2024
Continuing operations:		
Gross profit margin	41.4%	36.4%
Operating profit margin	34.9%	29.9%
Net profit margin	19.1%	18.7%
Return on average equity	<u>3.4%</u>	<u>3.9%</u>
	30 June 2025	31 December 2024
Current ratio (times)	0.89	0.80
Debt ratio (total liabilities/total assets)	59.3%	60.9%
Gearing ratio (net debt/total equity)	<u>77.0%</u>	<u>82.9%</u>

Capital expenditure and commitment

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

Charges on the Group's assets

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

Foreign exchange exposure

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

Contingent liabilities

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

EMPLOYEES AND REMUNERATION POLICIES

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

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

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

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

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

DIRECTORS' SECURITIES TRANSACTIONS

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

AUDIT COMMITTEE

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

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

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

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

PUBLICATION OF FINANCIAL INFORMATION

The Company's 2025 interim report containing all the relevant information required by the Listing Rules will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.beegl.com.hk) in due course.

APPRECIATION

The Board would like to express our gratitude to all employees, shareholders and parties from different sectors for their support to the Group.

By order of the Board

CHEN Xinguo

Chairman

Hong Kong, 28 August 2025

As at the date of this announcement, the board of directors of the Company comprises five executive directors, namely Mr. Chen Xinguo, Ms. Sha Ning, Mr. Yu Jie, Mr. Li Ai and Mr. Ng Kong Fat, Brian, and five independent non-executive directors, namely Dr. Huan Guocang, Dr. Wang Jianping, Mr. Cheung Ming, Ms. Miao Li and Dr. Luo Shengqiang.