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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 2022**

**HIGHLIGHTS**

- The Group's revenue for the six months ended 30 June 2022 amounted to HK\$1,165 million, increased by 22% as compared with HK\$956 million in the corresponding period of last year.
- EBITDA for the period amounted to HK\$365 million, increased by 10% as compared with HK\$332 million in the corresponding period of last year.
- Profit for the period attributable to shareholders of the Company amounted to HK\$139 million, same as the corresponding period of last year.
- Basic earnings per share amounted to HK9.25 cents.
- Net assets per share attributable to shareholders of the Company as at 30 June 2022 amounted to HK\$2.36.
- 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 2022, together with comparative figures for the corresponding period in last year, as follows:

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2022

		For the six months ended 30 June	
		2022	2021
	Notes	(Unaudited) HK\$'000	(Unaudited) HK\$'000
REVENUE	4	<b>1,165,054</b>	956,121
Cost of sales		<b>(836,030)</b>	(665,391)
Gross profit		<b>329,024</b>	290,730
Other income and gains, net	5	<b>39,310</b>	47,752
Selling expenses		<b>(1,286)</b>	(4,335)
Administrative expenses		<b>(99,365)</b>	(88,562)
Other operating expenses, net		<b>(11,944)</b>	(11,468)
PROFIT FROM OPERATING ACTIVITIES	6	<b>255,739</b>	234,117
Finance costs	7	<b>(79,187)</b>	(37,849)
PROFIT BEFORE TAX		<b>176,552</b>	196,268
Income tax	8	<b>(35,108)</b>	(40,300)
PROFIT FOR THE PERIOD		<b>141,444</b>	155,968
ATTRIBUTABLE TO:			
Shareholders of the Company		<b>138,827</b>	138,555
Non-controlling interests		<b>2,617</b>	17,413
		<b>141,444</b>	155,968
EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY	9		
– Basic (HK cents)		<b>9.25</b>	9.23
– Diluted (HK cents)		<b>9.25</b>	4.45

# CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2022

	For the six months ended 30 June	
	2022	2021
	(Unaudited)	(Unaudited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
PROFIT FOR THE PERIOD	<u>141,444</u>	<u>155,968</u>
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD, NET OF INCOME TAX Item that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	<u>(186,880)</u>	<u>61,359</u>
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD	<u><u>(45,436)</u></u>	<u><u>217,327</u></u>
ATTRIBUTABLE TO:		
Shareholders of the Company	<u>(33,138)</u>	195,091
Non-controlling interests	<u>(12,298)</u>	<u>22,236</u>
	<u><u>(45,436)</u></u>	<u><u>217,327</u></u>

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2022

		<b>30 June 2022</b>	31 December 2021
		<b>(Unaudited)</b>	(Audited)
	<i>Notes</i>	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>ASSETS</b>			
Non-current assets:			
Property, plant and equipment		<b>1,084,822</b>	1,098,565
Right-of-use assets		<b>84,513</b>	47,093
Goodwill		<b>1,122,551</b>	1,122,551
Operating concessions		<b>2,926,311</b>	2,998,908
Other intangible assets		<b>45,305</b>	47,805
Investment in a joint venture		<b>6,652</b>	6,652
Receivables under service concession arrangements	<i>10</i>	<b>2,599,206</b>	2,539,266
Prepayments, deposits and other receivables		<b>3,314</b>	25,018
Deferred tax assets		<b>72,598</b>	62,038
		<hr/>	<hr/>
Total non-current assets		<b>7,945,272</b>	7,947,896
Current assets:			
Contract assets		<b>325,090</b>	327,499
Inventories		<b>52,768</b>	47,089
Receivables under service concession arrangements	<i>10</i>	<b>84,834</b>	71,357
Trade and bills receivables	<i>11</i>	<b>738,376</b>	680,647
Prepayments, deposits and other receivables		<b>317,089</b>	261,720
Pledged deposits		<b>4,332</b>	5,588
Cash and cash equivalents		<b>1,678,969</b>	1,578,738
		<hr/>	<hr/>
Total current assets		<b>3,201,458</b>	2,972,638
		<hr/>	<hr/>
<b>TOTAL ASSETS</b>		<b>11,146,730</b>	10,920,534

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

30 June 2022

		30 June 2022 (Unaudited) <i>HK\$'000</i>	31 December 2021 (Audited) <i>HK\$'000</i>
	<i>Note</i>		
<b>EQUITY AND LIABILITIES</b>			
Equity attributable to shareholders of the Company			
Share capital		2,227,564	2,227,564
Reserves		1,319,839	1,352,977
		3,547,403	3,580,541
Non-controlling interests		402,440	414,738
<b>TOTAL EQUITY</b>		<b>3,949,843</b>	<b>3,995,279</b>
Non-current liabilities:			
Bank and other borrowings		5,431,562	1,454,950
Provision for major overhauls		11,740	11,234
Other payables		37,807	7,964
Deferred income		138,986	148,206
Deferred tax liabilities		236,413	234,978
Total non-current liabilities		5,856,508	1,857,332
Current liabilities:			
Trade payables	12	683,762	737,054
Other payables and accruals		362,231	4,033,254
Bank and other borrowings		200,823	217,914
Income tax payables		93,563	79,701
Total current liabilities		1,340,379	5,067,923
<b>TOTAL LIABILITIES</b>		<b>7,196,887</b>	<b>6,925,255</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>11,146,730</b>	<b>10,920,534</b>

## NOTES:

### 1. BASIS OF PREPARATION

The unaudited interim condensed consolidated financial information of the Group for the six months ended 30 June 2022 set out in this announcement has been prepared in accordance with the applicable disclosure requirements of Appendix 16 of The Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). 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 2021.

