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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 ANNUAL RESULTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

**HIGHLIGHTS**

- The Group's revenue for the year from continuing operations amounted to RMB1.664 billion, increased by 3.2% as compared with RMB1.612 billion for the last year.
- EBITDA for the year amounted to RMB710 million, increased by 7.3% as compared with RMB662 million for the last year.
- Profit for the year attributable to shareholders of the Company amounted to RMB286 million, increased by 50% as compared with RMB191 million for the last year.
- Earnings per share for the year amounted to RMB19.1 cents (2023: RMB12.7 cents).
- Net assets attributable to shareholders of the Company as at 31 December 2024 amounted to RMB3.613 billion, increased by 8.5% as compared with RMB3.329 billion as at 31 December 2023.
- The Board does not recommend the payment of any dividend for the year (2023: Nil).

The board (the “Board”) of directors (the “Directors”) of Beijing Enterprises Environment Group Limited (the “Company”) is pleased to announce the consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the year ended 31 December 2024, together with comparative figures for the last year, as follows:

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 31 DECEMBER 2024

	NOTES	2024 RMB'000	2023 RMB'000 (Restated)
<b>Continuing operations</b>			
REVENUE	4	1,664,124	1,611,798
Cost of sales		<u>(1,061,065)</u>	<u>(1,042,546)</u>
Gross profit		603,059	569,252
Other income	6	79,884	92,846
Other gain and loss		(3,793)	(21,852)
Administrative expenses		(173,123)	(195,766)
Impairment losses under expected credit losses model, net of reversal		<u>(18,131)</u>	<u>(27,383)</u>
PROFIT FROM OPERATING ACTIVITIES	7	487,896	417,097
Finance costs	8	<u>(111,112)</u>	<u>(163,271)</u>
PROFIT BEFORE TAX		376,784	253,826
Income tax	9	<u>(68,545)</u>	<u>(53,617)</u>
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS		<u>308,239</u>	<u>200,209</u>
<b>Discontinued operation</b>			
(LOSS) PROFIT FOR THE YEAR FROM A DISCONTINUED OPERATION	10	<u>(6,178)</u>	<u>1,870</u>
PROFIT FOR THE YEAR		<u><u>302,061</u></u>	<u><u>202,079</u></u>

	<b>2024</b>	2023
<i>NOTES</i>	<b><i>RMB'000</i></b>	<i>RMB'000</i> (Restated)
Attributable to shareholders of the Company:		
– from continuing operations	<b>291,642</b>	189,622
– from the discontinued operation	<b>(5,491)</b>	1,332
	<u><b>286,151</b></u>	<u>190,954</u>
Attributable to non-controlling interests:		
– from continuing operations	<b>16,597</b>	10,587
– from the discontinued operation	<b>(687)</b>	538
	<u><b>15,910</b></u>	<u>11,125</u>
	<u><b>302,061</b></u>	<u>202,079</u>

#### EARNINGS PER SHARE

	<b>2024</b>	2023
		(Restated)
<b>From continuing and discontinued operations</b>		
EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY		
– Basic and diluted ( <i>RMB cents</i> )	<b>19.07</b>	12.73
	<u><b>19.07</b></u>	<u>12.73</u>
<b>From continuing operations</b>		
EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY		
– Basic and diluted ( <i>RMB cents</i> )	<b>19.43</b>	12.64
	<u><b>19.43</b></u>	<u>12.64</u>

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2024

	<b>2024</b>	2023
	<b>RMB'000</b>	RMB'000
PROFIT FOR THE YEAR	<u>302,061</u>	<u>202,079</u>
OTHER COMPREHENSIVE (EXPENSES) INCOME FOR THE YEAR		
Item that may be reclassified to profit or loss:		
Exchange differences on translation of foreign operations	<b>(39,631)</b>	(28,135)
Item that will not be reclassified to profit or loss:		
Exchange differences on translation from functional currency to presentation currency	<u>37,151</u>	<u>39,197</u>
	<u>(2,480)</u>	<u>11,062</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u><b>299,581</b></u>	<u>213,141</u>
ATTRIBUTABLE TO:		
Shareholders of the Company	<b>283,810</b>	206,778
Non-controlling interests	<u>15,771</u>	<u>6,363</u>
	<u><b>299,581</b></u>	<u>213,141</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*AS AT 31 DECEMBER 2024*

	<i>NOTES</i>	<b>2024</b>	2023
		<b><i>RMB'000</i></b>	<i>RMB'000</i>
<b>ASSETS</b>			
Non-current assets:			
Property, plant and equipment		<b>516,536</b>	560,201
Right-of-use assets		<b>42,652</b>	51,416
Goodwill		<b>1,032,747</b>	1,010,296
Operating concessions		<b>2,860,368</b>	2,720,093
Other intangible assets		<b>55,358</b>	50,902
Receivables under service			
concession arrangements	<i>12</i>	<b>2,395,323</b>	2,349,195
Prepayments, deposits and other receivables		<b>255</b>	556
Deferred tax assets		<b>166,033</b>	159,675
		<hr/>	<hr/>
Total non-current assets		<b>7,069,272</b>	6,902,334
Current assets:			
Contract assets		<b>74,750</b>	371,820
Inventories		<b>36,132</b>	42,988
Receivables under service			
concession arrangements	<i>12</i>	<b>87,597</b>	83,674
Trade and bills receivables	<i>13</i>	<b>814,184</b>	707,260
Prepayments, deposits and other receivables		<b>273,264</b>	276,973
Restricted bank deposits		<b>1,000</b>	–
Cash and cash equivalents		<b>1,350,768</b>	1,209,940
		<hr/>	<hr/>
		<b>2,637,695</b>	2,692,655
Non-current assets held for disposal		<b>302,173</b>	302,173
		<hr/>	<hr/>
Total current assets		<b>2,939,868</b>	2,994,828
		<hr/>	<hr/>
<b>TOTAL ASSETS</b>		<b>10,009,140</b>	9,897,162

