



# 北京控股環境集團有限公司

BEIJING ENTERPRISES ENVIRONMENT GROUP LIMITED

(Stock Code 154)

Annual Report **2025**



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## CORPORATE INFORMATION

### BOARD OF DIRECTORS

#### Executive directors:

Mr. CHEN Xinguo (*Chairman*)  
Mr. LI Ai (*Chief Executive Officer*)  
Ms. LI Yining  
Ms. LIU Li  
Mr. NG Kong Fat, Brian

#### Independent non-executive directors:

Dr. HUAN Guocang  
Dr. WANG Jianping  
Mr. CHEUNG Ming  
Ms. MIAO Li  
Dr. LUO Shengqiang

### AUDIT COMMITTEE

Dr. HUAN Guocang (*Committee Chairman*)  
Dr. WANG Jianping  
Dr. LUO Shengqiang

### REMUNERATION COMMITTEE

Ms. MIAO Li (*Committee Chairman*)  
Dr. HUAN Guocang  
Dr. WANG Jianping  
Mr. CHEN Xinguo

### NOMINATION COMMITTEE

Mr. CHEN Xinguo (*Committee Chairman*)  
Dr. HUAN Guocang  
Dr. WANG Jianping

### COMPANY SECRETARY

Mr. WONG Kwok Wai, Robin

### AUTHORISED REPRESENTATIVES

Mr. NG Kong Fat, Brian  
Mr. WONG Kwok Wai, Robin

### REGISTERED OFFICE

66th Floor, Central Plaza  
18 Harbour Road  
Wanchai  
Hong Kong

### WEBSITE

<http://www.beegl.com.hk>

### STOCK CODE

154

### SHARE REGISTRAR

Tricor Investor Services Limited  
17/F, Far East Finance Centre  
16 Harcourt Road  
Hong Kong

### AUDITOR

Deloitte Touche Tohmatsu  
*Certified Public Accountants*  
*Registered Public Interest Entity Auditor*

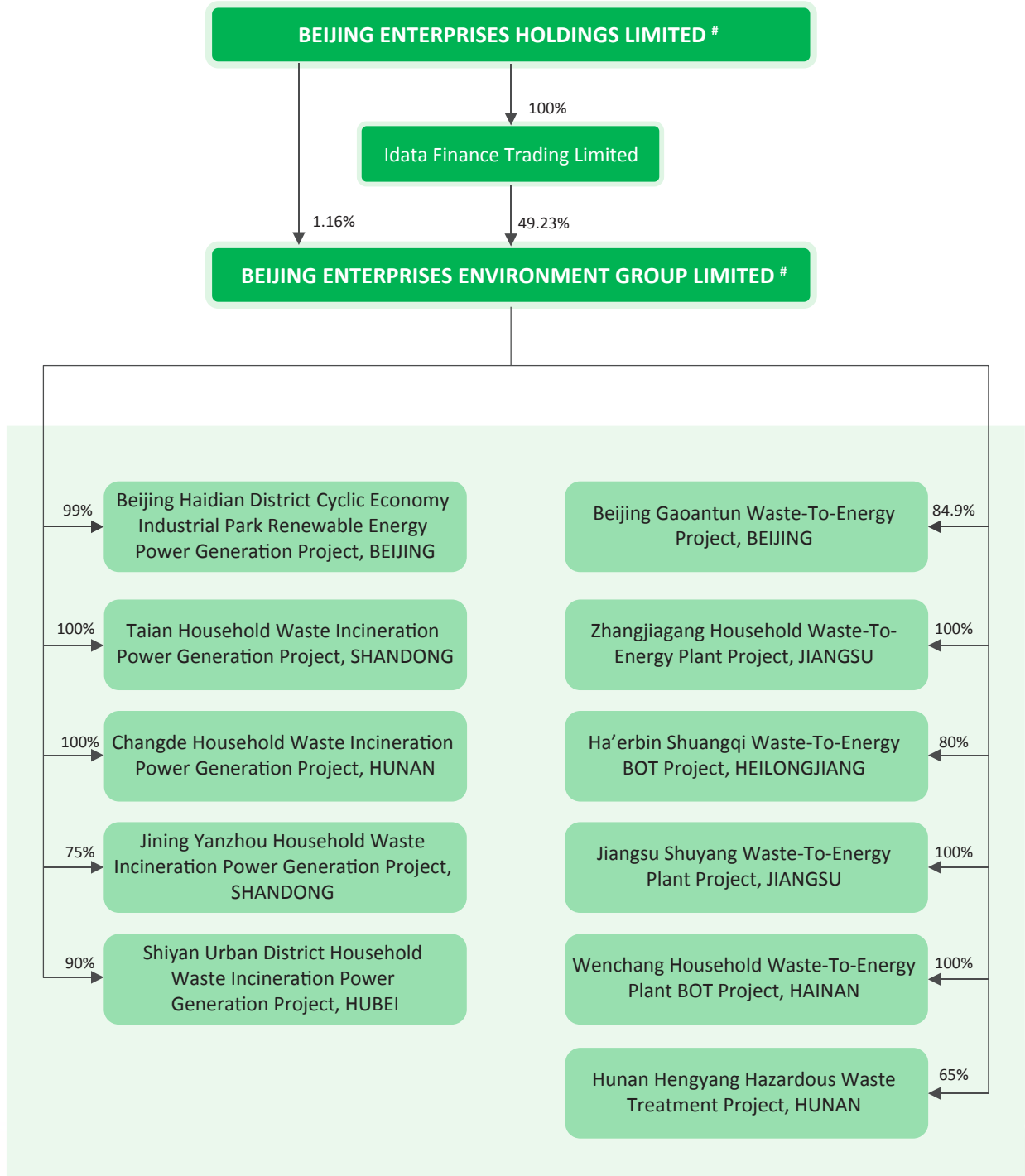
### PRINCIPAL BANKERS

**In Hong Kong:**  
Bank of China (Hong Kong)

**In Chinese Mainland:**  
Agricultural Bank of China  
Bank of Beijing  
Bank of China  
China Construction Bank  
China Minsheng Bank  
Huaxia Bank  
Industrial Bank

# CORPORATE STRUCTURE

25 March 2026

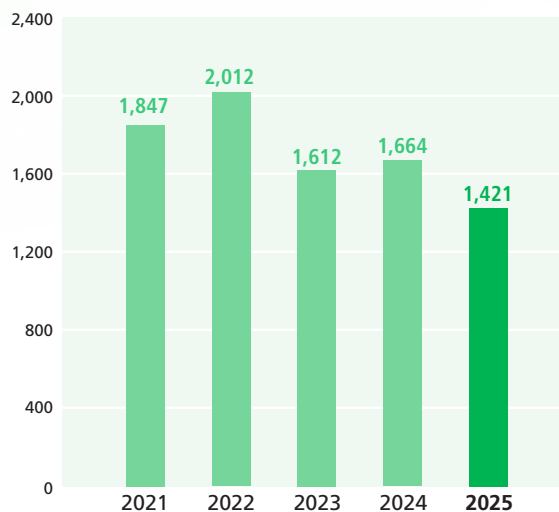


# Listed on the Main Board of The Stock Exchange of Hong Kong Limited

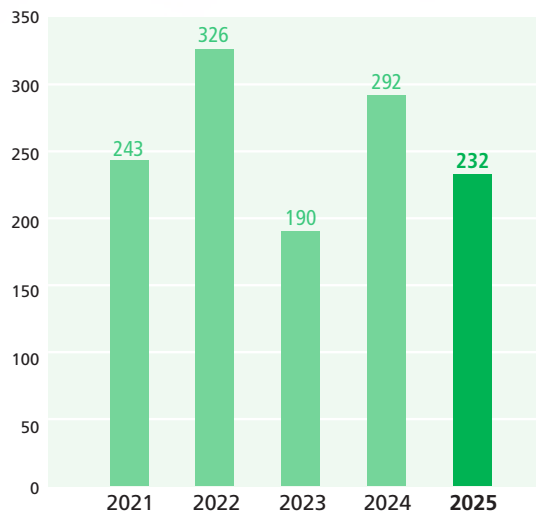
# FINANCIAL HIGHLIGHTS

(in RMB million)

