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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 2025**

HIGHLIGHTS

- The Group's revenue for the year amounted to RMB1.421 billion, decreased by 14.6% as compared with RMB1.664 billion for the last year.
- EBITDA for the year amounted to RMB683 million, decreased by 3.8% as compared with RMB710 million for the last year.
- Profit for the year attributable to owners of the Company amounted to RMB232 million, decreased by 18.9% as compared with RMB286 million for the last year.
- Earnings per share for the year amounted to RMB15.5 cents (2024: RMB19.1 cents).
- Net assets attributable to owners of the Company as at 31 December 2025 amounted to RMB3.866 billion, increased by 7% as compared with RMB3.613 billion as at 31 December 2024.
- The Board does not recommend the payment of any dividend for the year (2024: 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 2025, together with comparative figures for the last year, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 31 DECEMBER 2025

	<i>NOTES</i>	2025 RMB'000	2024 RMB'000
Continuing operations			
REVENUE	4	1,420,814	1,664,124
Cost of sales		<u>(832,809)</u>	<u>(1,061,065)</u>
Gross profit		588,005	603,059
Other income	6	110,679	79,884
Other gain and loss		(23,207)	(3,793)
Administrative expenses		(188,277)	(173,123)
Impairment losses under expected credit losses model, net of reversal		<u>(7,768)</u>	<u>(18,131)</u>
PROFIT FROM OPERATING ACTIVITIES	7	479,432	487,896
Finance costs	8	<u>(150,432)</u>	<u>(111,112)</u>
PROFIT BEFORE TAX		329,000	376,784
Income tax	9	<u>(75,429)</u>	<u>(68,545)</u>
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS		<u>253,571</u>	<u>308,239</u>
Discontinued operation			
LOSS FOR THE YEAR FROM A DISCONTINUED OPERATION		<u>–</u>	<u>(6,178)</u>
PROFIT FOR THE YEAR		<u>253,571</u>	<u>302,061</u>

	<i>NOTES</i>	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Profit (loss) for the year attributable to owners of the Company:			
– from continuing operations		232,178	291,642
– from the discontinued operation		<u>–</u>	<u>(5,491)</u>
		<u>232,178</u>	<u>286,151</u>
Profit (loss) for the year attributable to non-controlling interests:			
– from continuing operations		21,393	16,597
– from the discontinued operation		<u>–</u>	<u>(687)</u>
		<u>21,393</u>	<u>15,910</u>
		<u><u>253,571</u></u>	<u><u>302,061</u></u>
EARNINGS PER SHARE			
From continuing and discontinued operations			
Basic and diluted (<i>RMB cents</i>)	<i>10</i>	<u><u>15.47</u></u>	<u><u>19.07</u></u>
From continuing operations			
Basic and diluted (<i>RMB cents</i>)	<i>10</i>	<u><u>15.47</u></u>	<u><u>19.43</u></u>

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2025

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Profit for the year	<u>253,571</u>	<u>302,061</u>
Other comprehensive income (expenses)		
<i>Item that may be reclassified to profit or loss:</i>		
Exchange differences on translation of foreign operations	55,579	(39,631)
<i>Item that will not be reclassified to profit or loss:</i>		
Exchange differences on translation from functional currency to presentation currency	<u>(34,728)</u>	<u>37,151</u>
Other comprehensive income (expenses) for the year	<u>20,851</u>	<u>(2,480)</u>
Total comprehensive income for the year	<u>274,422</u>	<u>299,581</u>
Attributable to:		
Owners of the Company	252,936	283,810
Non-controlling interests	<u>21,486</u>	<u>15,771</u>
	<u>274,422</u>	<u>299,581</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

		2025	2024
	<i>NOTES</i>	<i>RMB'000</i>	<i>RMB'000</i>
ASSETS			
Non-current assets:			
Property, plant and equipment		499,430	516,536
Right-of-use assets		33,909	42,652
Goodwill		1,010,296	1,032,747
Operating concessions		2,834,960	2,860,368
Other intangible assets		51,489	55,358
Receivables under service			
concession arrangements	<i>11</i>	2,306,494	2,395,323
Prepayments, deposits and other receivables		219	255
Deferred tax assets		165,910	166,033
		<u>6,902,707</u>	<u>7,069,272</u>
Total non-current assets			
Current assets:			
Contract assets		45,541	74,750
Inventories		30,910	36,132
Receivables under service			
concession arrangements	<i>11</i>	93,075	87,597
Trade and bills receivables	<i>12</i>	910,925	814,184
Prepayments, deposits and other receivables		285,368	273,264
Restricted bank deposits		1,003	1,000
Cash and cash equivalents		1,608,062	1,350,768
		<u>2,974,884</u>	<u>2,637,695</u>
Asset classified as held for sale			
		<u>302,173</u>	<u>302,173</u>
		<u>3,277,057</u>	<u>2,939,868</u>
TOTAL ASSETS		<u>10,179,764</u>	<u>10,009,140</u>