		2024	2023
	<i>NOTES</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>EQUITY AND LIABILITIES</b>			
Equity attributable to shareholders of the Company			
Share capital		1,972,895	1,972,895
Reserves		<u>1,640,341</u>	<u>1,356,531</u>
		<u>3,613,236</u>	<u>3,329,426</u>
Non-controlling interests		<u>303,236</u>	<u>326,934</u>
<b>TOTAL EQUITY</b>		<b><u><u>3,916,472</u></u></b>	<b><u><u>3,656,360</u></u></b>
Non-current liabilities:			
Bank and other borrowings		1,967,250	1,721,509
Provision for major overhauls		14,491	12,540
Other payables		9,731	17,337
Deferred income		149,175	154,414
Deferred tax liabilities		<u>269,723</u>	<u>262,266</u>
Total non-current liabilities		<u>2,410,370</u>	<u>2,168,066</u>
Current liabilities:			
Trade payables	14	618,664	860,375
Other payables and accruals		368,835	396,466
Bank and other borrowings		2,613,704	2,714,238
Income tax payables		<u>81,095</u>	<u>101,657</u>
Total current liabilities		<u>3,682,298</u>	<u>4,072,736</u>
<b>TOTAL LIABILITIES</b>		<b><u><u>6,092,668</u></u></b>	<b><u><u>6,240,802</u></u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b><u><u>10,009,140</u></u></b>	<b><u><u>9,897,162</u></u></b>

Notes:

## 1. CORPORATE AND GROUP INFORMATION

The Company is a public limited liability company incorporated in Hong Kong and the shares of which are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The registered office of the Company is located at 66th Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong.

The immediate holding company of the Company is Idata Finance Trading Limited (“Idata”), which is a limited liability company incorporated in the British Virgin Islands. Idata is a wholly-owned subsidiary of Beijing Enterprises Holdings Limited (“BEHL”) whose shares are listed on the Main Board of the Stock Exchange. In the opinion of the directors of the Company, the ultimate holding company of the Company is 北京控股集團有限公司, which is a state-owned enterprise established in the People’s Republic of China (the “PRC”) and wholly owned by The State-owned Assets Supervision and Administration Commission of the People’s Government of Beijing Municipality.

The Company and its subsidiaries (collectively referred to as the “Group”) were principally involved in the solid waste treatment business which comprises the provision of waste incineration plant construction and waste treatment services, and the sale of electricity and steam generated from waste incineration. The Group was also previously engaged in ecological construction service business which was discontinued in current year (see note 10).

The functional currency of the Company is Hong Kong Dollars (“HK\$”). As the Group’s operations are majority based in the PRC, the presentation currency of the Group’s consolidated financial statements is Renminbi (“RMB”).

## 2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

### Amendments to HKFRS Accounting Standards that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 January 2024 for the preparation of the consolidated financial statements:

Amendments to HKFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to HKAS 1	<i>Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)</i>
Amendments to HKAS 1	<i>Non-current Liabilities with Covenants</i>
Amendments to HKAS 7 and HKFRS 7	<i>Supplier Finance Arrangements</i>

The application of the amendments to HKFRS Accounting Standards in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

#### **New and amendments to HKFRS Accounting Standards in issue but not yet effective**

The Group has not early applied the following new and amendments to HKFRS Accounting Standards that have been issued but are not yet effective:

Amendments to HKFRS 9 and HKFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments<sup>3</sup></i>
Amendments to HKFRS 9 and HKFRS 7	<i>Contracts Referencing Nature-dependent Electricity<sup>3</sup></i>
Amendments to HKFRS 10 and HKAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture<sup>1</sup></i>
Amendments to HKFRSs Accounting Standards	<i>Annual Improvements to HKFRS Accounting Standards – Volume 11<sup>3</sup></i>
Amendments to HKAS 21	<i>Lack of Exchangeability<sup>2</sup></i>
HKFRS 18	<i>Presentation and Disclosure in Financial Statements<sup>4</sup></i>

<sup>1</sup> *Effective for annual periods beginning on or after a date to be determined*

<sup>2</sup> *Effective for annual periods beginning on or after 1 January 2025*

<sup>3</sup> *Effective for annual periods beginning on or after 1 January 2026*

<sup>4</sup> *Effective for annual periods beginning on or after 1 January 2027*

Except for the new HKFRS Accounting Standard mentioned below, the directors of the Company anticipate that the application of all other amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

#### **HKFRS 18 *Presentation and Disclosure in Financial Statements***

HKFRS 18 *Presentation and Disclosure in Financial Statements*, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 *Presentation of Financial Statements*. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* and HKFRS 7 *Financial Instruments: Disclosures*. Minor amendments to HKAS 7 *Statement of Cash Flows* and HKAS 33 *Earnings per Share* are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of HKFRS 18 on the Group's consolidated financial statements.

### **3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS**

#### **Basis of preparation of consolidated financial statements**

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards issued by the HKICPA. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") and by the Hong Kong Companies Ordinance.

In preparing the consolidated financial statements, 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 RMB742,430,000 as at 31 December 2024. Taking into account the Group's internal resources and undertakings from BEHL and Idata not to demand repayment of the loan of RMB2,477,836,000 due by the Company to Idata within 12 months until the Group is in a position to repay without impairing its liquidity and financial position, the directors of the Company considered that the Group will be able to operate on a going concern basis. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

The consolidated financial statements relating to the years ended 31 December 2024 and 2023 included in this preliminary announcement of annual results 2024 do not constitute the Company's statutory annual consolidated financial statements for those years but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Companies Ordinance is as follows:

The Company has delivered the financial statements for the year ended 31 December 2023 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance and will deliver the financial statements for the year ended 31 December 2024 in due course.

The Company's auditor has reported on the consolidated financial statements of the Group for both years. The auditor's reports were unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its reports; and did not contain a statement under sections 406(2), 407(2) or (3) of the Companies Ordinance.

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

## Changes in the Group's interests in existing subsidiaries

When the Group loses control of a subsidiary, the assets and liabilities of that subsidiary and non-controlling interests (if any) are derecognised. A gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary attributable to the owners of the Company. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRS Accounting Standards).