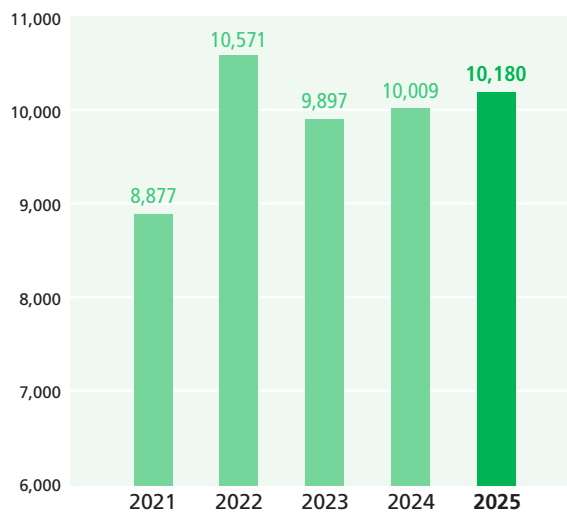
**Revenue from Continuing Operations**



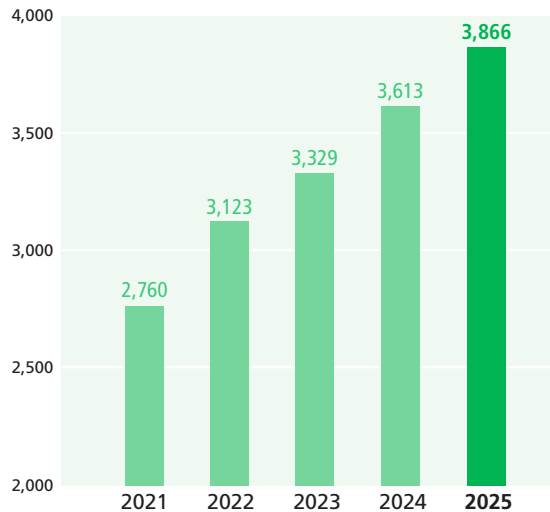
**Profit for the Year from Continuing Operations Attributable to Owners of the Company**



**Total Assets**



**Owners' Equity**



## CHAIRMAN'S STATEMENT

**As time progresses, new chapters unfold.** Unveiling the new chapter 2026 and looking back into 2025, we have gained more profound appreciation of our environmentally-friendly business, because it is not only an ecological practice to safeguard lucid waters and lush mountains, but also a mission of our era to facilitate sustainable social development and enhance people's wellbeing. The year 2025 was pivotal for the nation's full commitment to driving the green and low-carbon transition, with high-quality development becoming the defining theme of the new era. Guided by the "dual carbon" goals, the environmental protection industry is undergoing profound changes, shifting from end-of-pipe treatment towards circular use and the synergistic enhancement of pollution reduction and carbon emission cuts. As a key player in the domestic environmental protection industry, Beijing Enterprises Environment Group Limited (the "Company") has consistently aligned itself with national strategies, deeply integrated into the broader industry development landscape. Through our expertise, we safeguard lucid waters and lush mountains. Also through our responsibility, we practice sustainable development, striving to be a steadfast advocate and practitioner in building a Beautiful China.

Over the past year, by upholding our philosophy of "Environmentally-friendly Priority, Mutual Win and Sharing" and closely focusing on the core operational theme of "Management Improvement, Cost Reduction and Efficiency Enhancement", we have honed our core capabilities amid challenges, forged new paths and consolidated foundation amidst changes, thereby achieved robust and sustainable development.

**In 2025, we upheld our bottom line, illuminated our brand, and shouldered our environmental responsibilities.** Facing a complex and volatile macro environment and intense adjustments in the industry cycle, we unwaveringly advanced our strategic layout and are currently operating 10 waste incineration power generation projects and 1 hazardous and medical waste treatment project. For the full year, we achieved electricity generation of 1.8 billion kWh, equivalent to saving approximately 727,000 tonnes of standard coal. We completed the trading of approximately 200,000 green certificates, generating revenue of about RMB736,000. More importantly, we have consistently given priority to safety and compliance, achieving zero safety incidents throughout the year and fully meeting all environmental emission standards, thereby protecting our clean land and blue sky through concrete actions.

**In 2025, we meticulously managed our finances, deeply explored potential, and enhanced our operational cash flow generation capabilities.** Facing multiple challenges such as contracting revenue from the construction business, reductions in national subsidies, and increasingly stringent environmental requirements, we leveraged refined management as a key tool to continuously promote cost reduction and efficiency enhancement in our existing businesses. For the full year, the volume of waste intake increased by 5.0% year-on-year, and on-grid electricity grew by 3.4% year-on-year, with our notable diversified synergistic businesses showing rapid growth, and demonstrating strong operational resilience. Concurrently, we successfully completed debt refinancing for some projects, effectively optimising our financial structure, alleviating funding pressures, and accumulating our strengths for future development.

**In 2025, we controlled risks and established robust systems to ensure steady operation of the Company.** We established supervision and risk prevention and control mechanisms, building a strong barrier against risks. Through coordinated fund management and financing innovation, we continuously improved our cash flow, achieving a 36% year-on-year increase in operating cash flow for the full year. At the same time, we made every effort to tackle underperforming assets, effectively mitigating potential operational risks.

## CHAIRMAN'S STATEMENT *(CONTINUED)*

**In 2025, we enhanced efficiency, moulded our team, and stimulated the vibrancy for entrepreneurship and achievement.** Talents are primary resources for corporate development. We continuously advanced the upgrading of our cadre and talent management, strengthened comprehensive compensation incentives and performance orientation, fully completed the signing of the “two letters and one agreement” for the tenure-based contractual management of managerial cadres, and established and improved our organisational and institutional management regimes and incentive mechanisms. By promoting job rotations for key positions and secondment assignments for cadres, we constantly optimised our talent development pathways, inspiring all employees to realise their value through hard work and achieve successes through dedication.

**Looking ahead to 2026, as the inaugural year of the “15th Five-Year Plan”, the industry has fully entered an era where existing assets quality determine success.** Overcapacity, subsidy reductions, and fiscal pressures remain real challenges, but new tracks such as green power, carbon trading, and integrated urban services are rapidly emerging, where opportunities and challenges coexist. We must possess a clear mind, take initiative, embrace change, and seize opportunities amidst the evolving landscape. We will advance self-reformation with greater determination, demonstrate development results through solid performance growth and strong key indicators, and collectively steer the Company towards a new stage of higher-quality development.

In the new year, we will centre on “value creation”, steadfast the principles of pursuing progress while ensuring stability, improving quality and efficiency, and forging ahead towards innovation. We shall focus on core responsibilities and principal businesses, deepen efficiency enhancement and revenue generation; actively prevent and mitigate risks in key areas; vigorously explore markets and cultivate new growth drivers; and unite our efforts to strengthen team building and activate organisational effectiveness. We will comprehensively enhance core competitiveness, go all out to make a good start and set a strong momentum for the “15th Five-Year Plan”, laying a solid foundation for our development.

Standing at a new historical starting point, our mission is paramount, and our responsibility is significant. The Company will overcome difficulties, seize opportunities, and strive to become an industry model of high-quality and sustainable development, creating greater value for our shareholders and contributing a better environment for society!

**CHEN XINGUO**

*Chairman*

Hong Kong  
25 March 2026

# 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) <sup>#</sup>	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	

<sup>#</sup> 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.

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

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 Shiyan 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.

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

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

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### 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 owners 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 owners of the Company	
	2025 RMB million	2024 RMB million	2025 RMB million	2024 RMB million	2025 RMB million	2024 RMB million
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

## MANAGEMENT DISCUSSION AND ANALYSIS *(CONTINUED)*

### 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.

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### ***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.

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

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

## MANAGEMENT DISCUSSION AND ANALYSIS *(CONTINUED)*

### 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.

# BIOGRAPHICAL INFORMATION OF DIRECTORS AND SENIOR MANAGEMENT

## EXECUTIVE DIRECTORS

**Mr. CHEN Xinguo**, aged 58, is the Chairman of the Company and concurrently a Vice President of Beijing Enterprises Holdings Limited (“BEHL”, stock code: 392). Mr. Chen is a PRC Senior Economist, graduated from the Department of Industrial Economics and Planned Economics of Renmin University of China and obtained a doctoral degree in economics from Renmin University of China. Prior to joining the Company, Mr. Chen was an officer and a Deputy Commissioner of Beijing Planning Committee and Beijing Development and Planning Committee from 1994 to 2003. From 2003 to 2021, Mr. Chen was an assistant manager of the investment department of Beijing Holdings Limited, a manager of the strategic development department of Beijing Enterprises Group Company Limited (“BEGCL”), a Deputy General Manager of Beijing Gas Group Company Limited and Beijing Beiran Enterprise Company Limited and an Executive Director (2013 to 2015) and a Vice President (2013 to July 2021) of China Gas Holdings Limited (stock code: 384). Mr. Chen has substantial experience in business management and development. Mr. Chen was appointed as the Chief Executive Officer, an Executive Director and the Chairman of the Company in August 2021, October 2021 and February 2024 successively. Mr. Chen resigned as the Chief Executive Officer of the Company on in March 2025.