		2025	2024
	<i>NOTES</i>	<i>RMB'000</i>	<i>RMB'000</i>
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital		1,972,895	1,972,895
Reserves		<u>1,893,277</u>	<u>1,640,341</u>
		<u>3,866,172</u>	<u>3,613,236</u>
Non-controlling interests		<u>324,722</u>	<u>303,236</u>
TOTAL EQUITY		<u>4,190,894</u>	<u>3,916,472</u>
Non-current liabilities:			
Bank and other borrowings		1,912,383	1,967,250
Provision for major overhauls		16,737	14,491
Other payables		1,821	9,731
Deferred income		145,727	149,175
Deferred tax liabilities		<u>266,455</u>	<u>269,723</u>
Total non-current liabilities		<u>2,343,123</u>	<u>2,410,370</u>
Current liabilities:			
Trade payables	13	485,456	618,664
Other payables and accruals		467,590	368,835
Bank and other borrowings		2,616,072	2,613,704
Income tax payables		<u>76,629</u>	<u>81,095</u>
Total current liabilities		<u>3,645,747</u>	<u>3,682,298</u>
TOTAL LIABILITIES		<u>5,988,870</u>	<u>6,092,668</u>
TOTAL EQUITY AND LIABILITIES		<u>10,179,764</u>	<u>10,009,140</u>

Notes:

1. GENERAL INFORMATION

Beijing Enterprises Environment Group Limited (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 (“BEGCL”), 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 “Beijing SASAC”).

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 last year.

The functional currency of the Company is Hong Kong Dollars (“HK\$”). For the convenience of the financial statement users, 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 an HKFRS Accounting Standard that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRS Accounting Standards as 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 2025 for the preparation of the consolidated financial statements:

Amendments to HKAS 21	<i>Lack of Exchangeability</i>
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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 Instruments²</i>
Amendments to HKFRS 9 and HKFRS 7	<i>Contracts Referencing Nature-dependent Electricity²</i>
Amendments to HKFRS 10 and HKAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture¹</i>
Amendments to HKFRS Accounting Standards	<i>Annual Improvements to HKFRS Accounting Standards – Volume 11²</i>
Amendments to HKAS 21 HKFRS 18	<i>Translation to a Hyperinflationary Presentation Currency³</i> <i>Presentation and Disclosure in Financial Statements³</i>

¹ *Effective for annual periods beginning on or after a date to be determined*

² *Effective for annual periods beginning on or after 1 January 2026*

³ *Effective for annual periods beginning on or after 1 January 2027*

Except for the new HKFRS Accounting Standards 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. HKFRS 18 requires retrospective application with specific transition provisions. The application of the new standard is not expected to have significant impact on the financial performance and positions of the Group in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the consolidated statement of profit or loss.

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 as 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 RMB368,690,000 as at 31 December 2025. Taking into account the Group’s internal resources and undertakings from BEHL and Idata that, they agreed not to demand for repayment of the loan due to them, amounting to RMB2,423,970,000 until such time when the Group is in a position to repay without impairing its liquidity and financial position, up to 31 March 2027. 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 2025 and 2024 included in this preliminary announcement of annual results 2025 do not constitute the Company’s statutory annual consolidated financial statements for those years but is derived from those consolidated financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

The Company has delivered the financial statements for the year ended 31 December 2024 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance and will deliver the financial statements for the year ended 31 December 2025 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 Hong Kong Companies Ordinance.

Basis of consolidation

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 and other comprehensive income 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.

4. REVENUE

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Continuing operations		
Types of goods or services		
Household waste treatment service income*	336,605	318,143
Hazardous and medical waste treatment service	22,550	22,710
Food waste, leachate, sludge and other treatments service	240,509	193,815
Sales of electricity	722,547	701,017
Sales of steam	64,357	40,180
Waste incineration plant construction and related service*	34,246	364,864
Sale of equipment	—	23,395
	<u>1,420,814</u>	<u>1,664,124</u>

* *Imputed interest income under service concession arrangements during the year amounting to RMB250,413,000 (2024: RMB248,842,000) 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 equipment, 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 during the year ended 31 December 2024. The segment information reported in note 5 does not include any amounts for these discontinued operations.