## 4. REVENUE

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

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i> (Restated)
<b>Continuing operations</b>		
Household waste treatment service income*	318,143	294,577
Hazardous and medical waste treatment service income	22,710	20,176
Food waste, leachate, sludge and other treatments service income	193,815	125,648
Sales of electricity	701,017	680,238
Sales of steam	40,180	14,782
Waste incineration plant construction and related service income*	364,864	443,601
Sale of equipment	23,395	32,776
	<u>1,664,124</u>	<u>1,611,798</u>

\* *Imputed interest income under service concession arrangements during the year amounting to RMB248,842,000 (2023: RMB235,558,000) was included in the revenue derived from household waste treatment services and waste incineration plant construction and related services.*

## 5. 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 the current year. The segment information reported in note 5 does not include any amounts for these discontinued operations, which are described in more detail in note 10.

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 years ended 31 December 2024 and 2023 and the total assets and total liabilities information as at 31 December 2024 and 2023 regarding the Group's operating segments:

**Year ended 31 December 2024/As at 31 December 2024**

	<b>Solid waste treatment RMB'000</b>	<b>Others RMB'000</b>	<b>Total RMB'000</b>
<b>Continuing operations</b>			
Segment revenue ( <i>note 4</i> )	1,664,124	–	1,664,124
Cost of sales	<u>(1,061,065)</u>	<u>–</u>	<u>(1,061,065)</u>
Gross profit	<u>603,059</u>	<u>–</u>	<u>603,059</u>
Profit (loss) from operating activities	525,084	(37,188)	487,896
Finance costs	<u>(69,447)</u>	<u>(41,665)</u>	<u>(111,112)</u>
Profit (loss) before tax	455,637	(78,853)	376,784
Income tax	<u>(68,493)</u>	<u>(52)</u>	<u>(68,545)</u>
Profit (loss) for the year	<u>387,144</u>	<u>(78,905)</u>	<u>308,239</u>
Segment profit (loss) attributable to shareholders of the Company	<u>370,567</u>	<u>(78,925)</u>	<u>291,642</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>
<b>Other segment information</b>			
Amounts included in the measurement of segment profit or loss:			
Interest income	7,142	2,607	9,749
Impairment of segment assets, net	18,131	–	18,131
Depreciation of property, plant and equipment	36,784	20	36,804
Depreciation of right-of-use assets	8,764	–	8,764
Amortisation of operating concession	175,448	–	175,448
Amortisation of other intangible assets	4,426	21	4,447
Capital expenditure*	<u>337,527</u>	<u>53</u>	<u>337,580</u>

Year ended 31 December 2023/As at 31 December 2023 (restated)

	Solid waste treatment RMB'000	Others RMB'000	Total RMB'000
Continuing operations			
Segment revenue (note 4)	1,611,798	–	1,611,798
Cost of sales	<u>(1,042,546)</u>	<u>–</u>	<u>(1,042,546)</u>
Gross profit	<u>569,252</u>	<u>–</u>	<u>569,252</u>
Profit (loss) from operating activities	455,390	(38,293)	(417,097)
Finance costs	<u>(122,064)</u>	<u>(41,207)</u>	<u>(163,271)</u>
Profit (loss) before tax	333,326	(79,500)	253,826
Income tax	<u>(53,616)</u>	<u>(1)</u>	<u>(53,617)</u>
Profit (loss) for the year	<u>279,710</u>	<u>(79,501)</u>	<u>200,209</u>
Segment profit (loss) attributable to shareholders of the Company	<u>269,309</u>	<u>(79,687)</u>	<u>189,622</u>
Segment assets <sup>#</sup>	<u>9,231,909</u>	<u>196,347</u>	<u>9,428,256</u>
Segment liabilities <sup>#</sup>	<u>3,298,714</u>	<u>2,534,887</u>	<u>5,833,601</u>
Other segment information			
Amounts included in the measurement of segment profit or loss:			
Interest income	18,705	2,645	21,350
Impairment of segment assets, net	42,164	–	42,164
Depreciation of property, plant and equipment	47,870	42	47,912
Depreciation of right-of-use assets	8,742	–	8,742
Amortisation of operating concessions	164,924	–	164,924
Amortisation of other intangible assets	3,084	11	3,095
Capital expenditure*	<u>200,023</u>	<u>15,753</u>	<u>215,776</u>

<sup>#</sup> *The ecological construction service segment was disposed on 19 June 2024, the comparative figures have been restated to exclude this segment. Segment assets and segment liabilities of RMB468,906,000 and RMB407,201,000 for this previous segment were not included in this segment assets and liabilities of the total operating segment.*

<sup>\*</sup> *Capital expenditure consists of additions to property, plant and equipment, operating concessions and other intangible assets.*

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 customers**

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

	<b>2024</b>	2023
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
		(Restated)
<b>Continuing operations</b>		
Customer A	<b>209,303</b>	219,941
Customer B	<b>202,255</b>	178,411

## 6. OTHER INCOME

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

	<b>2024</b>	2023
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
		(Restated)
<b>Continuing operations</b>		
Value added tax refund <sup>1</sup>	<b>60,515</b>	57,873
Interest income	<b>9,749</b>	21,350
Government grants <sup>2</sup>	<b>4,219</b>	9,548
Carbon emissions quota trading income	<b>1,781</b>	1,915
Others	<b>3,620</b>	2,160
	<b><u>79,884</u></b>	<u>92,846</u>

<sup>1</sup> *The Group is entitled to the value added tax refund upon collection for the electricity generated from waste treatment.*