**Mr. LI Ai**, aged 47, is the Chief Executive Officer of the Company. Mr. Li is a PRC practising lawyer, obtained a bachelor’s degree in law in the PRC in 2001, a master’s degree in law from the Faculty of Law of the University of Wollongong, Australia in 2008 and a PhD degree in management science and engineering from the University of Chinese Academy of Sciences in 2024. Prior to joining the Company, Mr. Li worked in the State-owned Assets Supervision and Administration Commission of the Beijing Municipal People’s Government (“Beijing SASAC”) from 2009 to 2017, and successively served as the Vice President and General Manager of the Western Region of Beijing Enterprises Water Group Limited (“BE Water Group”, stock code: 371) from 2017 to 2023. Mr. Li has extensive experience in the development of state-owned enterprises, corporate operations, risk management, etc. Mr. Li was appointed as an Executive Director and a Vice President of the Company in February 2024 and the Chief Executive Officer of the Company in March 2025.

**Ms. SHA Ning**, aged 55, is a PRC Chief Senior Accountant, graduated from the Business and Economics Faculty of Heilongjiang Institute of Commerce in 1992, studied Accounting in Beijing School of Business and Capital University of Economics and Business and obtained an EMBA degree from The Hong Kong University of Science and Technology. Ms. Sha joined BEHL in 2001 and has accumulated extensive experience in financial management. Ms. Sha joined the Company in March 2009 and was appointed as an Executive Director of the Company in August 2010. Ms. Sha has held the positions of a Vice President of BEHL and an Executive Director of BE Water Group. Ms. Sha has been resigned from the Company in December 2025.

**Mr. YU Jie**, aged 55, is the chairman of labour union of BEHL. Mr. Yu is a PRC Economist, an International Senior Human Resources Manager and obtained an MBA degree from City University, Bellevue. Prior to joining the Company, Mr. Yu was a manager of human resources department of Beijing Enterprises Teletron Information Technology Co., Ltd. and a deputy office manager of Beijing Enterprises Investment and Management Co., Ltd. from 2001 to 2007, a deputy manager and manager of human resources department and a President Assistant of BEHL from 2007 to 2018. Mr. Yu has substantial experience in human resources management. Mr. Yu was appointed as an Executive Director of the Company in October 2021 and has been resigned from the Company in December 2025.

## BIOGRAPHICAL INFORMATION OF DIRECTORS AND SENIOR MANAGEMENT *(CONTINUED)*

### EXECUTIVE DIRECTORS *(CONTINUED)*

**Ms. LI Yining**, aged 45, is concurrently a Vice President of BEHL and an Executive Director of BE Water Group. Ms. Li is a senior economist, graduated from the University of Sydney in Australia with a master's degree in logistics management. Ms. Li worked in the reform and development department of BEGCL from July 2011 to August 2025. From April 2021 to August 2025, she served as a deputy general manager of the reform and development department of BEGCL and was seconded to the Beijing SASAC as deputy director of the property rights management division from September 2022 to September 2023. Ms. Li has extensive experience in corporate operation and assets management. Ms. Li was appointed as an Executive Director of the Company in December 2025.

**Ms. LIU Li**, aged 53, is a chief senior economist and a first-class enterprise human resources manager. Ms. Liu graduated from the Faculty of Finance of Nankai University with a bachelor's degree in economics, and obtained an EMBA degree from Tsinghua University. From September 1997 to August 2003, Ms. Liu served as a deputy manager of the investment development department at Beijing Enterprises Investment Management Co., Ltd., and concurrently served as a director of several non-listed subsidiaries of BEHL in Chinese Mainland, including Beijing Jianguo Hotel Co. From July 2002 to December 2025, Ms. Liu served as a director, a vice general manager, an executive vice general manager, and a member of the strategy and investment decision committee at BMEI Co., Ltd., and concurrently served as a director of several non-listed subsidiaries in Chinese Mainland, including Beier Machine Tool Works Co., Ltd. Ms. Liu has extensive experience in strategic investment and mergers and acquisitions, human resources, and corporate management. Ms. Liu was appointed as an Executive Director of the Company in December 2025.

**Mr. NG Kong Fat, Brian**, aged 70, is a member of the Institute of Chartered Accountants of Scotland, graduated from the University of Stirling in Scotland in 1983 and also served as an independent non-executive director of OneForce Holdings Limited (stock code: 1933). Mr. Ng has substantial experience in corporate, investment and financial management. Mr. Ng joined the Group in July 1993.

### INDEPENDENT NON-EXECUTIVE DIRECTORS

**Dr. HUAN Guocang**, aged 76, is the chief executive officer and one of the founding partners of GCS Capital. Dr. Huan obtained a PhD degree from Princeton University and holds two Master of Arts degrees from Columbia University and the University of Denver. Dr. Huan held the position of Post-Doctoral Fellow at the Center for international and Strategic Studies, Harvard University and pursued a graduate studies program at the Graduate School of Chinese Academy of Social Sciences in Beijing. Prior to founding GCS Capital, Dr. Huan was the chairman and a founding member of Primus Pacific Partners, the head of Asia-Pacific Investment Banking at HSBC, co-head of Asia-Pacific Investment Banking at Citigroup Global Markets Inc., managing director and head of China at BZW Asia and a senior economist at JP Morgan Asia. Dr. Huan joined the Company in January 2008.

**Dr. WANG Jianping**, aged 68, retired from King & Wood Mallesons in 2024. Dr. Wang holds a bachelor degree in law from the Law School of Peking University in 1982, a master degree in law from the Law School of Harvard University in 1984 and a doctoral degree in law from the Law School of Washington University in Missouri in 1991. Before being admitted as a Chinese lawyer and joining King & Wood Mallesons in 1998, Dr. Wang was further admitted to the Missouri Bar in 1991 and then practiced in St. Louis, Missouri from 1991 to 1997. From 1984 to 1988, Dr. Wang worked with the Legislative Affairs Committee of the Standing Committee of National People's Congress and has participated in the legislation of the Grassland Law, Fishery Law, Bankruptcy Law, Law of Chinese-foreign Cooperative Joint Venture, and Customs Law, etc. Dr. Wang joined the Company in January 2008.

## BIOGRAPHICAL INFORMATION OF DIRECTORS AND SENIOR MANAGEMENT *(CONTINUED)*

### INDEPENDENT NON-EXECUTIVE DIRECTORS *(CONTINUED)*

**Mr. CHEUNG Ming**, aged 65, is the vice chairman of a mineral company in Hong Kong. From 2013 to 2017, Mr. Cheung had served as an executive director and the chief executive officer of BEP International Holdings Limited (“BEP”, stock code: 2326, renamed as New Provenance Everlasting Holdings Limited). Prior to joining BEP, he had served as the executive director of Hengli & Liqi Furniture Limited (“Hengli”), a Hong Kong company specialising in the production of furniture for sale to Europe markets, and was responsible for the international business development of Hengli. Before joining Hengli, Mr. Cheung had served as the chief executive officer of a Hong Kong based retailing company. Mr. Cheung has extensive business management experience including over 30 years of experience in retail business and international trade in Chinese Mainland, Hong Kong and Taiwan. Mr. Cheung had been leading the companies he served in setting down long-term development blueprints including strategies for corporate and business development as well as brand building to enhance their market competitiveness and profitability, which laid the solid foundation for their sustainable growth in the Greater China and Asia-Pacific regions. Mr. Cheung joined the Company in August 2014.

**Ms. MIAO Li**, aged 69, is a PRC Senior Economist, graduated from Baoding Normal Technical College in Chemistry in 1981 and has completed the postgraduate course of Applied Sociology in Peking University in 1995. From 1986 to 1998, Ms. Miao successively served as the Deputy Director and Director of Beijing Municipal Commission of Planning. From 2000 to 2023, Ms. Miao successively served as the General Manager and Chairman of Peking University Software Engineering Co., Ltd. Ms. Miao has extensive experience in corporate management and policy research. Ms. Miao joined the Company in May 2024.

**Dr. LUO Shengqiang**, aged 51, is the president of Beijing Jiukang Jiuli Management Consultancy Co., Ltd., a PRC Chief Senior Accountant and a member of the Chinese Institute of Certified Public Accountants and the Association of Chartered Certified Accountants. Dr. Luo graduated from Zhongnan University of Finance and Economics with a bachelor’s degree in finance in 1999 and obtained a master’s degree and a doctorate degree in accounting from Xiamen University in 2004 and 2007. From 2007 to 2017, Dr. Luo served as the deputy director of the finance department of China National Chemical Corporation Ltd., the deputy chief auditor of China National Bluestar (Group) Co., Ltd., the deputy financial controller of Beijing Womei Advertising Co., Ltd., the chief financial officer of Beijing Zhongmei Huayi Investment Management Co., Ltd. Dr. Luo has extensive experience in finance, accounting and corporate management. Dr. Luo joined the Company in January 2025.