The financial information relating to the year ended 31 December 2021 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 2021 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 2021. The auditor’s report was unqualified; and did not contain a statement under sections 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. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2021, except for the adoption of the following revised Hong Kong Financial Reporting Standards ("HKFRSs") for the first time for the current period's financial information:

Amendments to HKFRS 3	<i>Reference to the Conceptual Framework</i>
Amendments to HKAS 16	<i>Property, Plant and Equipment: Proceeds before Intended Use</i>
Amendments to HKAS 37	<i>Onerous Contracts – Cost of Fulfilling a Contract</i>
<i>Annual Improvements to HKFRSs 2018-2020</i>	Amendments to HKFRS 1, HKFRS 9, Illustrative Examples accompanying HKFRS 16, and HKAS 41

The nature and impact of the revised HKFRSs are described below:

- (a) Amendments to HKFRS 3 are intended to replace a reference to the previous *Framework for the Preparation and Presentation of Financial Statements* with a reference to the *Conceptual Framework for Financial Reporting* (the "Conceptual Framework") issued in June 2018 without significantly changing its requirements. The amendments also add to HKFRS 3 *Business Combinations* an exception to its recognition principle for an entity to refer to the Conceptual Framework to determine what constitutes an asset or a liability. The exception specifies that, for liabilities and contingent liabilities that would be within the scope of HKAS 37 *Provisions, Contingent Liabilities and Contingent Assets* or HK(IFRIC)-Int 21 *Levies* if they were incurred separately rather than assumed in a business combination, an entity applying HKFRS 3 should refer to HKAS 37 or HK(IFRIC)-Int 21 respectively instead of the Conceptual Framework. Furthermore, the amendments clarify that contingent assets do not qualify for recognition at the acquisition date. The Group has adopted the amendments prospectively from 1 January 2022. The amendments did not have any impact on the financial position and performance of the Group.
- (b) Amendments to HKAS 16 prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling any such items, and the cost of those items, in profit or loss. The amendments did not have any significant impact on the financial position or performance of the Group.

- (c) Amendments to HKAS 37 clarify that for the purpose of assessing whether a contract is onerous under HKAS 37, the cost of fulfilling the contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract include both the incremental costs of fulfilling that contract (e.g., direct labour and materials) and an allocation of other costs that relate directly to fulfilling that contract (e.g., an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract as well as contract management and supervision costs). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract. The Group has applied the amendments prospectively to contracts for which it has not yet fulfilled all its obligations at 1 January 2022 and no onerous contracts were identified. Therefore, the amendments did not have any impact on the financial position or performance of the Group.
- (d) *Annual Improvements to HKFRSs 2018-2020* sets out amendments to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards*, HKFRS 9 *Financial Instruments*, Illustrative Examples accompanying HKFRS 16 *Leases* and HKAS 41 *Agriculture*. Details of the amendments that are applicable to the Group are as follows:
- HKFRS 9: clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. The Group has applied the amendment to financial liabilities that are modified or exchanged on or after 1 January 2022. As there was no modification of the Group's financial liabilities during the period, the amendment did not have any significant impact on the Group's financial statements.
  - HKFRS 16: removes the illustration of payments from the lessor relating to leasehold improvements in Illustrative Example 13 accompanying HKFRS 16. This removes potential confusion regarding the treatment of lease incentives when applying HKFRS 16.

### **3. OPERATING SEGMENT INFORMATION**

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

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

- (a) the solid waste treatment segment engages in the provision of waste incineration plant construction and waste treatment services, sale of electricity and steam generated from waste incineration and sale of equipment;
- (b) the ecological construction services segment engages in the provision of ecological construction, design, project survey and design, and construction project management services; and
- (c) the corporate and others segment comprises corporate income and expense items.

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

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

The following table presents the revenue and profit/(loss) information for the six months ended 30 June 2022 and 2021 and the total assets and total liabilities information as at 30 June 2022 and 31 December 2021 regarding the Group's operating segments.

	<b>Solid waste treatment (Unaudited) HK\$'000</b>	<b>Ecological construction services (Unaudited) HK\$'000</b>	<b>Corporate and others (Unaudited) HK\$'000</b>	<b>Total (Unaudited) HK\$'000</b>
<b>For the six months ended 30 June 2022</b>				
Segment revenue ( <i>note 4</i> )	1,041,463	123,591	–	1,165,054
Cost of sales	<u>(716,916)</u>	<u>(119,114)</u>	<u>–</u>	<u>(836,030)</u>
Gross profit	<u>324,547</u>	<u>4,477</u>	<u>–</u>	<u>329,024</u>
Profit/(loss) from operating activities	294,554	(15,430)	(23,385)	255,739
Finance costs	<u>(55,573)</u>	<u>(909)</u>	<u>(22,705)</u>	<u>(79,187)</u>
Profit/(loss) before tax	238,981	(16,339)	(46,090)	176,552
Income tax	<u>(37,289)</u>	<u>2,194</u>	<u>(13)</u>	<u>(35,108)</u>
Profit/(loss) for the period	<u>201,692</u>	<u>(14,145)</u>	<u>(46,103)</u>	<u>141,444</u>
Segment profit/(loss) attributable to shareholders of the Company	<u>192,340</u>	<u>(7,174)</u>	<u>(46,339)</u>	<u>138,827</u>
<b>At 30 June 2022</b>				
Segment assets	<u>10,332,737</u>	<u>481,108</u>	<u>332,885</u>	<u>11,146,730</u>
Segment liabilities	<u>4,084,803</u>	<u>365,315</u>	<u>2,746,769</u>	<u>7,196,887</u>