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 2025 and 2024 and the total assets and total liabilities information as at 31 December 2025 and 2024 regarding the Group's operating segments:

Year ended 31 December 2025/As at 31 December 2025

	Solid waste treatment RMB'000	Others RMB'000	Total RMB'000
Continuing operations			
Segment revenue (<i>note 4</i>)	1,420,814	–	1,420,814
Cost of sales	<u>(832,809)</u>	<u>–</u>	<u>(832,809)</u>
Gross profit	<u>588,005</u>	<u>–</u>	<u>588,005</u>
Profit (loss) from operating activities	507,250	(27,818)	479,432
Finance costs	<u>(63,708)</u>	<u>(86,724)</u>	<u>(150,432)</u>
Profit (loss) before tax	443,542	(114,542)	329,000
Income tax	<u>(75,410)</u>	<u>(19)</u>	<u>(75,429)</u>
Profit (loss) for the year	<u>368,132</u>	<u>(114,561)</u>	<u>253,571</u>
Segment profit (loss) attributable to owners of the Company	<u>346,693</u>	<u>(114,515)</u>	<u>232,178</u>
Segment assets	<u>9,812,628</u>	<u>367,136</u>	<u>10,179,764</u>
Segment liabilities	<u>3,322,463</u>	<u>2,666,407</u>	<u>5,988,870</u>
Other segment information			
Amounts included in the measurement of segment profit or loss:			
Interest income	7,196	2,845	10,041
Written off of contract assets	21,335	–	21,335
Impairment losses under expected credit losses model, net of reversal	7,768	–	7,768
Depreciation of property, plant and equipment	45,944	18	45,962
Depreciation of right-of-use assets	8,743	–	8,743
Amortisation of operating concession	144,114	–	144,114
Amortisation of other intangible assets	4,971	21	4,992
Capital expenditure*	<u>148,866</u>	<u>–</u>	<u>148,866</u>

Year ended 31 December 2024/As at 31 December 2024

	Solid waste treatment <i>RMB'000</i>	Others <i>RMB'000</i>	Total <i>RMB'000</i>
Continuing operations			
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 owners 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>
Other segment information			
Amounts included in the measurement of segment profit or loss:			
Interest income	7,142	2,607	9,749
Impairment losses under expected credit losses model, net of reversal	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>

* *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 without allocation of certain other income, certain other gains and losses, corporate expenses including auditor's remuneration, directors' emoluments, administrative staff costs and depreciation of unallocated corporate assets, certain finance costs and share of results of associates. 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 (2024: 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:

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Continuing operations		
Customer A	211,470	209,303
Customer B	208,767	202,255

6. OTHER INCOME

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i> (Restated)
Continuing operations		
Value added tax refund (<i>note i</i>)	84,710	60,515
Interest income	10,041	9,749
Government grants (<i>note ii</i>)	4,265	4,219
Carbon emissions quota trading income	–	1,781
Others	11,663	3,620
	110,679	79,884

Notes:

- (i) The Group entitles to the value added tax refund upon collection for the electricity generated from waste.
- (ii) 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/(crediting):

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Continuing operations		
Cost of raw materials consumed	61,122	58,037
Cost of waste treatment services rendered ¹	562,158	452,632
Cost of waste incineration plant construction services	32,669	324,652
Cost of equipment sold	–	15,697
Employee benefit expense (including directors' remuneration):		
Wages and salaries	286,442	260,208
Pension scheme contributions (defined contribution scheme) ²	28,209	25,034
	<u>314,651</u>	<u>285,242</u>
Less: Amount capitalised	<u>(1,798)</u>	<u>(7,679)</u>
	<u>312,853</u>	<u>277,563</u>
Depreciation of property, plant and equipment ³	45,962	36,804
Depreciation of right-of-use assets ⁴	8,743	8,764
Lease payments not included in the measurement of lease liabilities	8,806	10,067
Amortisation of operating concessions ⁵	144,114	175,448
Amortisation of other intangible assets ⁵	4,992	4,447
Provision for major overhauls ⁵	1,453	1,276
Written off of contract assets	21,335	–
Impairment of contract assets, net	43	6,304
Impairment of trade and bills receivables, net	8,519	11,827
Reversal of impairment of prepayments, deposits and other receivables, net	<u>(794)</u>	<u>–</u>
	<u>7,768</u>	<u>18,131</u>
Loss on disposal of property, plant and equipment, net	174	92
Loss on disposal of other intangible assets	7	–
Auditor's remuneration	2,594	2,566
Foreign exchange differences, net	<u>(3,616)</u>	<u>2,419</u>