### SENIOR MANAGEMENT

**Mr. WANG Juwei**, aged 57, is a Vice President of the Company. Mr. Wang is a PRC Senior Engineer and graduated from Urban Construction and Engineering Faculty of Beijing Institute of Civil Engineering and Architecture. Prior to joining the Company, Mr. Wang worked at the Beijing Gas Group from 2000 to 2010, served as the Director and Deputy General Manager of Beijing Gas Miyun Co., Ltd., the Deputy General Manager and General Manager of Engineering Construction Management Branch of Beijing Gas Group Company Limited, and the Chairman of Beijing Tianxing Gas Engineering Co., Ltd. from 2010 to 2021. Mr. Wang has substantial experience in planning, market development and engineering construction. Mr. Wang joined the Group in October 2021.

## BIOGRAPHICAL INFORMATION OF DIRECTORS AND SENIOR MANAGEMENT *(CONTINUED)*

### SENIOR MANAGEMENT *(CONTINUED)*

**Ms. ZHENG Xin**, aged 46, is a Vice President of the Company. Ms. Zheng is a PRC Senior Accountant and Chinese Certified Public Accountant. Ms. Zheng graduated from Accounting Faculty of Tianjin University of Finance and Economics and received a Master's Degree in Accounting and Finance from University of Birmingham, United Kingdom. Prior to joining the Company, Ms. Zheng worked at Ernst & Young from 2005 to 2014 and left at the position of senior audit manager. Ms. Zheng joined Beijing Beikong Real Estate Group since 2014 and served as the financial controller of Beijing Beikong Jing O Construction Co., Ltd., Beijing National Alpine Skiing Co., Ltd. and Beijing Beikong Zhi Kai Enterprises Development Co., Ltd. Ms. Zheng has substantial experience in finance and auditing. Ms. Zheng joined the Group in April 2023.

**Ms. LI Yanting**, aged 43, is a Vice President of the Company. Ms. Li is a PRC Intermediate Economist, graduated from Department of Automation of Tsinghua University and received a Master's Degree in Science from Tsinghua University and a Master's Degree in Economics from Peking University. Prior to joining the Company, Ms. Li served as the project manager of IT Construction and Advisory Department of Beijing Engineering Consulting Corporation from 2006 to 2009, assistant to manager and senior manager of Strategic Investment Department of BEHL from 2010 to 2018. Ms. Li has substantial experience in strategic planning, investment and management. Ms. Li joined the Group in April 2023.

**Mr. WONG Kwok Wai, Robin**, aged 59, is the Financial Controller and the Company Secretary of the Company. Mr. Wong is a fellow member of the Association of Chartered Certified Accountants and a member of the Hong Kong Institute of Certified Public Accountants. Mr. Wong has been worked for an international accounting firm and has substantial experience in financial management and company secretarial. Mr. Wong joined the Group in July 1993.

# CORPORATE GOVERNANCE REPORT

## CORPORATE GOVERNANCE PRACTICES

Save as disclosed hereunder, the board (the “Board”) of directors (the “Directors”) of the Company believes that the Company has complied with the 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 2025.

## BOARD OF DIRECTORS

The principal focus of the Board is on the overall strategic development of the Group, while the management is principally responsible for the Group’s business operations. The Board provides guidance on business plans and monitors the results of such plans implemented by the management; reviews and approves the Company’s financial objectives, plans and major financial activities; establishes the internal control system and the risk management system of the Company and discusses with the management regularly to ensure that such systems are operating effectively. The Board promotes a culture of integrity at the Company and requires all Directors and the management to comply with guidance related to integrity and ethics, including conflicts of interest, related party transactions and the treatment of confidential information.

The Board has a balanced composition of executive and non-executive Directors which can effectively exercise independent judgement. As at 31 December 2025, the Board comprised five executive Directors and five independent non-executive Directors. Details of their backgrounds and qualifications are set out on pages 15 to 17 of this annual report. Every Director is subject to retirement by rotation at least once every three years. There is no relationship (including financial, business, family or other material/relevant relationship) among the Directors. All Directors have given sufficient time and attention to the affairs of the Group. Each executive Director has sufficient experience to hold the position so as to carry out his/her duties effectively and efficiently.

During the year ended 31 December 2025, the Board has complied with Rules 3.10(1) and (2), and 3.10A of the Listing Rules to appoint at least three independent non-executive Directors that representing at least one-third of the Board, and at least one independent non-executive Director possesses appropriate professional accounting qualifications or financial management expertise. The independent non-executive Directors have appropriate and sufficient experience and qualification to carry out their duties so as to fully represent the interests of the shareholders.

Dr. HUAN Guocang, Dr. WANG Jianping and Mr. CHEUNG Ming have been serving the Board as independent non-executive Directors for more than nine years and have consistently demonstrated their willingness to exercise independent judgments. All of them have actively participated in Board meetings and Board committee meetings held during the year and have shown themselves able to give constructive and independent advice to the Board over significant issues. Therefore, the Board considers that all of them remain independent, notwithstanding the length of their tenure as independent non-executive Directors.

The Board considers that all independent non-executive Directors meet the specific independence criteria as required by the Listing Rules. The Company has received from each independent non-executive Director an annual confirmation of his/her independence pursuant to Rule 3.13 of the Listing Rules and the Company still considers such Directors to be independent.

## CORPORATE GOVERNANCE REPORT *(CONTINUED)*

### BOARD OF DIRECTORS *(CONTINUED)*

During the year ended 31 December 2025, (i) Dr. LUO Shengqiang is appointed as an independent non-executive Director on 16 January 2025 and obtained the legal advice pursuant to Rule 3.09D of the Listing Rules on 15 January 2025; (ii) Ms. LI Yining is appointed as an independent non-executive Director on 30 December 2025 and obtained the legal advice pursuant to Rule 3.09D of the Listing Rules on 17 December 2025; and (iii) Ms. LIU Li is appointed as an independent non-executive Director on 30 December 2025 and obtained the legal advice pursuant to Rule 3.09D of the Listing Rules on 29 December 2025. Each of Dr. Luo, Ms. Li and Ms. Liu has confirmed that he/she understood his/her obligations as a director of a listed issuer.

The Directors are provided with briefings and trainings from time to time to ensure that they have a proper understanding of the Company's operations and business and are fully aware of their responsibilities under relevant statutes, laws, Listing Rules and other regulations. The Directors are provided with monthly reports updates which give a balanced and understandable assessment of the Company's performance and financial position to enable the Directors to discharge their duties under Rule 3.08 and Chapter 13 of the Listing Rules.

During the year, the Company organised in-house seminars and from time-to-time provided reading materials for the Directors to ensure that they have participated in continuous professional development to develop and refresh their knowledge and skills. A summary of training received by the Directors during the year is as follows:

Name	Self-reading materials	Attended seminar(s)
<i>Executive Directors</i>		
Mr. CHEN Xinguo	✓	✓
Mr. LI Ai	✓	✓
Ms. LI Yining (appointed on 30 December 2025)	—	—
Ms. LIU Li (appointed on 30 December 2025)	—	—
Mr. NG Kong Fat, Brian	✓	✓
Ms. SHA Ning (resigned on 30 December 2025)	✓	—
Mr. YU Jie (resigned on 30 December 2025)	✓	✓
<i>Independent non-executive Directors</i>		
Dr. HUAN Guocang	✓	✓
Dr. WANG Jianping	✓	✓
Mr. CHEUNG Ming	✓	✓
Ms. MIAO Li	✓	✓
Dr. Luo Shengqiang (appointed on 16 January 2025)	✓	✓
Dr. JIN Lizuo (resigned on 16 January 2025)	—	—
Prof. NIE Yongfeng (resigned on 16 January 2025)	—	—

## CORPORATE GOVERNANCE REPORT (CONTINUED)

### BOARD OF DIRECTORS (CONTINUED)

The Board held four regular meetings during the year ended 31 December 2025. Details of attendance of each Director at the Board meetings, Board committee meetings and general meeting are as follows:

Name	Board meetings	Audit Committee meetings	Remuneration Committee meeting	Nomination Committee meetings	General meeting
<i>Executive Directors</i>					
Mr. CHEN Xinguo	4/4		1/1	2/2	1/1
Mr. LI Ai	4/4				1/1
Ms. LI Yining	0/0				0/0
Ms. LIU Li	0/0				0/0
Mr. NG Kong Fat, Brian	4/4				0/1
Ms. SHA Ning	2/4				1/1
Mr. YU Jie	3/4				1/1
<i>Independent non-executive Directors</i>					
Dr. HUAN Guocang	4/4	3/3	1/1	2/2	1/1
Dr. WANG Jianping	4/4	3/3	1/1	2/2	1/1
Mr. CHEUNG Ming	4/4				1/1
Ms. MIAO Li	4/4				1/1
Dr. LUO Shengqiang	3/3	3/3			1/1
Dr. JIN Lizuo	0/0		1/1	1/1	0/0
Prof. NIE Yongfeng	0/0				0/0

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 were unable to attend the general meeting of the Company due to other business engagements.