	Solid waste treatment (Unaudited) HK\$'000	Ecological construction services (Unaudited) HK\$'000	Corporate and others (Unaudited) HK\$'000	Total (Unaudited) HK\$'000
<b>For the six months ended 30 June 2021</b>				
Segment revenue ( <i>note 4</i> )	790,439	165,682	–	956,121
Cost of sales	<u>(522,582)</u>	<u>(142,809)</u>	<u>–</u>	<u>(665,391)</u>
Gross profit	<u>267,857</u>	<u>22,873</u>	<u>–</u>	<u>290,730</u>
Profit/(loss) from operating activities	253,552	1,156	(20,591)	234,117
Finance costs	<u>(21,840)</u>	<u>(1,006)</u>	<u>(15,003)</u>	<u>(37,849)</u>
Profit/(loss) before tax	231,712	150	(35,594)	196,268
Income tax	<u>(41,550)</u>	<u>1,447</u>	<u>(197)</u>	<u>(40,300)</u>
Profit/(loss) for the period	<u>190,162</u>	<u>1,597</u>	<u>(35,791)</u>	<u>155,968</u>
Segment profit/(loss) attributable to shareholders of the Company	<u>173,532</u>	<u>864</u>	<u>(35,841)</u>	<u>138,555</u>
<b>At 31 December 2021</b>				
Segment assets	<u>10,031,971</u>	<u>543,132</u>	<u>345,431</u>	<u>10,920,534</u>
Segment liabilities	<u>4,060,617</u>	<u>398,296</u>	<u>2,466,342</u>	<u>6,925,255</u>

During the six months ended 30 June 2022, the Group has addition of property, plant and equipment, operating concessions and other intangible assets with a total cost of HK\$160,470,000 (six months ended 30 June 2021: HK\$273,897,000).

### Geographical information

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

#### Information about a major customer

During the six months ended 30 June 2022, the Group had transactions with an external customer which accounted for 10% or more of the Group's total revenue. The revenue generated from sales to this customer under the solid waste treatment segment amounted to HK\$124,722,000 (six months ended 30 June 2021: HK\$120,221,000).

#### 4. REVENUE

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

	For the six months	
	ended 30 June	
	2022	2021
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Household waste treatment service income*	165,142	145,101
Hazardous and medical waste treatment service income	15,566	26,669
Food waste, leachate, sludge and other treatments service income	54,809	68,110
Sales of electricity	350,464	330,313
Sales of steam	11,473	7,619
Waste incineration plant construction and related service income*	297,349	212,627
Sale of equipment	146,660	–
Ecological construction and related service income	123,591	165,682
	<u>1,165,054</u>	<u>956,121</u>

\* *Imputed interest income under service concession arrangements during the period amounting to HK\$64,824,000 (six months ended 30 June 2021: HK\$47,299,000) was included in the revenue derived from household waste treatment services and waste incineration plant construction and related services.*

## 5. OTHER INCOME AND GAINS, NET

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

	For the six months ended 30 June	
	2022 (Unaudited) HK\$'000	2021 (Unaudited) HK\$'000
Value added tax refund	27,125	22,760
Government grants <sup>#</sup>	1,068	8,627
Interest income	1,649	8,581
Foreign exchange differences, net	–	3,326
Others	9,468	4,458
	<u>39,310</u>	<u>47,752</u>

<sup>#</sup> The government grants recognised by the Group during the period represented subsidies received from certain government authorities as incentives to promote energy saving technologies in the local provinces.

## 6. PROFIT FROM OPERATING ACTIVITIES

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

	For the six months ended 30 June	
	2022 (Unaudited) HK\$'000	2021 (Unaudited) HK\$'000
Depreciation of property, plant and equipment	37,772	35,540
Depreciation of right-of-use assets	8,148	7,428
Amortisation of operating concessions*	62,335	52,897
Amortisation of other intangible assets*	1,046	1,532
Foreign exchange differences, net	10,559	(3,326)
	<u>10,559</u>	<u>(3,326)</u>

\* The amortisation of operating concessions and other intangible assets (excluding computer software amounting to HK\$178,000 (six months ended 30 June 2021: HK\$191,000) 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	
	2022	2021
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Interest on bank and other borrowings	87,651	26,599
Imputed interest on a convertible bond	–	14,962
Interest on lease liabilities	<u>1,232</u>	<u>783</u>
Total interest expenses	88,883	42,344
Less: Interest capitalised	<u>(10,026)</u>	<u>(4,789)</u>
	78,857	37,555
Other finance costs:		
Increase in discounted amounts of provision for major overhauls arising from the passage of time	<u>330</u>	<u>294</u>
	<u><b>79,187</b></u>	<u><b>37,849</b></u>