- ¹ The cost of waste treatment services rendered does not include the recognition of government subsidies of RMB2,394,000 (2024: RMB2,635,000) 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.
- ² There is no forfeited contribution that may be used by the Group as the employer to reduce the existing level of contributions.
- ³ Depreciation of property, plant and equipment in a total amount of RMB30,287,000 (2024: RMB33,377,000) is included in “Cost of sales” in the consolidated statement of profit or loss.
- ⁴ Depreciation of right-of-use assets in a total amount of RMB746,000 (2024: RMB746,000) is included in “Cost of sales” in the consolidated statement of profit or loss.
- ⁵ The amortisation of operating concessions and other intangible assets (excluding computer software amounting to RMB2,338,000 (2024: RMB2,612,000) 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.

8. FINANCE COSTS

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

	2025 <i>RMB’000</i>	2024 <i>RMB’000</i>
Continuing operations		
Interest on bank and other borrowings	150,027	111,547
Interest on lease liabilities	464	791
	<hr/>	<hr/>
Total interest expenses	150,491	112,338
<i>Less: Interest capitalised*</i>	(852)	(1,901)
	<hr/>	<hr/>
	149,639	110,437
Other finance costs:		
Increase in discounted amounts of provision for major overhauls arising from the passage of time	793	675
	<hr/>	<hr/>
	150,432	111,112
	<hr/> <hr/>	<hr/> <hr/>

* *Interest expenses capitalised during both years arose on the specific borrowing pool.*

9. INCOME TAX

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Continuing operations		
Current – Chinese Mainland		
Charge for the year	78,574	65,596
Underprovision in prior years	–	1,850
	<u>78,574</u>	<u>67,446</u>
Deferred	<u>(3,145)</u>	<u>1,099</u>
Total tax charge for the year	<u><u>75,429</u></u>	<u><u>68,545</u></u>

No provision for Hong Kong profits tax has been made for the years ended 31 December 2025 and 2024 as the Group did not generate any assessable profits arising in Hong Kong. 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. EARNINGS PER SHARE

From continuing operations

The calculation of the basic earnings per share amount from continuing operations for the year ended 31 December 2025 is based on the profit for the year from continuing operations attributable to owners of the Company of RMB232,178,000 (2024: RMB291,642,000), and 1,500,360,150 (2024: 1,500,360,150) weighted average number of ordinary shares during the year.

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 2025 is based on the profit for the year from continuing and discontinued operations attributable to owners of the Company of RMB232,178,000 (2024: RMB286,151,000), and 1,500,360,150 (2024: 1,500,360,150) weighted average number of ordinary shares during the year.

From discontinued operations

The calculation of the basic loss per share amount from the discontinued operation for the year ended 31 December 2024 was based on the loss for the year from the discontinued operation attributable to shareholders of the Company of RMB5,491,000, and 1,500,360,150 weighted average number of ordinary shares during that year.

There are no potentially dilutive ordinary shares in issue during the year ended 31 December 2024.

11. RECEIVABLES UNDER SERVICE CONCESSION ARRANGEMENTS

An ageing analysis of the Group's receivables under service concession arrangements as at the end of the reporting period, based on the invoice date and net of impairment, is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Receivables under service concession arrangements	2,399,569	2,482,920
Current portion	<u>(93,075)</u>	<u>(87,597)</u>
Non-current portion	<u><u>2,306,494</u></u>	<u><u>2,395,323</u></u>

12. TRADE AND BILLS RECEIVABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade receivables	952,564	843,361
Bills receivables	<u>4,674</u>	<u>8,617</u>
	957,238	851,978
<i>Less: Allowance for credit losses</i>	<u>(46,313)</u>	<u>(37,794)</u>
	<u>910,925</u>	<u>814,184</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:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Billed:		
Within 3 months	153,635	127,504
4 to 6 months	100,677	86,769
7 to 12 months	92,745	69,016
1 to 2 years	75,164	40,208
2 to 3 years	25,699	47,515
Over 3 years	<u>53,249</u>	<u>22,714</u>
	501,169	393,726
Unbilled*	<u>409,756</u>	<u>420,458</u>
	<u>910,925</u>	<u>814,184</u>