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.

### CHAIRMAN AND CHIEF EXECUTIVE

The Chairman is responsible for the approval and supervision of the overall strategies and policies of the Group, approval of annual budgets and business plans and evaluation of the Company's performance, whilst the Chief Executive Officer is responsible for the day-to-day operations of the Group and oversight of the management.

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. The deviation has been ratified with effect from 27 March 2025 when Mr. LI Ai replaced Mr. CHEN Xinguo and assumed the position of Chief Executive Officer.

## CORPORATE GOVERNANCE REPORT *(CONTINUED)*

### NON-EXECUTIVE DIRECTORS

None of the existing non-executive Directors is appointed for a specific term. All non-executive Directors are subject to retirement by rotation in accordance with the Company's articles of association.

### BOARD COMMITTEES

#### Audit Committee

The Audit Committee was established with written terms of reference in accordance with Rule 3.21 of the Listing Rules and Code Provision D.3. As at 31 December 2025, the members of the Audit Committee comprise three independent non-executive Directors, namely Dr. HUAN Guocang (committee chairman), Dr. WANG Jianping and Dr. LUO Shengqiang.

The role and function of the Audit Committee include (i) maintenance of the relationship with the Company's auditors; (ii) review of the Company's financial information; and (iii) oversight of the Company's financial reporting system, risk management and internal control procedures.

The Audit Committee has reviewed the Group's interim and annual results, financial positions, risk management, internal control, impacts of the new accounting standards and management issues of the Group.

#### Remuneration Committee

The Remuneration Committee was established with terms of reference in accordance with Rule 3.25 of the Listing Rules and Code Provision E.1. As at 31 December 2025, the members of the Remuneration Committee comprise three independent non-executive Directors, namely Ms. Miao Li (committee chairman), Dr. HUAN Guocang and Dr. WANG Jianping and the Chairman of the Board, Mr. CHEN Xinguo. The Remuneration Committee performs an advisory role to the Board, with the Board retaining the final authority to approve executive Directors' and senior management's remuneration.

The role and function of the Remuneration Committee include (i) to make recommendations to the Board on the Company's policy and structure for all remuneration of Directors and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy; (ii) to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives; (iii) to make recommendations to the Board on the remuneration packages of individual executive Directors and senior management; (iv) to make recommendations to the Board on the remuneration packages of non-executive Directors; (v) to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group; (vi) to review and approve compensation payable to executive Directors and senior management for any loss or termination of office or appointment to ensure that it is consistent with relevant contractual terms and is otherwise fair and not excessive; (vii) to review and approve compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate; and (viii) to ensure that no Director or any of his associates is involved in deciding his own remuneration.

Details of remuneration of the Directors and the five highest paid employees are set out in notes 10 and 11 to the consolidated financial statements.

# CORPORATE GOVERNANCE REPORT *(CONTINUED)*

## BOARD COMMITTEES *(CONTINUED)*

### **Nomination Committee**

The Nomination Committee was established with terms of reference in accordance with Rule 3.27A of the Listing Rules and Code Provision B.3. As at 31 December 2025, the members of the Nomination Committee comprise the Chairman of the Board, Mr. CHEN Xinguo (committee chairman), and two independent non-executive Directors, namely Dr. HUAN Guocang and Dr. WANG Jianping.

The role and function of the Nomination Committee include (i) review the structure, size, composition and diversity (including the skills, knowledge and experience) of the Board and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy; (ii) review the policy on Board diversity and any measurable objectives for implementing such policy as may be adopted by the Board from time to time, and to review the progress of achieving those objectives; (iii) identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships; (iv) assess the independence of independent non-executive Directors; and (v) make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors.

The Nomination Committee has adopted a nomination policy which sets out the following criteria and procedures for nomination of Directors:

### ***Nomination Criteria***

In determining the suitability of a candidate, the Nomination Committee shall consider the potential contributions a candidate can bring to the Board in terms of qualifications, skills, experience, independence, age, culture, ethnicity and gender diversity. The Nomination Committee shall consider a number of factors in making nominations, including but not limited to the following:

- (a) **Skills and Experience:** The candidate should possess the skills, knowledge and experience which are relevant to the business of the Group.
- (b) **Diversity:** Candidates should be considered on merit and against objective criteria, with due regard to the diversity perspectives set out in the Board Diversity Policy of the Company and the balance of skills and experience in board composition.
- (c) **Availability:** The candidate shall be willing to devote adequate time for discharging the duties of a member of the Board and other director position.
- (d) **Character and integrity:** The candidate must satisfy the Board and The Stock Exchange of Hong Kong Limited that he/she is a person of integrity and honesty, and has the character, experience and integrity commensurate with the relevant position as a Director.
- (e) **Independence:** The candidate to be nominated as an Independent Non-executive Director must satisfy the independence criteria set out in Rule 3.13 of the Listing Rules.

## CORPORATE GOVERNANCE REPORT *(CONTINUED)*

### BOARD COMMITTEES *(CONTINUED)*

#### Nomination Committee *(continued)*

##### **Nomination Procedures**

- (a) If the Board determines that an additional or replacement Director is required, the Nomination Committee may take such measures that it considers appropriate in connection with its identification and evaluation of a candidate.
- (b) The Nomination Committee may propose to the Board a candidate recommended or offered for nomination by a Shareholder as a nominee for election to the Board.
- (c) Upon considering a candidate suitable for the position of Director, the Nomination Committee will hold a meeting and/or by way of written resolutions to, if thought fit, approve the recommendation to the Board for appointment.
- (d) On making recommendation, the Nomination Committee may submit the candidate's personal profile to the Board for consideration. The Board may appoint the candidate as Director to fill a casual vacancy or as an addition to the Board or recommend such candidate to Shareholders for election or re-election (where appropriate) at the general meeting.

### COMPANY SECRETARY

The Company Secretary of the Company is Mr. WONG Kwok Wai, Robin. Details of background and qualification of Mr. Wong are set out on page 18 of this annual report. Mr. Wong has complied with Rule 3.29 of the Listing Rules for taking not less than 15 hours of relevant professional training during the year.

### 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 directors. All the 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.

### CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for performing the corporate governance functions such as developing and reviewing the Company's policies, practices on corporate governance, training and continuous professional development of the Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, etc.

Every Board member has full access to the advice and services of the company secretary with a view to ensuring that Board procedures, and all applicable rules and regulations are followed and they are also entitled to have full access to Board papers and related materials so that they are able to make an informed decision and to discharge their duties and responsibilities.

# CORPORATE GOVERNANCE REPORT *(CONTINUED)*

## RISK MANAGEMENT AND INTERNAL CONTROL

The Board has overall responsibility for the Group's risk management and internal control systems and for reviewing their effectiveness.

For significant operational and management matters, the Group ensures the implementation of the collective decision-making principle, adhering to thorough deliberation and extensive consultation. The responsibilities of the head office's functional departments and subsidiaries are clearly defined. Through various control mechanisms, rules and regulations, and approval processes, the head office's functional departments exercise daily management and supervision over their subsidiaries, thereby achieving the separation of decision-making, execution and supervision. The Enterprise Management and Digitalisation Department organises the enhancement and management of the internal control system, the Legal and Compliance Department is responsible for the enhancement and management of the risk management and control system, and the Audit Department (established in accordance with Code Provision D.2.5) is responsible for the supervision and inspection of the effectiveness of the internal control system.

### Risk Management

The Group focuses on key areas, conducting re-identification and re-assessment of significant risks. By stringently implementing risk control measures and real time monitoring the progress of various risks, all risks are safeguarded in a stable and controllable state. The management conditions of the seven significant risks for the current year is as follows:

**1. Production safety risk**

Closely entwining on the annual core theme of "High-level Safety To Enable High-quality Development", the Group facilitates the transformation of the work safety governance model towards proactive prevention. It deepens five key tasks: the accountability system, dual prevention mechanisms, targeted breakthrough initiatives, safety culture, and daily management. The work safety situation remained stable and controllable throughout the year, with no safety liability accidents.

**2. Environmental protection risk**

The control of environmental protection risk adheres to the principle of preventive control, deploying special measures in advance for high-risk links and prominent issues to ensure that various environmental risks remain under continuous control. No environmental penalty incidents occurred throughout the year.

**3. Accounts receivable risk**

The Group strictly implements control measures for accounts receivable, effectively reducing overall risk. By strengthening communication with government authorities and power grid companies, significant control results have been achieved. For certain long-aged accounts receivable, the subsidiaries have also actively pursued collection through various means, striving to recover funds and safeguard the Company's interests.