## 8. INCOME TAX

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

	For the six months ended 30 June	
	2022	2021
	(Unaudited)	(Unaudited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
Current – Mainland China		
Charge for the period	44,905	31,815
Overprovision in prior periods	<u>(6,703)</u>	<u>(4,318)</u>
	38,202	27,497
Deferred	<u>(3,094)</u>	<u>12,803</u>
Total tax charge for the period	<u><b>35,108</b></u>	<u><b>40,300</b></u>

No provision for Hong Kong profits tax has been made for the six months ended 30 June 2022 and 2021 as the Group did not generate any assessable profits arising in Hong Kong during the periods. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries/ jurisdictions in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

In accordance with the relevant tax laws of the People's Republic of China (the "PRC"), certain subsidiaries of the Group which are engaged in the solid waste treatment business are exempted from corporate income tax for three years starting from the first year they generated revenue and are granted with a 50% tax reduction for the ensuing three years.

## 9. EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY

The calculation of the basic earnings per share amount is based on the profit for the period attributable to shareholders of the Company, and the weighted average number of ordinary shares in issue during the period.

In respect of the six months ended 30 June 2022, no adjustment has been made to the basic earnings per share amount presented as the Group had no potential ordinary shares in issue during the period.

In respect of the six months ended 30 June 2021, the calculation of the diluted earnings per share amount was based on the profit for the period attributable to shareholders of the Company, adjusted to reflect the imputed interest on a convertible bond. The weighted average number of ordinary shares used in the calculation is the total of (i) the weighted average number of ordinary shares in issue during the period, as used in the basic earnings per share calculation; and (ii) the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed conversion of the dilutive convertible bond into ordinary shares. The share options of the Company outstanding during the six months ended 30 June 2021 had no diluting effect on the basic earnings per share amount presented.

The calculations of the basic and diluted earnings per share amounts are based on:

	<b>For the six months ended 30 June</b>	
	<b>2022</b>	2021
	<b>(Unaudited)</b>	(Unaudited)
	<b>HK\$'000</b>	HK\$'000
<b>Earnings</b>		
Profit for the period attributable to shareholders of the Company, used in the basic earnings per share calculation	<b>138,827</b>	138,555
Imputed interest on a convertible bond	<u>–</u>	<u>14,962</u>
Profit for the period attributable to shareholders of the Company, used in the diluted earnings per share calculation	<b><u>138,827</u></b>	<b><u>153,517</u></b>
	<b>30 June</b>	30 June
	<b>2022</b>	2021
	<b>(Unaudited)</b>	(Unaudited)
<b>Shares</b>		
Weighted average number of ordinary shares in issue during the period, used in the basic earnings per share calculation	<b>1,500,360,150</b>	1,500,360,150
Effect of dilution – weighted average number of ordinary shares: Convertible bond	<u>–</u>	<u>1,948,938,053</u>
Weighted average number of ordinary shares in issue during the period, used in the diluted earnings per share calculation	<b><u>1,500,360,150</u></b>	<b><u>3,449,298,203</u></b>

## 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 2022 and 31 December 2021.

At 30 June 2022, certain receivables under service concession arrangements with an aggregate net carrying amount of HK\$687,096,000 (31 December 2021: HK\$506,474,000) were mortgaged to secure certain bank loans granted to the Group.

## 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:

	<b>30 June 2022 (Unaudited) HK\$'000</b>	31 December 2021 (Audited) HK\$'000
Billed:		
Within 3 months	<b>181,314</b>	218,320
4 to 6 months	<b>32,298</b>	48,707
7 to 12 months	<b>53,795</b>	34,274
1 to 2 years	<b>51,862</b>	12,109
2 to 3 years	<b>1,678</b>	2,017
Over 3 years	<b>7,145</b>	5,945
	<b>328,092</b>	321,372
Unbilled*	<b>410,284</b>	359,275
	<b>738,376</b>	680,647

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

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.

## 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:

	<b>30 June 2022 (Unaudited) HK\$'000</b>	31 December 2021 (Audited) HK\$'000
Billed:		
Less than 3 months	<b>162,368</b>	179,351
4 to 6 months	<b>63,634</b>	77,880
7 to 12 months	<b>55,710</b>	152,721
Over 1 year	<b>184,715</b>	99,520
	<b>466,427</b>	509,472
Unbilled*	<b>217,335</b>	227,582
	<b>683,762</b>	737,054

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

The trade payables are non-interest-bearing and normally settled within one to six months.

## 13. OTHER FINANCIAL INFORMATION

The net current assets and total assets less current liabilities of the Group as at 30 June 2022 amounted to HK\$1,861,079,000 (31 December 2021: net current liabilities of HK\$2,095,285,000) and HK\$9,806,351,000 (31 December 2021: HK\$5,852,611,000), respectively.

## INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2022 (six months ended 30 June 2021: Nil).

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

#### Solid Waste Treatment Segment

In the first half of 2022, the Group operated 10 solid waste treatment projects in China, including 9 household waste incineration power generation projects with waste treatment capacity of 11,125 tonnes/day, and one hazardous and medical waste treatment project with waste treatment capacity of 40,840 tonnes/year.