* *The unbilled balance represents entitlements to renewable energy tariff subsidies from the sale of electricity. It is satisfied when control of the asset is transferred to the customer, generally when the customer obtains the physical possession or the legal title of the electricity, steam and/or equipment and the Group has the present right to payment and the collection of the consideration is probable.*

13. 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:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Billed:		
Less than 3 months	158,272	148,039
4 to 6 months	3,175	56,193
7 to 12 months	8,109	27,532
Over 1 year	<u>85,846</u>	<u>122,116</u>
	255,402	353,880
Unbilled*	<u>230,054</u>	<u>264,784</u>
	<u>485,456</u>	<u>618,664</u>

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

Notes:

- (a) Included in the Group's trade payables is an amount of RMB22,466,000 (2024: RMB21,733,000) due to a non-controlling interest 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.

14. OTHER FINANCIAL INFORMATION

The net current liabilities and total assets less current liabilities of the Group as at 31 December 2025 amounted to RMB368,690,000 (2024: RMB742,430,000) and RMB6,534,017,000 (2024: RMB6,326,842,000), respectively.

DIVIDEND

The Board does not recommend the payment of any dividend in respect of the year (2024: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

In 2025, the Group operated eleven solid waste treatment projects in Chinese Mainland, including ten household waste incineration power generation projects and a hazardous and medical waste treatment project. The Group's daily treatment capacity of household waste incineration was 13,400 tonnes.

Project Name	Province	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	2,025
Chaoyang 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)	Hubei	BOT	600
Qidong Project (祁東縣生活垃圾焚燒發電項目)	Hunan	Contractual operation	400
Wenchang Project (文昌市生活垃圾焚燒發電廠項目)#	Hainan	BOT	225
Hazardous and medical waste treatment project:			
Hengyang Project (湖南省衡陽危險廢物處置中心項目)	Hunan	BOT	

suspended in operation

Amid the backdrop of retarding growth in the domestic waste incineration power generation business, the Group faces multiple challenges, including insufficient waste supply, reducing national subsidies, overdue payments from local government authorities, and increasingly stringent environmental regulations. By deeply advancing its cost reduction and efficiency enhancement strategy and facilitating connotation development, the Group effectively safeguarded its overall profitability by focusing on both improving asset quality and optimising operational profits.

In 2025, the Group prioritised refining management in the waste incineration power generation business. The fundamentals of its existing businesses continued to show a steady and positive trend, with operating revenue achieving stable growth. Significant breakthroughs were made in key areas, with increases in waste intake volume, on-grid electricity, and expansion of diversified businesses.

In 2025, the volume of household waste intake reached 4.5859 million tonnes, a year-on-year increase of 5.0%. Electricity generation reached 1.805 billion kWh, a year-on-year increase of 4.4%. On-grid electricity reached 1.498 billion kWh, a year-on-year increase of 3.4%. The volume of coordinated sludge treatment reached 601,900 tonnes, a year-on-year increase of 6.3%. The volume of outward steam supply reached 339,100 tonnes, a year-on-year increase of 48.4%, demonstrating a rapid growth trend. What particularly noteworthy is the stable development of diversified businesses had effectively propelled the optimisation of the Group's profit structure, injecting new momentum into profit growth. This, in turn, further consolidated the Company's operational foundation and enhanced its market stability and competitiveness.

Cementing the “stable” development layout – In a complex market environment, the Group achieved revenue of RMB1,421 million for the year, a decrease of RMB243 million or 14.6% year-on-year. Among this, revenue from existing operational projects amounted to RMB1,387 million, an increase of 8.7% year-on-year. Total profit for the year amounted to RMB329 million, a decrease of RMB48 million or 12.7% year-on-year. This was primarily attributable to the significant reduction in construction revenue during the year following the completion and commissioning of the Shiyuan BOT project at the beginning of the year, of which the construction revenue amounting to RMB34 million, a decrease of 91.2% year-on-year. Net cash inflow from operating activities for the year was RMB545 million, a year-on-year increase of 35.9%. Overall, the operational profitability of existing projects maintained a certain level of resilience, particularly with the continuous improvement in cash flow. This reflects the significant results achieved in reducing costs and increasing revenue from existing businesses, providing solid cash flow support for the operations, and successfully achieving the annual “stable development” target.