**4. Disposal risk of inefficient assets**

The Group stringently implements the principles for disposing of inefficient and non-performing assets and the exiting strategy for non-core businesses. The disposal progress in general is currently proceeding smoothly, with certain projects having achieved key breakthroughs.

## CORPORATE GOVERNANCE REPORT *(CONTINUED)*

### RISK MANAGEMENT AND INTERNAL CONTROL *(CONTINUED)*

#### Risk Management *(continued)*

##### 5. **Stability maintenance risk**

The stability maintenance risk has been substantially mitigated, with no subsequent petitions or stability maintenance incidents.

##### 6. **Debt repayment risk**

The debt repayment risk is primarily concentrated on those liabilities associated with the disposal of inefficient assets. Through the formulation and implementation of a special disposal plan, the Group has significantly reduced the principal amount of debts and substantially solved the creditor-debtor relationship issues.

##### 7. **Industry risk**

Risks in the waste incineration power generation industry are demonstrating a trend of structural intensification, which are mainly reflected in the following two aspects:

(1) *Withering policy-driven income:*

Following the implementation of the national subsidies phasing out policy, the industry generally faces the dual pressures of accelerated subsidy withdrawal and reduction of local treatment fees, putting significant strain on project returns. Concurrently, the threshold for including new projects in the central subsidy list has been raised, and the benefiting “tariff subsidy” policy is gradually diminishing, making corporate profitability more reliant on operational efficiency and cost control.

To address the aforementioned systemic risks, the Group is actively progressing with the following initiatives: Firstly, pursuant to the service concession agreements, it has initiated negotiations with local governments on the tariff adjustment mechanism and is tracking electricity marketisation policies to seek reasonable compensation; Secondly, it is promoting refined operations, strictly controlling key indicators such as the auxiliary power consumption rate, and continuously reducing costs and improving efficiency; Thirdly, it is accelerating the expansion of diversified businesses such as coordinated sludge treatment, heating and steam supply to build a diversified profit structure and enhance the projects’ resilience to risks.

(2) *Industry competition and compression of living space:*

New trends in tendering within the waste incineration power generation industry. Driven by the “dual carbon” goals and the construction of “zero-waste cities”, the industry’s focus has shifted from new construction projects to the upgrading, retrofitting and entrusted operation of existing projects.

Overcapacity has led to an insufficient intake of household waste. The Group is striving to maintain its overall profitability by expanding diversified businesses such as coordinated sludge treatment, heating and steam supply.

## CORPORATE GOVERNANCE REPORT *(CONTINUED)*

### RISK MANAGEMENT AND INTERNAL CONTROL *(CONTINUED)*

#### Internal Control

The Group has established the “Internal Control Management Measures” and the “Internal Control Evaluation Manual” to guide the head office’s functional departments and various subsidiaries in conducting internal evaluations. The Enterprise Management and Digitalisation Department is responsible for organising and carrying out internal control self-assessment, while the Audit Department is responsible for organising and carrying out independent supervisory evaluation of internal controls.

The more common general deficiencies in internal control identified from internal supervision and inspection in prior years were mainly internal control execution deficiencies in procurement management and asset management, which have already been rectified. Through evaluation, no material deficiencies were identified in the internal control system during the self-assessment period, and the system was generally operating effectively. However, the Group still needs to make timely adjustments to its internal control system based on actual development needs, so as to adapt to new policy requirements, the demands of regulatory authorities and changes in the operating environment.

The Group has established the “Information Security Management Measures” to enhance the Company’s information security assurance capabilities, regulate information security management process, and ensure the confidentiality, integrity and availability of information assets.

The Group has revised the “Compliance Management Measures”, further clarifying the management responsibilities at the management level, recalibrating and adjusting the responsibilities of the compliance management functional department and various business departments. It clarifies that the duties of the corporate chief compliance officer is concurrently held by the General Counsel with the specific duties being specified. The procedures and regulations in five areas, namely compliance risk identification, assessment and response; compliance review; compliance risk incident management; compliance inspection and rectification; and compliance reporting and investigation, have been restructured and refined.

### AUDITORS’ REMUNERATION

An analysis of remuneration in respect of services provided by the Company’s auditor, Deloitte Touche Tohmatsu, is as follows:

	RMB’000
Annual audit services	2,594
Non-audit services (which included agreed-upon procedures on review of continuing connected transactions and preliminary announcement of annual results, tax compliance and other services)	642
	3,236

## CORPORATE GOVERNANCE REPORT *(CONTINUED)*

### DIRECTORS’ AND AUDITOR’S RESPONSIBILITIES FOR ACCOUNTS

The Directors’ responsibilities for preparing the accounts and the responsibilities of the auditor to the shareholders are set out on pages 42 to 44 of this annual report. The Directors have confirmed that the Group’s consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants and the Hong Kong Companies Ordinance.

### DIVERSITY

The Board has adopted a board diversity policy. With the aim of enhancing Board effectiveness and corporate governance level as well as achieving our Group’s business objectives, the Company sees increasing diversity at the Board level as an essential element in supporting its sustainable development. In designing the Board’s composition, Board diversity has been considered from a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service, and any other factors that the Board may consider relevant and applicable from time to time. All Board appointments will be based on merit, and candidates will be considered against objective criteria, having due regard to the benefits of Board diversity.

During the reporting period, the Company has a solid slate of Directors with diverse perspectives, and varied educational background and professional qualifications. All of the Directors have accumulated experience in their respective field of expertise, and made use of their talent and experience to drive the industry so as to bring sustainable growth to the Company.

As at 31 December 2025, the analysis of the Board diversity is as follows:



The waste incineration industry is traditionally short of female employees. As at 31 December 2025, female employees represented approximately 20% of the Group’s total workforce. The Group shall continue to recruit more suitable female employees and maintain gender diversity in workforce.

# CORPORATE GOVERNANCE REPORT *(CONTINUED)*

## SHAREHOLDERS' RIGHTS

The Company recognises the importance of good communications with shareholders and investors and also recognises the value of providing current and relevant information to shareholders and investors. Annual and interim reports offer comprehensive operational and financial performance information to shareholders and the annual and extraordinary general meetings of the Company provide a forum for shareholders to exchange views directly with the Board, which together help enhance and facilitate communication with shareholders. All registered shareholders are entitled to attend the general meetings and notices of meeting are served by post. Shareholders who are unable to attend a general meeting may complete and return to the Company's share registrar the proxy form enclosed with notice of meeting to give proxy to their representatives or chairman of the meeting. The Company considered that the communication with shareholders is effectively conducted.

### Shareholders' Right to Convene Extraordinary General Meeting

The articles of association of the Company provides that the Directors may, whenever they think fit, convene an extraordinary general meeting and extraordinary general meetings shall also be convened on requisition, or, in default, may be convened by the requisitionists, all as provided by the Hong Kong Companies Ordinance, which provides that the directors are required to call a general meeting if the company has received requests to do so from shareholders of the company representing at least 5% of the total voting rights of all the shareholders having a right to vote at general meetings.

### Shareholders' Right to Put Enquiries to the Board

Shareholders have the right to put enquiries to the Board. All enquiries shall be in writing and sent by post to the registered office of the Company in Hong Kong, or by fax (+852 25293725), or by email to [general@beegl.com.hk](mailto:general@beegl.com.hk) for the attention of the company secretary.

### Shareholders' Right to Put Forward Proposals at General Meetings

The Hong Kong Companies Ordinance provides that, a company must give notice of a resolution if it has received requests that it do so from: (a) the shareholders of the company representing at least 2.5% of the total voting rights of all the shareholders who have a right to vote on the resolution at the annual general meeting to which the requests relate; or (b) at least 50 shareholders who have a right to vote on the resolution at the annual general meeting to which the requests relate.

The Hong Kong Companies Ordinance also provides that, the request (a) may be sent to the company in hard copy form or in electronic form; (b) must identify the resolution of which notice is to be given; (c) must be authenticated by the person or persons making it; and (d) must be received by the company not later than (i) 6 weeks before the annual general meeting to which the requests relate; or (ii) if later, the time at which notice is given of that meeting.

All request shall be sent to the registered office of the Company in Hong Kong, or by fax (+852 25293725), or by email to [general@beegl.com.hk](mailto:general@beegl.com.hk) for the attention of the company secretary.

## CORPORATE GOVERNANCE REPORT *(CONTINUED)*

### CONSTITUTIONAL DOCUMENTS

During the year ended 31 December 2025, there was no change in the Company's constitutional documents.

### DIVIDEND POLICY

The Company aims at providing stable and sustainable returns to shareholders. In deciding whether to propose a dividend and in determining an appropriate basis and method for dividend distribution, the Board will take into account, inter alia, the reasonable return in investment of the investors and the Shareholders, the actual and expected financial conditions, business plans, future operations and earnings, capital requirements and expenditure plans of the Company, any restrictions on payment of dividends that may be imposed by the Company's lenders, the general market sentiment and circumstances and any other factors the Board deems appropriate.