Project Name	Region	Business Model	Waste treatment capacity (tonnes/day)
Household waste incineration power generation projects:			
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
Zhangjiagang Project (張家港市生活垃圾焚燒發電廠項目)	Jiangsu	BOO	900
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:			
Hengxing Project (湖南省衡陽危險廢物處置中心項目)	Hunan	BOT	

Affected by the epidemic, the Group encountered various difficulties in production and operation, plant construction and market development in the first half year. While preventing the epidemic scientifically, the Group adopted effective measures proactively, steadily facilitated various works and strived to minimise the impacts caused by the epidemic, and had accomplished various indicators and tasks in general in the first half year.

The Group improved its project capacity utilisation rate and achieved comprehensive quality and efficiency improvement through various energy-conservation modification measures. The Group completed 1.89 million tonnes of household waste intake (average 10,432 tonnes/day, increased by 15.7% year-on-year), 3,470 tonnes of hazardous and medical waste intake, 52,000 tonnes of food waste treatment, 82,500 tonnes of sludge treatment and 52,700 tonnes of leachate treatment. The electricity generating volume was 687,332 MWh (increased by 5.8% year-on-year), electricity sales volume was 575,829 MWh (increased by 4.5% year-on-year) and steam supply volume was 53,100 tonnes. Revenue from the solid waste treatment business for the period was HK\$597 million, up by 3.4% year-on-year. Gross profit for the period was HK\$236 million, up by 3.1% year-on-year.

Regarding the solid waste incineration plant construction, the Group is speeding up the construction and settlement of key projects. Capital expenditures for the period were approximately HK\$160 million. The Changde Project (Phase III) was put into operation in the second half of last year and the Yanzhou Project was put into operation in April after its commissioning and trial production in January to March. Currently, the projects are advancing their completion and settlement works in an orderly manner. The expansion of Zhangjiagang Project (namely, 張家港市靜脈科技產業園項目) has completed the procurement of all main and ancillary equipment in the first half year and the main civil engineering project completed its structural top. The target is to complete trial operation of the whole plant by the end of the year. In addition, for the equipment supply contract of the household waste incineration power generation project in Beihai City entered into between the Group and its fellow subsidiary, so far the construction of the fundamental equipment and ancillary facilities of the project have been completed in general and put into use. During the period, the revenue derived from the solid waste incineration plant construction amounted to HK\$444 million, increased by 108.8% as compared with the corresponding period of last year, and gross profit amounted to HK\$89 million, increased by 126.4% as compared with the corresponding period of last year.

Under the “peak carbon emissions” and “carbon neutrality” campaigns, the Group actively propelled project companies to carry out “carbon emission reduction” and conducted a number of technical research and development in energy saving and emission reduction. During the period, the Group completed the first carbon emission quota trading on the national carbon emission trading platform, earmarking the Group has made substantial progress in “carbon emission reduction” works.

In order to expand the upstream and downstream industrial chains of the Group and strive to break through the bottlenecks of traditional principal businesses, the Group, leveraging the existing waste incineration business, carried out the solid waste treatment business on organic waste liquid, oil sludge, fly ash, sludge, dregs and bulk solid waste. With technological innovation leading technological development, the Group established a full-process operation system integrating market development, project investment, project construction and operation management, which will soon become new profit growth drivers of the Group.

### **Ecological Construction Services Segment**

As a result of market shrinkage and increasingly hiking market prices of construction materials, the revenue from the ecological construction services segment decreased while operating costs went up. During the epidemic outbreak, the restricted staff flow has increased difficulties in the market expansion for new businesses, whereby the overall development layout of the enterprises was affected. In the first half of 2022, the ecological construction services segment continued to record operating losses since the second half of last year. During the period, the ecological construction services segment recorded a revenue of HK\$124 million, achieved 63.8% of the revenue last whole year, while losses for the period decreased to HK\$14.15 million, representing 25.7% of the losses last whole year.

### **PROSPECT**

Owing to the resurgence of the epidemic and uncertainties in the international environment, the prices of raw materials surged rapidly. The decrease in national subsidies on electricity generation with waste and the garbage sorting policy had affected the profitability of household waste incineration power generation projects. Meanwhile, the increasingly stringent environmental protection and emission standards and the regulation on environmental protection further increased the operating costs of project companies. The waste incineration industry will enter a period of intense integration.

The Report on the Work of the Government in 2022 put forward new requirements on the comprehensive treatment of the ecological environment and the treatment of solid waste and new pollutants, which also brought new opportunities for the environmental protection industry. The Group will improve the production and operation in an all-round manner, step up efforts in market expansion, rapidly promote the development of new businesses, vigorously advance plant construction and settlement and perfect the establishment of technical systems and make unremitting efforts towards the positioning of being a leader in China and also the world-leading comprehensive environmental protection service provider.

## **FINANCIAL REVIEW**

### **Revenue and gross profit**

During the six months ended 30 June 2022, the Group recorded revenue of HK\$1,165.05 million, increased by 21.9% as compared with the corresponding period in last year of HK\$956.12 million. The revenue derived from the solid waste treatment and the sale of electricity and steam amounted to HK\$597.45 million, increased by 3.4% as compared with last corresponding period of HK\$577.81 million. The revenue derived from the waste incineration plant construction and related services amounted to HK\$444.01 million, increased by 108.8% as compared with last corresponding period of HK\$212.63 million. The revenue derived from the ecological construction and related services amounted to HK\$123.59 million, decreased by 25.4% as compared with last corresponding period of HK\$165.68 million.