<sup>2</sup> *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.*

## 7. PROFIT FROM OPERATING ACTIVITIES

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

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i> (Restated)
<b>Continuing operations</b>		
Cost of raw materials consumed	58,037	55,049
Cost of waste treatment services rendered <sup>1</sup>	452,632	369,651
Cost of waste incineration plant construction services	324,652	394,397
Cost of equipment sold	15,697	24,583
Employee benefit expense (including directors' remuneration):		
Wages and salaries	260,208	248,134
Pension scheme contributions (defined contribution scheme) <sup>2</sup>	25,034	23,540
	<u>285,242</u>	<u>271,674</u>
Less: Amount capitalised	<u>(7,679)</u>	<u>(2,409)</u>
	<u>277,563</u>	<u>269,265</u>
Depreciation of property, plant and equipment <sup>3</sup>	36,804	47,912
Depreciation of right-of-use assets <sup>4</sup>	8,764	8,742
Lease payments not included in the measurement of lease liabilities	16,824	6,675
Amortisation of operating concessions <sup>5</sup>	175,448	164,924
Amortisation of other intangible assets <sup>5</sup>	4,447	3,095
Provision for major overhauls <sup>5</sup>	1,276	1,221
Impairment of operating concessions <sup>6</sup>	–	14,781
Impairment of receivables under service concession arrangements, net	–	22,377
Impairment of contract assets, net	6,304	–
Impairment of trade and bills receivables, net	<u>11,827</u>	<u>5,006</u>
	<u>18,131</u>	<u>27,383</u>
Loss on disposal of items of property, plant and equipment, net <sup>6</sup>	92	44
Auditor's remuneration	2,566	2,574
Foreign exchange differences, net <sup>6</sup>	<u>2,419</u>	<u>5,966</u>

- <sup>1</sup> The cost of waste treatment services rendered does not include the recognition of government subsidies of RMB2,635,000 (2023: RMB4,909,000) on the straight-line basis over the expected useful lives of the relevant assets, which is included in “Cost of sales” in the consolidated statement of profit or loss.
- <sup>2</sup> There is no forfeited contribution that may be used by the Group as the employer to reduce the existing level of contributions.
- <sup>3</sup> Depreciation of property, plant and equipment in a total amount of RMB33,377,000 (2023: RMB35,044,000) is included in “Cost of sales” in the consolidated statement of profit or loss.
- <sup>4</sup> Depreciation of right-of-use assets in a total amount of RMB746,000 (2023: RMB746,000) is included in “Cost of sales” in the consolidated statement of profit or loss.
- <sup>5</sup> The amortisation of operating concessions and other intangible assets (excluding computer software amounting to RMB2,612,000 (2023: RMB1,255,000, restated) which is included in “Administrative expenses”), and the provision for major overhauls are included in “Cost of sales” in the consolidated statement of profit or loss.
- <sup>6</sup> These items are included in “Other gain and loss” in the consolidated statement of profit or loss.

## 8. FINANCE COSTS

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

	2024 <i>RMB’000</i>	2023 <i>RMB’000</i> (Restated)
<b>Continuing operations</b>		
Interest on bank and other borrowings	<b>111,547</b>	161,692
Interest on lease liabilities	<b>791</b>	1,099
Total interest expenses	<b>112,338</b>	162,791
Less: Interest capitalised*	<b>(1,901)</b>	(93)
	<b>110,437</b>	162,698
Other finance costs:		
Increase in discounted amounts of provision for major overhauls arising from the passage of time	<b>675</b>	573
	<b>111,112</b>	163,271

\* *Interest expenses capitalised during both years arose from specific borrowing.*

## 9. INCOME TAX

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

	<b>2024</b> <b>RMB'000</b>	2023 RMB'000 (Restated)
<b>Continuing operations</b>		
Current – Chinese Mainland		
Charge for the year	<b>65,596</b>	98,622
Underprovision in prior years	<b>1,850</b>	4,910
	<b>67,446</b>	103,532
Deferred	<b>1,099</b>	(49,915)
Total tax charge for the year	<b>68,545</b>	53,617

No provision for Hong Kong profits tax has been made for the years ended 31 December 2024 and 2023 as the Group did not generate any assessable profits arising in Hong Kong during the year. 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.

## 10. DISCONTINUED OPERATION

Pursuant to an asset transaction agreement dated 13 June 2024 entered into between Beijing Enterprises Environmental Group Limited (“BEEGL”, an indirect wholly-owned subsidiary of the Company) and 海南格潤投資有限公司 (“Hainan Gerun”, a connected party of a subsidiary of the Company), BEEGL disposed of its entire 51% equity interest in 北京北控生態建設集團有限公司 (“Beikong Ecology”) to Hainan Gerun for a cash consideration of RMB41,488,000 through public tender at China Beijing Equity Exchange (“CBEX”). Hainan Gerun has settled the cash consideration to the designated account of CBEX on 12 June 2024 and the disposal transaction was completed on 19 June 2024.

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

The (loss) profit for the period/year from the discontinued operation is set out below. The comparative figures in the consolidated statement of profit or loss have been restated to re-present the ecological construction services operation as a discontinued operation.

	<b>1 January to 19 June 2024 RMB'000</b>	1 January to 31 December 2023 RMB'000
(Loss) profit for the period/year from the discontinued operation	(1,000)	1,870
Loss on the disposal of the discontinued operation	(3,929)	–
Income tax	(1,249)	–
	<u>(6,178)</u>	<u>1,870</u>

The results of the discontinued operation are presented below:

	<b>1 January to 19 June 2024 RMB'000</b>	1 January to 31 December 2023 RMB'000
Revenue	103,190	322,700
Other income	2,386	544
Cost of sales	(94,739)	(285,447)
Other gain and loss	–	(656)
Administrative expenses	(11,128)	(32,063)
Finance costs	(655)	(2,927)
	<u>(946)</u>	<u>2,151</u>
(Loss) profit before tax	(946)	2,151
Income tax	(54)	(281)
	<u>(1,000)</u>	<u>1,870</u>

(Loss) profit for the period/year from the discontinued operation includes the following:

	<b>1 January to 19 June 2024 RMB'000</b>	1 January to 31 December 2023 RMB'000
Loss on disposal of property, plant and equipment	–	44
Auditor's remuneration	–	–
	<b>=====</b>	<b>=====</b>
	<b>1 January to 19 June 2024 RMB cents</b>	2023 RMB cents
(Loss) earnings per share:		
Basic and diluted, from the discontinued operation	<b>(0.37)</b>	<b>0.09</b>
	<b>=====</b>	<b>=====</b>

## 11. 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 year ended 31 December 2024 is based on the profit for the year from continuing operations attributable to shareholders of the Company of RMB291,642,000 (2023: RMB189,622,000, restated), and the 1,500,360,150 (2023: 1,500,360,150) weighted average number of ordinary shares during the year.