## REPORT OF THE DIRECTORS

The board (the “Board”) of directors (the “Directors”) of Beijing Enterprises Environment Group Limited (the “Company”) present their report and the audited financial statements of the Company and its subsidiaries (collectively the “Group”) for the year ended 31 December 2025.

### PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the Company is investment holding. Details of the principal activities of the principal subsidiaries are set out in note 43 to the consolidated financial statements. There were no significant changes in the nature of the Group’s principal activities during the year.

Further discussion and analysis of the Group’s business review as required by Schedule 5 to the Hong Kong Companies Ordinance, including a description of the principal risks and uncertainties facing the Group, an indication of likely future development in the Group’s business and key performance indicators of the Company’s business can be found in the “Management Discussion and Analysis” set out on pages 7 to 14 of this annual report. This discussion forms part of this directors’ report.

### RESULTS AND DIVIDENDS

The Group’s profit for the year ended 31 December 2025 and the Group’s financial position at that date are set out in the financial statements on pages 45 to 122 of this annual report.

The Directors do not recommend the payment of any dividend in respect of the year.

### EMPLOYEES

As at 31 December 2025, the Group had 1,241 employees. The employees are remunerated based on their work performance, professional experiences and prevailing industry practices. The Group’s remuneration policy and package are periodically reviewed by the management. Discretionary bonuses are awarded to certain employees according to the assessment of individual performance.

### SUMMARY FINANCIAL INFORMATION

A summary of the published results and assets, liabilities and non-controlling interests of the Group for the last five financial years, as extracted from the audited financial statements and restated/reclassified as appropriate, is set out on pages 123 and 124 of this annual report. This summary does not form part of the audited financial statements.

### SHARE CAPITAL

There were no movements in the Company’s share capital during the year.

### 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.

### DISTRIBUTABLE RESERVES

At 31 December 2025, the Company had no reserves available for distribution, calculated in accordance with the provisions of Part 6 of the Hong Kong Companies Ordinance.

## REPORT OF THE DIRECTORS (CONTINUED)

### MAJOR CUSTOMERS AND SUPPLIERS

In the year under review, sales to the Group's five largest customers accounted for approximately 50% of the Group's revenue from continuing operations for the year and sales to the largest customer included therein amounted to approximately 15%. Purchases from the Group's five largest suppliers accounted for less than 30% of the Group's total purchases from continuing operations for the year.

None of the Directors or any of their associates or any shareholders of the Company (the "Shareholders") (which, to the best knowledge of the Directors, own more than 5% of the number of issued shares of the Company) had any beneficial interest in the Group's five largest customers and suppliers.

### DIRECTORS

The Directors during the year were:

#### Executive Directors:

Mr. CHEN Xinguo

Mr. LI Ai

Ms. LI Yining (appointed on 30 December 2025)

Ms. LIU Li (appointed on 30 December 2025)

Mr. NG Kong Fat, Brian

Ms. SHA Ning (resigned on 30 December 2025)

Mr. YU Jie (resigned on 30 December 2025)

#### Independent non-executive Directors:

Dr. HUAN Guocang

Dr. WANG Jianping

Mr. CHEUNG Ming

Ms. MIAO Li

Dr. LUO Shengqiang (appointed on 16 January 2025)

Dr. JIN Lizuo (resigned on 16 January 2025)

Prof. NIE Yongfeng (resigned on 16 January 2025)

The persons who were directors of the principal subsidiaries of the Company during the year (not including those Directors listed above) were (in alphabetical order of English surname) Messrs. BU Yaming, CAI Zhiyong, CHEN Gang, CHEN Zhaojun, DU Yan, FENG Hailian, GUAN Yinfeng, HAN Yunyi, HU Dengchu, HU Fang, JIANG Chao, JIN Fuqing, JU Zheng, LEI Yanqing, LI Xiaoyun, LI Yanting, LIANG Qiping, LIU Runwei, OUYANG Yuewen, QIU Song, SHAO Qing, SHI Jianxin, SHI Yongliang, SUN Xiaoyan, THIO Seng Tji, TUNG Woon Cheung Eric, WAN Wei, WANG Bingsheng, WANG Juwei, WANG Yu, WANG Zhenhua, WONG Kwok Wai, WU Jisu, XIN Kun, ZENG Jun, ZHANG Jing, ZHANG Jipeng and ZHANG Kun.

In accordance with articles 95 and 104(a) of the Company's articles of association, Ms. LI Yining, Ms. LIU Li, Mr. LI Ai, Dr. HUAN Guocang and Ms. MIAO Li will retire by rotation and, being eligible, will offer themselves for re-election at the forthcoming annual general meeting. None of the Directors is appointed for a specific term.

## REPORT OF THE DIRECTORS *(CONTINUED)*

### **DIRECTORS *(CONTINUED)***

Save as disclosed above, since the date of the Company's 2025 interim report and up to the date of this annual report, there has been no material change in the Directors' information that is required to be disclosed pursuant to Rule 13.51B(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing Rules").

The Company has received annual confirmations of independence from all independent non-executive Directors and as at the date of this report still considers them to be independent.

### **DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES**

Biographical details of the Directors and the senior management of the Group are set out on pages 15 to 18 of this annual report.

### **DIRECTORS' SERVICE CONTRACTS**

No Director proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

### **DIRECTORS' REMUNERATION**

The Board has to seek Shareholders' authorisation at general meetings to fix the Directors' remuneration with reference to individual Directors' duties, responsibilities and performance, the results of the Group as well as the recommendation of the Company's remuneration committee. Further details of the Company's remuneration committee are set out in the corporate governance report on page 22 of this annual report.

### **PERMITTED INDEMNITY PROVISIONS**

In accordance with article 182(a) of the Company's articles of association, every Director shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities (in so far as is permitted by the Hong Kong Companies Ordinance) which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto. The Company has arranged appropriate directors' liability insurance coverage for the Directors and officers of the Group.

### **DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS**

Save as the transactions with the immediate holding company and fellow subsidiaries of the Company, further details of which are set out in note 38(a) to the consolidated financial statements, no Director nor a connected entity of a Director had a material interest, either directly or indirectly, in any transactions, arrangements or contracts of significance to the business of the Group to which the Company, the holding company of the Company, or any of the Company's subsidiaries or fellow subsidiaries was a party during the year.

## REPORT OF THE DIRECTORS (CONTINUED)

### DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

At 31 December 2025, the interests and short positions of the Directors and the chief executive of the Company (the "Chief Executive") in the shares and underlying shares of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"), were as follows:

#### Long positions in ordinary shares of the Company:

Name of Director	Number of ordinary shares held, capacity and nature of interest			Percentage of the Company's share capital
	Directly beneficially owned	Through a controlled corporation	Total	
Mr. NG Kong Fat, Brian	1,600,000	8,792,755 <sup>#</sup>	10,392,755	0.69

<sup>#</sup> The 8,792,755 ordinary shares are held by Sunbird Holdings Limited, a company controlled by Mr. NG Kong Fat, Brian and his associate.

Save as disclosed above, as at 31 December 2025, none of the Directors and the Chief Executive had registered an interest or short position in the shares or underlying shares of the Company or any of its associated corporations that was required to be recorded pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

### DIRECTORS' RIGHTS TO ACQUIRE SHARES

At no time during the year were rights to acquire benefits by means of the acquisition of shares in the Company granted to any Director or their respective spouse or minor children, or were any such rights exercised by them; or was the Company, or any of its holding companies, subsidiaries and fellow subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

### CONTRACT OF SIGNIFICANCE

Save as the transactions with the immediate holding company and fellow subsidiaries of the Company, further details of which are set out in note 38(a) to the consolidated financial statements, no contracts of significance in relation to the Group's business in which the Company, any of its subsidiaries or fellow subsidiaries, or its parent company was a party and in which a Director had a material interest, whether directly or indirectly, subsisted during or at the end of the year.