The Group's gross profit amounted to HK\$329.02 million, increased by 13.2% as compared with last corresponding period of HK\$290.73 million. The overall gross profit margin decreased from 30.4% to 28.2%.

	Revenue		Gross profit		Gross profit margin	
	For the six months ended 30 June		For the six months ended 30 June		For the six months ended 30 June	
	2022	2021	2022	2021	2022	2021
	HK\$ million	HK\$ million	HK\$ million	HK\$ million	%	%
Household waste treatment	165.14	145.10				
Other solid waste treatment	70.37	94.78				
Sale of electricity and steam	361.94	337.93				
	<u>597.45</u>	<u>577.81</u>	<u>235.55</u>	<u>228.55</u>	<u>39.4</u>	<u>39.6</u>
Waste incineration plant construction and related services	444.01	212.63	88.99	39.31	20.0	18.5
Ecological construction and related services	123.59	165.68	4.48	22.87	3.6	13.8
	<u>1,165.05</u>	<u>956.12</u>	<u>329.02</u>	<u>290.73</u>	<u>28.2</u>	<u>30.4</u>

### Other income and gains, net

The Group recorded net other income and gains of HK\$39.31 million during the six months ended 30 June 2022, decreased by HK\$8.44 million as compared with last corresponding period of HK\$47.75 million. The other income for the period mainly comprised value added tax refund from solid waste treatment business of HK\$27.13 million (first half of 2021: HK\$22.76 million), interest income of HK\$1.65 million (first half of 2021: HK\$8.58 million) and government grants of HK\$1.07 million (first half of 2021: HK\$8.63 million).

### Selling expenses

The Group's selling expenses for the six months ended 30 June 2022 decreased by HK\$3.05 million to HK\$1.29 million, which was mainly incurred by the hazardous and medical waste treatment service business.

### Administrative expenses

The Group's administrative expenses for the six months ended 30 June 2022 increased by 12.2% or HK\$10.80 million to HK\$99.37 million, which was mainly due to the business expansion of waste incineration plant construction services during the period.

## **Other operating expenses, net**

The Group incurred net other operating expenses of HK\$11.94 million (included net foreign exchange loss of HK\$10.56 million) during the six months ended 30 June 2022, decreased by HK\$0.48 million as compared with last corresponding period of HK\$11.47 million (included fair value loss of an investment property of HK\$10.60 million).

## **Finance costs**

The Group's finance costs for the six months ended 30 June 2022 increased by 109.2% or HK\$41.34 million to HK\$79.19 million, which mainly comprised interest on bank loans of HK\$20.26 million (first half of 2021: HK\$9.24 million), interest on a loan advanced from Idata Finance Trading Limited ("Idata"), the immediate holding company of the Company, of HK\$22.71 million (first half of 2021: imputed interest on a convertible bond issued to Idata of HK\$14.96 million), interest on loans advanced from 北京控股集團財務有限公司 ("BG Finance"), a fellow subsidiary of the Company, of HK\$19.50 million (first half of 2021: HK\$16.91 million) and interest on a loan advanced from 北京控股投資管理有限公司 ("BG Management"), a fellow subsidiary of the Company, of HK\$24.74 million (first half of 2021: Nil). Interest on bank and other borrowings of HK\$10.03 million (first half of 2021: HK\$4.79 million) incurred for the construction of waste incineration plants have been capitalised during the period.

## **Income tax**

The Group's income tax expense for the six months ended 30 June 2022 amounted to HK\$35.11 million, decreased by 12.9% or HK\$5.19 million as compared with last corresponding period of HK\$40.30 million. Current tax charge was HK\$38.20 million (first half of 2021: HK\$27.50 million) and deferred tax credit was HK\$3.09 million (first half of 2021: tax charge of HK\$12.80 million). The Group's effective tax rate for the period was 19.9% (first half of 2021: 20.5%).

## EBITDA and profit for the period

EBITDA for the six months ended 30 June 2022 was HK\$365.04 million, increased by 10.1% or HK\$33.53 million as compared with last corresponding period of HK\$331.51 million. Profit for the period amounted to HK\$141.44 million, decreased by 9.3% or HK\$14.53 million as compared with last corresponding period of HK\$155.97 million. Profit for the period attributable to shareholders of the Company amounted to HK\$138.83 million, increased by 0.2% or HK\$0.27 million as compared with last corresponding period of HK\$138.56 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	
	2022	2021	2022	2021	2022	2021
	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>
Solid waste treatment segment	398.56	345.56	201.69	190.16	192.34	173.53
Ecological construction services segment	(10.18)	5.69	(14.15)	1.60	(7.17)	0.87
Corporate and others segment	(23.34)	(19.74)	(46.10)	(35.79)	(46.34)	(35.84)
	<u>365.04</u>	<u>331.51</u>	<u>141.44</u>	<u>155.97</u>	<u>138.83</u>	<u>138.56</u>

## FINANCIAL POSITION

### Significant investing and financing activities

Except for the expansion construction and continuous technical modifications on the existing waste incineration plants, the Group had made no material investment, acquisition and disposal of subsidiaries and associated companies during the six months ended 30 June 2022.

On 28 March 2022, the Company entered into a loan agreement with Idata to refinance the amount due to it of HK\$2,693.3 million. The loan has a three-year tenure, is unsecured and bears interest at 1.7% per annum.