The Group has no potentially dilutive ordinary shares in issue during the year ended 31 December 2024 and 2023.

### From continuing and discontinued operations

The calculation of the basic earnings per share amount from continuing and discontinued operations for the year ended 31 December 2024 is based on the profit for the year from continuing and discontinued operations attributable to shareholders of the Company of RMB286,151,000 (2023: RMB190,954,000), and the 1,500,360,150 (2023: 1,500,360,150) weighted average number of ordinary shares during the year.

The Group has no potentially dilutive ordinary shares in issue during the year ended 31 December 2024 and 2023.

### From discontinued operations

The calculation of the basic loss per share amount from the discontinued operation for the year ended 31 December 2024 is based on the loss for the year from the discontinued operation attributable to shareholders of the Company of RMB5,491,000 (2023: profit of RMB1,332,000, restated), and the 1,500,360,150 (2023: 1,500,360,150) weighted average number of ordinary shares during the year.

The Group has no potentially dilutive ordinary shares in issue during the year ended 31 December 2024 and 2023.

### 12. RECEIVABLES UNDER SERVICE CONCESSION ARRANGEMENTS

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Receivables under service concession arrangements	2,482,920	2,432,869
Current portion	<u>(87,597)</u>	<u>(83,674)</u>
Non-current portion	<u><u>2,395,323</u></u>	<u><u>2,349,195</u></u>

### 13. TRADE AND BILLS RECEIVABLES

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Trade receivables	843,361	731,086
Bills receivable	<u>8,617</u>	<u>2,776</u>
	851,978	733,862
Impairment	<u>(37,794)</u>	<u>(26,602)</u>
	<u><u>814,184</u></u>	<u><u>707,260</u></u>

*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) 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>2024</b>	2023
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Billed:		
Within 3 months	<b>127,504</b>	160,675
4 to 6 months	<b>86,769</b>	73,500
7 to 12 months	<b>69,016</b>	32,388
1 to 2 years	<b>40,208</b>	53,235
2 to 3 years	<b>47,515</b>	55,940
Over 3 years	<b>22,714</b>	6,731
	<b>393,726</b>	382,469
Unbilled*	<b>420,458</b>	324,791
	<b>814,184</b>	707,260

- \* *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.*

#### 14. 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:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Billed:		
Less than 3 months	148,039	253,557
4 to 6 months	56,193	206,793
7 to 12 months	27,532	17,555
Over 1 year	<u>122,116</u>	<u>119,476</u>
	353,880	597,381
Unbilled*	<u>264,784</u>	<u>262,994</u>
	<u><u>618,664</u></u>	<u><u>860,375</u></u>

\* *The unbilled balance represented construction payables for solid waste incineration plants (2023: solid waste incineration plants and ecological construction services) which have not been billed by the suppliers.*

*Notes:*

- (a) Included in the Group's trade payables is an amount of RMB21,733,000 (2023: RMB23,296,000) 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..

## **15. OTHER FINANCIAL INFORMATION**

The net current liabilities and total assets less current liabilities of the Group as at 31 December 2024 amounted to RMB742,430,000 (2023: net current liabilities of RMB1,077,908,000) and RMB6,326,842,000 (2023: RMB5,824,426,000), respectively.

## **16. SUBSEQUENT EVENT**

Subsequent to 31 December 2024, Golden States Waste Management Corporation (“GSWM”, an indirect wholly-owned subsidiary of the Company) entered into an equity transfer agreement with 北京金州工程有限公司 (the “Vendor”) on 23 January 2025, pursuant to which GSWM agreed to purchase and the Vendor agreed to sell 4% equity interest (the “Target Interest”) of 北京朝陽北控再生能源科技有限公司 (a 84.896% directly-owned subsidiary of GSWM) at a cash consideration of RMB23,080,000. The Group has paid a security deposit of RMB23,080,000 to the Vendor, which will be released upon the final settlement of the cash consideration of RMB23,080,000 directly by GSWM and the completion of the transfer of the legal title of the Target Interests. Up to the date of this announcement, the transaction has not yet completed.

## DIVIDEND

The Board does not recommend the payment of any dividend in respect of the year (2023: Nil).

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

#### Continuing Operations – Solid Waste Treatment Business

In 2024, the Group operated ten solid waste treatment projects in Chinese Mainland, including nine household waste incineration power generation projects and a hazardous and medical waste treatment project. The Group's daily treatment capacity of household waste incineration is 12,850 tonnes.

Project Name	Region	Business Model	Waste treatment capacity (tonnes/day)
Household waste incineration power generation projects:			
Zhangjiagang Project (張家港市生活垃圾焚燒發電廠項目)	Jiangsu	BOT	2,250
Haidian Project (北京市海澱區循環經濟產業園再生能源發電廠項目)	Beijing	BOT	2,100
Gaoantun Project (北京高安屯垃圾焚燒項目)	Beijing	BOT	1,600
Yanzhou Project (濟寧市兗州區生活垃圾焚燒發電項目)	Shandong	BOT	1,500
Ha'erbin Project (哈爾濱雙琦垃圾焚燒發電項目)	Heilongjiang	BOT	1,200
Changde Project (常德市生活垃圾焚燒發電項目)	Hunan	BOT	1,200
Taian Project (泰安生活垃圾焚燒發電項目)	Shandong	BOO	1,200
Shuyang Project (江蘇省沭陽縣垃圾焚燒發電項目)	Jiangsu	BOT	1,200
Shiyan Project (十堰市城區垃圾焚燒發電項目)*	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	

\* *construction in progress*

# *suspended in operation*

### ***Production and operating business***

In the face of unfavourable factors such as the increasingly fierce competition in the solid waste market and the continuous backslide of environmental protection policies, the Group vigorously expanded the sources of waste and coordinated business, and achieved notable growth in revenue from coordinated sludge treatment and heating and steam supply, with the operation showing the trend of stable improvement. The Group continued its efforts in scientific and technological innovation. During the year, the Group invested RMB62 million in research and development. The Group actively promoted the development of carbon assets, successfully applied for 733,235 green certificates during the year, and traded more than 18,800 tonnes of carbon emissions quota.