Maintaining the “superior” development momentum – During the “14th Five-Year Plan” period, both total R&D investment and investment intensity showed a year-on-year growth trend. In 2025, R&D investment exceeded RMB71 million, a year-on-year increase of 15.2%, with a cumulative total of 37 patents granted, of which 12 are invention patents. Throughout the year, the Group achieved zero safety incidents and had fully complied with all environmental emission standards. Furthermore, its subsidiaries frequently received provincial and municipal-level accolades in the innovation and management fields.

PROSPECT

The year 2026 marks the beginning of the “15th Five-Year Plan”. Facing the severe challenges of a shrinking incremental market, intensifying competition for existing assets, and prominent cash flow pressures, the Group adheres to the overarching principle of “pursuing progress while ensuring stability, improving quality and efficiency, and forging ahead towards innovation”. The focus of our work has comprehensively shifted towards “value creation and risk prevention and control”, unwaveringly concentrating on profits, rigorously pursuing receivables recovery, stringently controlling costs, unlocking existing assets potential, and actively exploring new ventures. The Company’s resources must be further directed towards cost reduction, efficiency enhancement, and cash flow improvement in its core principal businesses. Concurrently, we will actively explore emerging industries, continuously enhance the Group’s core competitiveness to achieve high-quality sustainable development.

FINANCIAL REVIEW

Continuing Operations

Revenue and gross profit

During the year, the Group recorded revenue of RMB1,420.81 million, decreased by 14.6% as compared with last year of RMB1,664.12 million. The revenue derived from the solid waste treatment and the sale of electricity and steam amounted to RMB1,386.56 million, increased by 8.7% as compared with last year of RMB1,275.86 million. The revenue derived from the solid waste incineration plant construction, sale of equipment and related services amounted to RMB34.25 million, decreased by 91.2% as compared with last year of RMB388.26 million.

The Group’s gross profit amounted to RMB588.01 million, decreased by 2.5% as compared with last year of RMB603.06 million. The Group’s gross profit margin increased from 36.2% to 41.4%.

	Revenue		Gross profit		Gross profit margin	
	2025	2024	2025	2024	2025	2024
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>		
Household waste treatment	336.60	318.14				
Other solid waste treatment	263.06	216.52				
Sale of electricity and steam	786.90	741.20				
	1,386.56	1,275.86	586.43	555.15	42.3%	43.5%
Waste incineration plant construction, sale of equipment and related services	34.25	388.26	1.58	47.91	4.6%	12.3%
	1,420.81	1,664.12	588.01	603.06	41.4%	36.2%

Other income

The Group recorded other income of RMB110.68 million during the year, increased by RMB30.80 million as compared with last year of RMB79.88 million. The other income for the year mainly comprised (i) value added tax refund from solid waste treatment business of RMB84.71 million (2024: RMB60.52 million), (ii) interest income of RMB10.04 million (2024: RMB9.75 million) and (iii) government grants of RMB4.27 million (2024: RMB4.22 million).

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

The Group incurred other loss, net of RMB30.97 million during the year, increased by RMB9.05 million as compared with last year of RMB21.92 million. The other loss, net for the year mainly comprised (i) impairment losses on trade receivables of RMB8.52 million (2024: RMB11.83 million), (ii) written off of and impairment losses on contract assets of RMB21.38 million (2024: RMB6.30 million) and (iii) net foreign exchange gain of RMB3.62 million (2024: loss of RMB2.42 million).

Administrative expenses

In line with the growth of revenue derived from the solid waste treatment and the sale of electricity and steam, the Group's administrative expenses for the year increased by 8.8% from RMB173.12 million to RMB188.28 million.

Finance costs

The Group's finance cost for the year increased by 35.4% from RMB111.11 million to RMB150.43 million was mainly caused by the adjustment of interest rate on a loan (the "Shareholder's Loan") from Idata Finance Trading Limited ("Idata", the immediate holding company of the Company) from 1.7% to 3.5% by reference to the market rate. The Group's finance cost for the year mainly comprised interests on the Shareholder's Loan of RMB86.72 million (2024: RMB41.67 million), bank loans of RMB45.07 million (2024: RMB47.95 million), loans from 北京控股財務集團有限公司 ("BG Finance", a fellow subsidiary of the Company) of RMB18.17 million (2024: RMB21.90 million). Interest on a bank loan of RMB0.85 million (2024: RMB1.90 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 10.0% from RMB68.55 million to RMB75.43 million. The Group's effective tax rate for the year was 22.3%, compared to 18.2% for the last year.