## **Total assets and liabilities**

As at 30 June 2022, the Group had total assets and total liabilities amounted to HK\$11,146.73 million and HK\$7,196.89 million, respectively, increased by HK\$226.20 million and HK\$271.63 million as compared with those as at 31 December 2021, respectively. Net assets of the Group was HK\$3,949.84 million, decreased by HK\$45.44 million from the end of last year.

## ***Property, plant and equipment***

The Group's property, plant and equipment mainly comprised those incurred for the Shandong Taian Project and the Jiangsu Zhangjiagang Project which operated under Build-Own-Operate ("BOO") arrangements of HK\$1,030.91 million. During the period, the net carrying amount of the Group's property, plant and equipment decreased by HK\$13.74 million to HK\$1,084.82 million, of which capital expenditure of HK\$63.86 million (first half of 2021: HK\$34.29 million) has been incurred and depreciation of HK\$37.78 million (first half of 2021: HK\$35.20 million) has been recognised in the statement of profit or loss.

## ***Goodwill***

The Group acquired certain companies engaging in the solid waste treatment business in April 2014 and October 2016 and aggregate goodwill of HK\$1,122.55 million arose from these acquisitions. During the period, there is no significant consequence that giving rise to the material deterioration to the value-in-use value of the relevant companies and the Company will appoint an independent professional valuer to further assess the goodwill impairment testing at the financial year end.

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

The Group has right-of-use assets amounted to HK\$84.51 million, increased by HK\$37.42 million from the end of last year.

### ***Operating concessions***

The Group's operating concessions are recognised from the solid waste treatment plants operated under Build-Operate-Transfer ("BOT") arrangements. During the period, the net carrying amount of the Group's operating concessions decreased by HK\$72.60 million to HK\$2,926.31 million, of which additions to operating concessions of HK\$96.39 million (first half of 2021: HK\$239.18 million) has been incurred and amortisation of HK\$62.33 million (first half of 2021: HK\$52.90 million) has been recognised in the statement of profit or loss.

### ***Other intangible assets***

The Group's other intangible assets mainly comprised the fair value of the operation right of the Jiangsu Zhangjiagang Project of HK\$36.29 million and other licenses of HK\$9.02 million.

### ***Receivables under service concession arrangements***

The Group's receivables under service concession arrangements are recognised from the household waste incineration plants operated under BOT arrangements with guaranteed waste treatment revenue. During the period, the carrying amount of the Group's receivables under service concession arrangements increased by HK\$73.42 million to HK\$2,684.04 million, of which additional receivables recognised from the new Yanzhou Project and Zhangjiagang Jingmai Project during the period amounted to HK\$183.76 million.

### ***Contract assets***

The Group's contract assets decreased by HK\$2.41 million to HK\$325.09 million, which are mainly related to ecological construction.

### ***Inventories***

The Group's inventories increased by HK\$5.68 million to HK\$52.77 million from the end of last year, which mainly represented coal and consumables used for the operation of solid waste incineration plants.

### ***Trade and bills receivables***

The Group's trade and bills receivable increased by HK\$57.73 million to HK\$738.38 million from the end of last year, of which receivables from local electricity corporations amounted to HK\$482.20 million. According to the ageing analysis based on settlement due date, of which national subsidiary of grid electricity of HK\$410.28 million (55.6%) are unbilled, HK\$98.79 million (13.4%) are neither past due nor impaired, HK\$87.06 million (11.8%) are past due for less than 3 months and HK\$56.48 million (7.6%) are past due for over 1 year.

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

The Group's total prepayments, deposits and other receivables increased by HK\$33.67 million to HK\$320.40 million from the end of last year, which mainly comprised prepayments of HK\$21.58 million, value added tax refund and taxes recoverable of HK\$173.06 million, balances due from related parties of HK\$98.40 million, deposits and other receivables of HK\$27.36 million.

### ***Bank and other borrowings***

On 28 March 2022, the Company entered into a loan agreement with Idata to refinance the amount due to it of HK\$2,693.30 million. The loan has a three-year tenure, is unsecured and bears interest at 1.7% per annum.

As at 30 June 2022, in addition to the loan from Idata of HK\$2,693.30 million, the Group has bank and other borrowings amounted to HK\$2,939.09 million, which were all denominated in RMB and comprised RMB924.08 million from commercial banks in Mainland China, RMB742.45 million from BG Finance, RMB800 million from BG Management and RMB31.7 million from other parties relating to the ecological construction business. During the six months ended 30 June 2022, the Group repaid bank and other borrowings of RMB191.96 million and further advanced RMB518.44 million (excluded the refinancing of the loans from Idata and BG Management). The weighted average interest rate of the Group's bank and other borrowings (excluded the loan from Idata) was approximately 4.1% per annum.

### ***Deferred income***

The Group's deferred income decreased by HK\$9.22 million to HK\$138.99 million from the end of last year, which mainly represented the PRC government grants and subsidies on solid waste treatment business.

### ***Trade payables***

The Group's trade payables decreased by HK\$53.29 million to HK\$683.76 million from the end of last year, 31.8% of which (HK\$217.34 million) were unbilled.

### ***Other payables and accruals***

Upon the refinancing of the loans from Idata and BG Management of HK\$2,693.3 million and RMB800 million, respectively, the Group's total other payables and accruals decreased by HK\$3,641.18 million to HK\$400.04 million from the end of last year.