In 2024, the Group completed 4.37 million tonnes of household waste intake (approximately 12,000 tonnes/day), increased by 3.8% year-on-year. The electricity generating volume was 1,728 million kWh, increased by 7.8% year-on-year. The Group generated 1,449 million kWh of on-grid electricity, increased by 7.4% year-on-year. The Group's heating and steam supply volume was 228,600 tonnes, increased by 150% year-on-year. The Group completed 566,000 tonnes of sludge treatment, increased by 44.8% year-on-year.

During the year, the Group's production and operation segment recorded revenue of RMB1,276 million, increased by 12.4% year-on-year and the gross profit was RMB555 million, increased by 8.5% year-on-year.

### ***Project construction, sale of equipment and related services business***

The construction of Shiyuan Project has achieved its milestone during the year and has commenced trial operation at the beginning of 2025. The Group is moving towards asset-light development and the number of large-scale construction projects is reduced. During the year, the Group's project construction, sale of equipment and related services segment recorded revenue of RMB388 million, decreased by 18.5% year-on-year and the gross profit was RMB48 million, decreased by 16.5% year-on-year.

## **Discontinued Operation – Ecological Construction Services Segment**

The financial contribution of the ecological construction services business to the Group continued to shrink, and the synergy effect between the ecological construction services business and the Group’s principal business in solid waste treatment is not obvious. In order to focus its resources on continuing to expand the solid waste treatment market, the Group disposed of its 51% equity interest in 北京北控生態建設集團有限公司 (“Beikong Ecology”) in cash consideration of RMB41.49 million in June 2024 and then ceased the operation of the ecological construction services business. A loss of RMB5.49 million from the discontinued operation is attributable to shareholders of the Company during the year.

## **PROSPECT**

2025 is the final year for achieving the objectives of the “14th Five-Year Plan”. The Group is well aware of the acute situation ahead and will seize the period of strategic opportunities in the solid waste market in order to seek opportunities amidst challenges. We seek to continuously enhance the utilisation rate of production capacity of the existing projects, implement incremental projects in the market, and create a second growth curve through expanding light asset businesses, including entrusted operation and equipment general contracting, so as to promote the Company’s operations to a new level.

## **FINANCIAL REVIEW**

### **Continuing Operations**

#### ***Revenue and gross profit***

During the year, the Group recorded revenue of RMB1,664.12 million, increased by 3.2% as compared with last year of RMB1,611.80 million. The revenue derived from the solid waste treatment and the sale of electricity and steam amounted to RMB1,275.86 million, increased by 12.4% as compared with last year of RMB1,135.42 million. The revenue derived from the solid waste incineration plant construction, sale of equipment and related services amounted to RMB388.26 million, decreased by 18.5% as compared with last year of RMB476.38 million.

The Group’s gross profit amounted to RMB603.06 million, increased by 5.9% as compared with last year of RMB569.25 million. The Group’s gross profit margin increased from 35.3% to 36.2%.

	Revenue		Gross profit		Gross profit margin	
	2024	2023	2024	2023	2024	2023
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>		
Household waste treatment	<b>318.14</b>	294.58				
Other solid waste treatment	<b>216.52</b>	145.82				
Sale of electricity and steam	<b>741.20</b>	695.02				
	<b>1,275.86</b>	1,135.42	<b>555.15</b>	511.85	<b>43.5%</b>	45.1%
Waste incineration plant construction, sale of equipment and related services	<b>388.26</b>	476.38	<b>47.91</b>	57.40	<b>12.3%</b>	12.0%
	<b>1,664.12</b>	1,611.80	<b>603.06</b>	569.25	<b>36.2%</b>	35.3%

### ***Other income***

The Group recorded other income of RMB79.88 million during the year, decreased by RMB12.97 million as compared with last year of RMB92.85 million. The other income for the year mainly comprised (i) value added tax refund from solid waste treatment business of RMB60.52 million (2023: RMB57.87 million), (ii) interest income of RMB9.75 million (2023: RMB21.58 million) and (iii) government grants of RMB4.22 million (2023: RMB9.55 million).

### ***Other gain and loss and impairment losses under expected credit losses model, net of reversal***

The Group incurred other loss of RMB21.92 million during the year, decreased by RMB27.32 million as compared with last year of RMB49.24 million. The other loss for the year mainly comprised (i) impairment loss on trade receivables of RMB11.83 million (2023: RMB5.01 million); impairment loss of contract assets of RMB6.30 million (2023: Nil) and (iii) net foreign exchange loss of RMB2.42 million (2023: RMB5.97 million). In last year, impairment losses on receivables under service concession arrangements of RMB22.38 million and operating concessions of RMB14.78 million were recognised following the suspension of certain waste treatment facilities.

### ***Administrative expenses***

As the Group's cost control measures are effective, the Group's administrative expenses for the year decreased by 11.6% from RMB195.77 million to RMB173.12 million.

### ***Finance costs***

The Group's finance cost for the year decreased by 31.9% from RMB163.27 million to RMB111.11 million was mainly caused by the lump sum loan repayment to a fellow subsidiary of the Company of RMB800 million in October 2023. The Group's finance cost for the year mainly comprised interests on bank loans of RMB47.95 million (2023: RMB47.33 million), interest on a shareholder loan from Idata Finance Trading Limited ("Idata", the immediate holding company of the Company) of RMB41.67 million (2023: RMB41.21 million) and interests on loans from 北京控股財務集團有限公司 ("BG Finance", a fellow subsidiary of the Company) of RMB21.90 million (2023: RMB27.77 million). Interest on a bank loan of RMB1.90 million (2023: RMB0.09 million) incurred for the construction of a household waste incineration plant was capitalised during the year.

### ***Income tax***

The Group's income tax expense for the year increased by 27.8% from RMB53.62 million to RMB68.55 million. The Group's effective tax rate for the year was 18.2%, compared to 21.1% for the last year.

### **Discontinued Operation**

As abovementioned, the Group disposed of its 51% equity interest in Beikong Ecology 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 segment of the Group was classified as a discontinued operation.