EBITDA and Profit for the Year

Resulting from the substantial decrease in construction works on new solid waste incineration plant and the increase in finance costs during the year, the Group's EBITDA for the year was RMB683.24 million, decreased by 3.8% or RMB27.04 million as compared with last year of RMB710.28 million. Profit for the year amounted to RMB253.57 million, decreased by 16.1% or RMB48.49 million as compared with last year of RMB302.06 million. Profit for the year attributable to shareholders of the Company amounted to RMB232.18 million, decreased by 18.9% or RMB53.97 million as compared with last year of RMB286.15 million.

	EBITDA		Profit for the year		Profit attributable to shareholders of the Company	
	2025	2024	2025	2024	2025	2024
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
Continuing operations						
Solid waste treatment segment	711.02	750.51	368.13	387.15	346.70	370.57
Others segment	(27.78)	(37.15)	(114.56)	(78.91)	(114.52)	(78.93)
	683.24	713.36	253.57	308.24	232.18	291.64
Discontinued operation	-	(3.08)	-	(6.18)	-	(5.49)
	683.24	710.28	253.57	302.06	232.18	286.15

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 year.

Total assets and liabilities

As at 31 December 2025, the Group had total assets and total liabilities amounted to RMB10.180 billion and RMB5.989 billion, respectively, increased by RMB171 million and decreased by RMB104 million as compared with those as at 31 December 2024, respectively. Net assets of the Group was RMB4.191 billion, increased by RMB275 million from the end of last year.

Property, plant and equipment

The net carrying amount of the Group's property, plant and equipment decreased by RMB17 million to RMB499 million during the year. The Group's property, plant and equipment mainly comprised those equipped for the Taian Project of RMB449 million, which is operated under the Build-Own-Operate ("BOO") arrangement. During the year, the capital expenditure of the Group amounted to RMB29 million (2024: RMB13 million) and depreciation of RMB46 million (2024: RMB38 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 RMB1,010 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 2025.

Right-of-use assets

The Group's right-of-use assets decreased by depreciation of RMB9 million (2024: RMB9 million) to RMB34 million during the year.

Operating concessions

The Group's operating concessions are recognised from the solid waste incineration plants operated under BOT arrangements. During the year, the net carrying amount of the Group's operating concessions decreased by RMB25 million to RMB2,835 million, of which additions to operating concessions of RMB119 million (2024: RMB316 million) was incurred and amortisation of RMB144 million (2024: RMB175 million) was recognised in profit or loss.

Other intangible assets

During the year, the net carrying amount of the Group's other intangible assets decreased by RMB4 million to RMB51 million, which mainly comprised the fair value of the operation rights and licenses of RMB30 million and computer software of RMB21 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 year, the carrying amount of the Group's receivables under service concession arrangements decreased by RMB83 million to RMB2,400 million.

Contract assets

The Group's contract assets decreased by RMB29 million to RMB46 million 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 RMB5 million to RMB31 million during the year.

Trade and bills receivables

The Group's trade and bills receivables increased by RMB97 million to RMB911 million (net of impairment of RMB46 million) during the year, which comprised receivables (before impairment) from grid electricity of RMB448 million (decreased by RMB9 million), household waste treatment services of RMB262 million (increased by RMB46 million), other waste treatment services of RMB223 million (increased by RMB47 million), construction and related services of RMB24 million (increased by RMB22 million). An impairment loss of RMB9 million (2024: RMB12 million) was recognised during the year.

According to the ageing analysis as at 31 December 2025, mainly represented national subsidy of grid electricity of RMB410 million (45% of the total receivables) are unbilled and invoice date of the Group's trade and bills receivables fall within three months amounted to RMB154 million (17% of the total receivables).

Prepayments, deposits and other receivables

The Group's total prepayments, deposits and other receivables increased by RMB12 million to RMB286 million during the year, which mainly comprised value added tax refund and other taxes recoverable of RMB148 million, prepayments of RMB21 million, balances due from fellow subsidiaries of RMB20 million, deposits and other receivables of RMB97 million.

Bank and other borrowings

During the year, the Group advanced bank loans and borrowings from BG Finance of RMB152 million and RMB606 million, respectively, and repaid bank loans and borrowings from BG Finance of RMB681 million and RMB76 million, respectively. As at 31 December 2025, the Group has total bank and other borrowings amounted to RMB4,528 million, which comprised (i) the Shareholder's Loan of HK\$2,693 million (equivalent to RMB2,424 million), (ii) RMB1,077 million from commercial banks in Chinese Mainland and (iii) RMB1,028 million from BG Finance. Excluding the Shareholder's Loan which bears interest at 3.5% per annum, the weighted average interest rate of the Group's bank and other borrowings was reduced from approximately 3.3% to 2.7% 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 RMB3 million to RMB146 million during the year.