### **Liquidity and financial resources**

The Group adopts conservative treasury policies in cash management. As at 30 June 2022, the Group had cash and cash equivalents amounted to HK\$1,678.97 million, of which approximately 84% were denominated in Renminbi and the remaining were denominated in Hong Kong dollars and United States dollars.

On 28 March 2022, the Company entered into a loan agreement with Idata to refinance the amount due to it of HK\$2,693.3 million. The loan has a three-year tenure, is unsecured and bears interest at 1.7% per annum.

As at 30 June 2022, in addition to the loan advanced from Idata mentioned above, the Group has bank and other borrowings amounting to HK\$2,939.09 million (included the loans advanced from fellow subsidiaries amounting to HK\$1,814.64 million).

As at 30 June 2022, the Group has current assets of HK\$3,201.46 million and current liabilities of HK\$1,340.38 million.

## Key performance indicators

	For the six months ended 30 June	
	2022	2021
Gross profit margin	28.2%	30.4%
Operating profit margin	22.0%	24.5%
Net profit margin	12.1%	16.3%
Return on average equity	<u>3.9%</u>	<u>4.2%</u>
	30 June 2022	31 December 2021
Current ratio ( <i>times</i> )	2.39	0.59
Debt ratio ( <i>total liabilities/total assets</i> )	64.6%	63.4%
Gearing ratio ( <i>net debt/total equity</i> )	<u>100.1%</u>	<u>69.8%</u>

## Capital expenditure and commitment

During the six months ended 30 June 2022, the Group's total capital expenditures amounted to HK\$160.47 million, of which HK\$158.66 million was spent on construction and modification of waste incineration plants and HK\$1.81 million was spent on purchase of other assets. As at 30 June 2022, the Group has capital commitment for service concession arrangements amounted to HK\$641.64 million.

## Charges on the Group's assets

As at 30 June 2022, save as (i) certain solid waste treatment concession rights of the Group, which comprises operating concessions and receivables under service concession arrangements with an aggregate net carrying amount of HK\$2,195.58 million, 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; and (ii) the Group's bank deposits of HK\$4.33 million are pledged as security deposits to the government authorities and a customer for the provision of construction and related services of solid waste treatment plants, the Group did not have any charges on the Group's assets.

## **Foreign exchange exposure**

The Group's businesses are principally located in Mainland China and the majority of its transactions are conducted in Renminbi. As the financial statements of the Group are presented in Hong Kong dollars, which is the Company's functional and presentation currency, any fluctuation of exchanges rates would impact the Group's net asset value. During the six months ended 30 June 2022, the losses arising on settlement or translation of monetary items of HK\$10.56 million (first half of 2021: gains of HK\$3.33 million) are taken to the statement of profit or loss and the comprehensive losses arising on translation of foreign operations of HK\$171.97 million (first half of 2021: gains of HK\$56.54 million) are recognised in the exchange fluctuation reserve. Currently, the Group has not used derivative financial instruments to hedge against its foreign currency risk.

## **EMPLOYEES AND REMUNERATION POLICIES**

As at 30 June 2022, the Group had 1,313 employees (31 December 2021: 1,399). Total staff cost for the six months ended 30 June 2022 was HK\$148.66 million, increased by 8.7% as compared with HK\$136.82 million in the corresponding period in last year. 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 14 to the Listing Rules for the six months ended 30 June 2022.

- (1) Under Code Provision A.1.1, the board should meet regularly and board meetings should be held at least four times a year at approximately quarterly intervals. It is expected regular board meetings will normally involve the active participation of a majority of directors entitled to present. 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.
- (2) Under Code Provision A.2.7, the chairman should at least annually hold meetings with the non-executive directors (including independent non-executive directors) without the executive directors present. However, the Company considers it is more effective for non-executive directors to voice their views by individual communication with the chairman of the board.
- (3) Under Code Provision A.4.1, non-executive directors should be appointed for a specific term, subject to re-election. However, all existing non-executive directors of the Company are not appointed for a specific term but subject to retirement by rotation at the annual general meeting in accordance with the Company’s articles of association.
- (4) Under Code Provision A.6.7, 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 2022 annual general meeting of the Company due to other business engagements.

## **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 10 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 2022.

## **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 C.3. The current members of the Audit Committee comprise three independent non-executive directors, namely Dr. Huan Guocang (committee chairman), Dr. Jin Lizuo and Dr. Wang Jianping.

The Audit Committee has reviewed the interim results, financial positions, risk management, internal control, impacts of the new accounting standards and management issues of the Group during the six months ended 30 June 2022.

## **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 2022.

## **PUBLICATION OF FINANCIAL INFORMATION**

The Company's 2022 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](http://www.hkexnews.hk)) and the Company ([www.beegl.com.hk](http://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  
**Beijing Enterprises Environment Group Limited**  
**Ke Jian**  
*Chairman*

Hong Kong, 31 August 2022

*As at the date of this announcement, the board of directors of the Company comprises five executive directors, namely Mr. Ke Jian, Ms. Sha Ning, Mr. Chen Xinguo, Mr. Yu Jie and Mr. Ng Kong Fat, Brian, and five independent non-executive directors, namely Dr. Jin Lizuo, Dr. Huan Guocang, Dr. Wang Jianping, Prof. Nie Yongfeng and Mr. Cheung Ming.*