The revenue for the period from the discontinued operation was RMB103.19 million, compared to RMB322.70 million in last year. The loss after tax for the period from the discontinued operation was RMB1.00 million, compared to the profit after tax of RMB1.87 million in last year. The cash consideration for the disposal of the discontinued operation was RMB41.49 million. After deducting the net assets disposed (net of non-controlling interests) of RMB45.42 million, a loss on disposal of RMB3.93 million and an income tax of RMB1.25 million are recognised during the year.

## EBITDA and Profit for the Year

### *From continuing operations, before impairment of assets*

EBITDA for the year was RMB730.84 million, increased by 6.9% or RMB46.91 million as compared with last year of RMB683.93 million. Profit for the year amounted to RMB326.37 million, increased by 30.7% or RMB76.58 million as compared with last year of RMB249.79 million. Profit for the year attributable to shareholders of the Company amounted to RMB307.43 million, increased by 28.9% or RMB68.98 million as compared with last year of RMB238.45 million.

### *From continuing and discontinued operations*

EBITDA for the year was RMB707.67 million, increased by 6.9% or RMB45.54 million as compared with last year of RMB662.13 million. Profit for the year amounted to RMB302.06 million, increased by 49.5% or RMB99.98 million as compared with last year of RMB202.08 million. Profit for the year attributable to shareholders of the Company amounted to RMB286.15 million, increased by 49.9% or RMB95.20 million as compared with last year of RMB190.95 million.

	EBITDA		Profit for the year		Profit attributable to shareholders of the Company	
	2024	2023	2024	2023	2024	2023
	<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	<b>768.64</b>	722.23	<b>405.28</b>	329.68	<b>386.36</b>	318.52
Others segment	<b>(37.15)</b>	(38.30)	<b>(78.91)</b>	(79.56)	<b>(78.93)</b>	(79.74)
	<b>731.49</b>	683.93	<b>326.37</b>	250.12	<b>307.43</b>	238.78
Less: Impairment of assets	<b>(18.13)</b>	(42.16)	<b>(18.13)</b>	(49.91)	<b>(15.79)</b>	(49.16)
	<b>713.36</b>	641.77	<b>308.24</b>	200.21	<b>291.64</b>	189.62
Discontinued operation	<b>(3.08)</b>	20.36	<b>(6.18)</b>	1.87	<b>(5.49)</b>	1.33
	<b>710.28</b>	662.13	<b>302.06</b>	202.08	<b>286.15</b>	190.95

## **FINANCIAL POSITION**

### **Significant investing and financing activities**

During the year, the Group disposed of its 51% equity interest in Beikong Ecology and discontinued its ecological construction services business.

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 year.

### **Total assets and liabilities**

As at 31 December 2024, the Group had total assets and total liabilities amounted to RMB10,009 million and RMB6,092 million, respectively, increased by RMB112 million and decreased by RMB148 million as compared with those as at 31 December 2023, respectively. Net assets of the Group was RMB3,917 million, increased by RMB260 million from the end of last year.

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

Following the disposal of Beikong Ecology, the net carrying amount of the Group's property, plant and equipment decreased by RMB43 million to RMB517 million during the year. The Group's property, plant and equipment mainly comprised those equipped for the Taian Project of RMB484 million, which is operated under the Build-Own-Operate ("BOO") arrangement. During the year, the capital expenditure of the Group amounted to RMB13 million (2023: RMB64 million) and depreciation of RMB38 million (2023: RMB58 million) was recognised in profit or loss.

As the new plant of the Zhangjiagang Project operated under the Build-Operate-Transfer ("BOT") arrangement commenced its operation by 31 December 2023, the old plant of the Zhangjiagang Project operated under the BOO arrangement suspended its operation and its title will be received by the local government. Therefore, 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 RMB1,033 million arose from these acquisitions. The Company has appointed an independent professional valuer to assess the goodwill impairment testing at the end of the reporting period. The recoverable amount of the cash generating unit of the solid waste treatment business has been determined based on its value-in-use, which has been determined based on the future cash flows of the solid waste treatment business and discounted to the present values. The Company considered that the key assumptions adopted by the valuation were reasonably conservative and appropriate. As value-in-use value of the relevant cash generating units exceeded its aggregate carrying amount of the relevant assets, the Company is reasonably considered that no impairment provision is necessary for the Group's goodwill as at 31 December 2024.

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

The Group's right-of-use assets decreased by depreciation of RMB9 million (2023: RMB14 million) to RMB43 million during the year.

### ***Operating concessions***

The Group's operating concessions are recognised from the solid waste incineration plants operated under BOT arrangements. As a result of the construction of the Shiyang Project during the year, the net carrying amount of the Group's operating concessions increased by RMB140 million to RMB2,860 million, of which additions to operating concessions of RMB316 million (2023: RMB148 million) was incurred and amortisation of RMB175 million (2023: RMB165 million) was recognised in profit or loss.

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

During the year, the net carrying amount of the Group's other intangible assets increased by RMB4 million to RMB55 million, which mainly comprised the fair value of the operation rights/licenses of RMB32 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 incineration plants operated under BOT arrangements with guaranteed waste treatment revenue. As a result of the construction of the Shiyao Project during the year, the carrying amount of the Group's receivables under service concession arrangements increased by RMB50 million to RMB2,483 million.

### ***Contract assets***

Following the disposal of Beikong Ecology, the Group's contract assets decreased by RMB297 million to RMB75 million during the year. An impairment loss of RMB6 million (2023: Nil) was recognised during the year.

### ***Inventories***

The Group's inventories mainly represented coal and consumables used for the operation of solid waste incineration plants which was decreased by RMB7 million to RMB36 million during the year.

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

The Group's trade and bills receivables increased by RMB107 million to RMB814 million (net of impairment of RMB38 million) during the year, which comprised receivables (before impairment) from grid electricity of RMB458 million (increased by RMB63 million), waste treatment services of RMB392 million (increased by RMB120 million), construction and related services of RMB2 million (decreased by RMB64 million). An impairment loss of RMB12 million (2023: RMB5 million) was recognised during the year

According to the ageing analysis as at 31 December 2024, mainly represented national subsidy of grid electricity of RMB420 million (52% of the total receivables) are unbilled and invoice date of the Group's trade and bills receivables fall within three months amounted to RMB128 million (16% of the total receivables).