Trade payables

The Group's trade payables decreased by RMB133 million to RMB485 million during the year and of which the unbilled balance of RMB230 million represented construction monies payable for solid waste incineration plants.

Other payables and accruals

The Group's total other payables and accruals increased by RMB91 million to RMB469 million during the year. Included in other payables and accruals are interest on the Shareholder's Loan of RMB208 million (increased by RMB82 million) and balances due to fellow subsidiaries of RMB100 million (increased by RMB1 million).

Liquidity and financial resources

The Group adopts conservative treasury policies in cash management. As at 31 December 2025, the Group had cash and cash equivalents amounted to RMB1,608 million and bank and other borrowings amounted to RMB4,528 million (included the Shareholder's Loan in equivalent of RMB2,424 million).

As at 31 December 2025, the Group has current assets of RMB3,277 million and current liabilities of RMB3,646 million (included the Shareholder's Loan in equivalent of RMB2,424 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 2025. 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

	2025	2024
From continuing operations:		
Gross profit margin	41.4%	36.2%
Operating profit margin	33.7%	29.3%
Net profit margin	17.8%	18.5%
Return on average equity	<u>6.3%</u>	<u>8.2%</u>
	2025	2024
Current ratio (<i>times</i>)	0.90	0.80
Debt ratio (<i>total liabilities/total assets</i>)	58.8%	60.9%
Gearing ratio (<i>net debt/total equity</i>)	<u>69.8%</u>	<u>82.9%</u>

Capital expenditure and commitment

During the year, the Group's total capital expenditures amounted to RMB149 million and most of which was spent on the construction and modification of waste incineration plants. The Group has no material capital commitment as at 31 December 2025.

Charges on the Group's assets

As at 31 December 2025, save as certain solid waste treatment concession rights of the Group, which comprises operating concessions and receivables under service concession arrangements with an aggregate net carrying amount of RMB1,772 million (2024: RMB2,309 million), which are managed by the Group pursuant to the relevant service concession arrangements signed with the grantors, the Group did not have any material charges on the Group's assets.

Foreign exchange exposure

The functional currency of the Company is Hong Kong Dollars. As most of the Group's transactions and assets are denominated and settled in Renminbi, for the convenience of the financial statement users, the presentation currency of the Group's consolidated financial statements is Renminbi. During the year, the profit from continuing operations arising on settlement or translation of monetary items of RMB3.62 million (2024: loss of RMB2.42 million) are recognised in profit or loss and the net comprehensive income on translation of foreign operations and from functional currency to presentation currency of RMB20.85 million (2024: expenses of RMB2.48 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 2025, indemnity issued to a financial institution for a performance bond in respect of operation undertaken by a subsidiary amounted to RMB30 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

As at 31 December 2025, the Group has 1,241 employees, comparing with 1,166 employees as at 31 December 2024. Total staff cost from continuing operations for the year amounted to RMB315 million, increased by 10.3% as compared with RMB285 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 (the “Listing Rules”) for the year ended 31 December 2025.

- (1) Under Code Provision C.1.6, independent non-executive directors and other non-executive directors should also attend general meetings and develop a balanced understanding of the views of shareholders. However, certain independent non-executive directors of the Company were unable to attend the 2024 annual general meeting of the Company due to other business engagements.
- (2) Under Code Provision C.2.1, the roles of chairman and chief executive should be separate and should not be performed by the same individual. For the period from 1 January 2025 to 26 March 2025, Mr. Chen Xinguo assumed the positions of Chairman of the Board and Chief Executive Officer. The Board considered that such arrangement can bring benefits to the Company’s business development and management at such period, and will not impair the balance of power and authority between the Board and the management of the Company. With effect from 27 March 2025, Mr. Li Ai replaced Mr. Chen Xinguo and assumed the position of Chief Executive Officer.
- (3) Under Code Provision C.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.

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 2025.

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 2025 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 of loss, consolidated statement of comprehensive income, and the related notes thereto for the year ended 31 December 2025 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 25 March 2026. 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) and the website of the Stock Exchange (www.hkexnews.hk). The 2025 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, 25 March 2026

As at the date of this announcement, the board of directors of the Company comprises five executive directors, namely Mr. Chen Xinguo, Mr. Li Ai, Ms. Li Yining, Ms. Liu Li 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.