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

The Group's total prepayments, deposits and other receivables decreased by RMB4 million to RMB274 million during the year, which mainly comprised value added tax refund and other taxes recoverable of RMB167 million, prepayments of RMB20 million, balances due from fellow subsidiaries of RMB18 million, deposits and other receivables of RMB69 million.

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

During the year, the Group repaid bank loans of RMB79 million, repaid loans from BG Finance of RMB115 million and advanced new bank loans of RMB378 million. As at 31 December 2024, the Group has total bank and other borrowings amounted to RMB4,581 million, which comprised (i) RMB2,478 million (equivalent to HK\$2,693 million) from Idata, (ii) RMB1,605 million from commercial banks in Chinese Mainland and (iii) RMB498 million from BG Finance. Excluding the loan from Idata which bears interest at 1.7% per annum, the weighted average interest rate of the Group's bank and other borrowings was reduced from approximately 3.6% to 3.3% 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 amortisation of RMB5 million to RMB149 million during the year.

### ***Trade payables***

The Group's trade payables decreased by RMB241 million to RMB619 million during the year and of which the unbilled balance of RMB265 million represented construction monies payable for solid waste incineration plants.

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

The Group's total other payables and accruals decreased by RMB35 million to RMB379 million during the year. Included in other payables and accruals are loan interest payable to Idata of RMB126 million (increased by RMB44 million) and balances due to fellow subsidiaries of RMB99 million (decreased by RMB4 million).

## Liquidity and financial resources

The Group adopts conservative treasury policies in cash management. As at 31 December 2024, the Group had cash and cash equivalents amounted to RMB1,351 million and bank and other borrowings amounted to RMB4,581 million (included the shareholder's loan from Idata of RMB2,478 million).

As at 31 December 2024, the Group has current assets of RMB2,940 million and current liabilities of RMB3,682 million (included the shareholder's loan from Idata of RMB2,478 million). The directors of the Company have given careful consideration to the future liquidity of the Group in light of the fact that its current liabilities exceeded its current assets as at 31 December 2024. In consideration of the stable cash recurring nature of solid waste treatment operations and the undertakings from BEHL and Idata not to demand repayment of the loan due by the Company to Idata until such time when the Group is in a position to repay without impairing its liquidity and financial position, the directors of the Company considered that the Group has sufficient cash resources to finance its operations in the foreseeable future.

## Key performance indicators

	2024	2023
From continuing operations:		
Gross profit margin	36.2%	35.3%
Operating profit margin	29.3%	25.9%
Net profit margin	18.5%	12.4%
Return on average equity	8.4%	5.9%
	<u>2024</u>	<u>2023</u>
Current ratio (times)	0.80	0.74
Debt ratio ( <i>total liabilities/total assets</i> )	60.9%	63.1%
Gearing ratio ( <i>net debt/total equity</i> )	82.9%	88.8%

## **Capital expenditure and commitment**

During the year, the Group's total capital expenditures amounted to RMB338 million and most of which was spent on the construction and modification of waste incineration plants. As at 31 December 2024, the Group has capital commitment for service concession arrangements amounted to RMB11 million.

## **Charges on the Group's assets**

As at 31 December 2024, 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 RMB2,309 million (2023: RMB2,396 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 Company's presentation currency for its consolidated financial statements has been changed from Hong Kong dollars to Renminbi from 1 January 2023. As most of the Group's transactions and assets are denominated and settled in Renminbi, the Board considers that Renminbi is more appropriate as the presentation currency for the Group's consolidated financial statements. During the year, the losses from continuing operations arising on settlement or translation of monetary items of RMB2.42 million (2023: RMB5.97 million) are taken to profit or loss and the net comprehensive loss on translation of foreign operations and the Company's financial statements of RMB2.48 million (2023: income of RMB11.06 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 31 December 2024, indemnities issued to financial institutions for performance bonds in respect of construction and maintenance of waste incineration plants undertaken by subsidiaries amounted to RMB70 million. Save as disclosed herein, the Group did not have any significant contingent liabilities which have not been provided for in the financial statements.

## **EMPLOYEES AND REMUNERATION POLICIES**

Following the disposal of Beikong Ecology during the year, as at 31 December 2024, the Group has 1,166 employees, comparing with 1,248 employees as at 31 December 2023. Total staff cost from continuing operations for the year amounted to RMB285 million, increased by 5.0% as compared with RMB272 million from continuing operations 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, save as disclosed below, the Company has complied with all applicable code provisions (the "Code Provisions") of the Corporate Governance Code as set out in Appendix C1 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") for the year ended 31 December 2024.

- (1) Under Code Provision C.1.6, independent non-executive directors and other non-executive directors should also attend general meetings and develop a balanced understanding of the views of shareholders. However, certain independent non-executive directors of the Company were unable to attend the 2024 annual general meeting of the Company due to other business engagements.
- (2) Under Code Provision C.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. All Directors have confirmed that, following specific enquiry by the Company, they have complied with the required standard set out in the Model Code throughout the year ended 31 December 2024.

## **AUDIT COMMITTEE**

The audit committee of the Company (the “Audit Committee”) comprises three independent non-executive Directors, namely Dr. Huan Guocang (the chairman of the Audit Committee), Dr. Wang Jianping and Dr. Luo Shengqiang. The Audit Committee has reviewed the financial results, financial positions, risk management, internal control, impacts of the new accounting standards and management issues of the Group. The Group’s final results for the year ended 31 December 2024 have been reviewed and approved by the Audit Committee.

## **SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU**

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2024 as set out in the preliminary announcement have been agreed by the Group’s auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the audited consolidated financial statements of the Group for the year as approved by the Board of Directors on 27 March 2025. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

## **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 year.

## **PUBLICATION OF FINANCIAL INFORMATION**

This results announcement is published on the Company’s website ([www.beegl.com.hk](http://www.beegl.com.hk)) and the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)). The 2024 annual report will be published on the websites of the Company and the Stock Exchange 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, 27 March 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.*