## REPORT OF THE DIRECTORS (CONTINUED)

### SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

At 31 December 2025, the following interests and short positions of 5% or more of the share capital and share options of the Company were recorded in the register of interests required to be kept by the Company pursuant to section 336 of the SFO:

#### Long positions in ordinary shares of the Company:

Name	Notes	Number of ordinary shares held, capacity and nature of interest			Percentage of the Company's total number of issued shares
		Directly beneficially owned	Through controlled corporations	Total	
Idata Finance Trading Limited ("Idata")		738,675,000	–	738,675,000	49.23
Beijing Enterprises Holdings Limited ("BEHL")	(a)	17,445,000	738,675,000	756,120,000	50.40
Beijing Enterprises Group (BVI) Company Limited ("BEBVI")	(b)	–	756,120,000	756,120,000	50.40
Beijing Enterprises Group Company Limited ("BEGCL")	(b)	–	756,120,000	756,120,000	50.40
Cosmos Friendship Limited ("Cosmos")		347,000,000	–	347,000,000	23.13
Khazanah Nasional Berhad ("Khazanah")	(c)	–	347,000,000	347,000,000	23.13

Notes:

- (a) The interest disclosed includes the ordinary shares owned by Idata. Idata is a wholly-owned subsidiary of BEHL. Accordingly, BEHL is deemed to be interested in the ordinary shares owned by Idata.
- (b) The interests disclosed include the ordinary shares owned by BEHL and Idata. BEBVI and BEGCL are the immediate holding company and the ultimate holding company of BEHL, respectively. Accordingly, each of BEBVI and BEGCL is deemed to be interested in the ordinary shares owned by each of BEHL and Idata.
- (c) The interests disclosed include the ordinary shares owned by Cosmos. Cosmos is a wholly-owned subsidiary of Khazanah. Accordingly, Khazanah is deemed to be interested in the ordinary shares owned Cosmos.

Save as disclosed above, as at 31 December 2025, no person, other than the Director, whose interests are set out in the section "Directors' and Chief Executive's Interests and Short Positions in Shares and Underlying Shares" above, had registered an interest or a short position in the shares or underlying shares of the Company that was required to be recorded pursuant to section 336 of the SFO.

## REPORT OF THE DIRECTORS (CONTINUED)

### ENVIRONMENTAL POLICIES AND PERFORMANCE

In the field of environmental protection, the Group adhered to “Sustainable Development”. The Group continued to explore and practice green, low-carbon, and environmentally friendly models of development and strengthened environmental management in production, projects, and operations. The Group vigorously invested and applied energy-saving and emission-reduction technologies to improve the efficiency of energy resources. Taking advantage of its core business, the Group actively communicated the concept of low-carbon environmental protection to the society.

Facing the increasingly stringent environmental protection and emission standards, the Group has carried out continuous technological innovation and management improvement for its solid waste treatment business, so as to improve its solid waste treatment efficiency and reduce emissions in projects and daily operations. During the year under review, the Group has handled 4.59 million tonnes household wastes, 0.60 million tonnes sludge, and generated 1.80 billion kWh electricity.

### COMPLIANCE WITH LAWS AND REGULATIONS

Compliance procedures are in place to ensure adherence to applicable laws, rules and regulations in particular, those have significant impact on the Group. The Board reviews and monitors the Group’s policies and practices on compliance with legal and regulatory requirements on a regular basis.

Any changes in the applicable laws, rules and regulations are brought to the attention of relevant employees and relevant operation units from time to time.

The solid waste treatment operations of the Group are subject to extensive environmental, safety and health laws and regulations promulgated by the PRC government. During the year under review, certain of the Group’s waste incineration plants have not completed the filing for or applied for environmental protection completion acceptance within the prescribed time limit, and therefore they are not entitled to apply for subsequent general construction completion acceptance or licenses. The Directors are of the view that the non-compliance incidents, individually and in aggregate would have no material adverse impact on the operations and financial position of the Group.

Save as aforesaid, during the year under review, to the best of the knowledge of the Directors, the Group has complied in material respects with the relevant laws and regulations that have a significant impact on the business and operation of the Company.

## REPORT OF THE DIRECTORS (CONTINUED)

### RELATIONSHIP WITH STAKEHOLDERS

The Group is committed to operate in a sustainable manner while balancing the interest of its stakeholders including customers, suppliers and employees. The Group maintains good relationship and smooth communication channels with the municipal government authorities and regional electricity bureaus in Chinese Mainland, which are major customers of the solid waste treatment operations of the Group. Any reported issues and recommendations will be followed up promptly with the aims of improving service quality in the future. The Group is in good relationships with its suppliers and conducts a fair and strict appraisal of its suppliers on a regular basis.

Being people-oriented, the Group continues to improve and regularly review and update its policies on staff benefits, training, occupational health and safety. The Group encourages and finances its employees to attend training courses in the fields of their job responsibilities. Work life balance is also emphasised. Regular sports and leisure events were organised to strengthen the bonding among employees.

### CONNECTED TRANSACTIONS

During the year, the Company and the Group had the following continuing connected transactions, certain details of which are disclosed in compliance with the requirements of Chapter 14A of the Listing Rules.

#### Continuing connected transactions

- (1) On 20 December 2023, the Company entered into a deposit services master agreement with 北京控股集團財務有限公司 (“BG Finance”, a non-wholly-owned subsidiary of BEGCL), pursuant to which the Group may, in its ordinary and usual course of business, place and maintain deposits with BG Finance on normal commercial terms from time to time for three years from 1 January 2024 to 31 December 2026. The deposit interest rate will not be lower than (i) the benchmark interest rate prescribed by the People’s Bank of China; (ii) the interest rates offered by commercial banks in Hong Kong and the PRC to the Group; and (iii) the interest rates offered by BG Finance to other members of BEGCL for the same type of deposits at the same period; and the cumulative daily outstanding deposits balance (in Hong Kong dollars equivalent) placed by the Group with BG Finance (including any interest accrued thereon) during the term of the deposit services master agreement will not exceed RMB21,800,000. Further details of the transactions are set out in the announcement of the Company dated 20 December 2023 and note 38(a)(iii) to the consolidated financial statements. As at 31 December 2025, the deposits placed by the Group with BG Finance amounted to approximately RMB4,994,000. During the year ended 31 December 2025, the Group’s interest income from BG Finance recognised in profit and loss amounted to approximately RMB18,000.
- (2) On 30 May 2023, 北發合利(濟寧)環保電力有限公司 (“Beifa Jining”, a 75% indirectly owned subsidiary of the Company) entered into a steam supply contract (the “Contract”) with 山東太陽紙業股份有限公司 (“Sun Paper”). Sun paper wholly owned 濟寧市永悅環保能源有限公司 which holds a 15% equity interest in Beifa Jining. Pursuant to the Contract, Beifa Jining supplies industrial steam to Sun Paper and Sun Paper supplies steam condensate and desalinated water to Beifa Jining, with unit prices mutually agreed between the Contract parties, for the validity period up to 31 December 2025. The annual caps of the fee settlement for the years ending 31 December 2023, 2024 and 2025 are determined at HK\$32,000,000, HK\$90,000,000 and HK\$90,000,000. Further details of the transactions are set out in the announcement of the Company dated 30 May 2023 and note 38(a)(v) to the consolidated financial statements. During the year ended 31 December 2025, the Group’s revenue derived from the Contract amounted to approximately RMB882,000.

## REPORT OF THE DIRECTORS (CONTINUED)

### CONNECTED TRANSACTIONS (CONTINUED)

#### Continuing connected transactions (continued)

The independent non-executive Directors have reviewed the continuing connected transactions set out above and have confirmed that these continuing connected transactions were entered into (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms or on terms no less favourable to the Group than terms available to or from independent third parties; and (iii) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

Deloitte Touche Tohmatsu, the Company's auditor, was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (*Revised*) *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* and with reference to Practice Note 740 (*Revised*) *Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules* issued by the Hong Kong Institute of Certified Public Accountants. Deloitte Touche Tohmatsu has issued its unmodified letter containing its findings and conclusions in respect of the continuing connected transactions disclosed above by the Group in accordance with Rule 14A.56 of the Listing Rules.

### DONATIONS

During the year, the Group's total donations to disaster relief and rural revitalisation projects were approximately RMB1,070,000.

### SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, at least 25% of the Company's total number of issued shares were held by the public as at the date of this report.

### DIRECTORS' INTERESTS IN A COMPETING BUSINESS

During the year and up to the date of this report, as BEHL is also involved in the solid waste treatment business, Mr. CHEN Xinguo, Ms. LI Yining and Ms. SHA Ning, concurrently vice presidents of BEHL, are considered to have interests in a business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group, as defined in the Listing Rules.

Notwithstanding the fact that the Company and BEHL are both engaged in the solid waste treatment business, the Company considers that there has not been competition between the Company and BEHL in view of the following factors:

- (a) clear geographical delineation among solid waste treatment projects;
- (b) no direct competition in relation to the supply of household waste and sale of electricity; and
- (c) a deed of non-competition has been provided by BEHL in favour of the Company in order to completely avoid any competition between the Company and BEHL.

As the Board is independent from the board of directors of BEHL and the above Directors do not control the Board, the Group is capable of carrying on its businesses independently of, and at arm's length from, the business of BEHL.

## REPORT OF THE DIRECTORS *(CONTINUED)*

### AUDITOR

During the year ended 31 December 2024, Ernst & Young resigned as the auditor of the Company and Deloitte Touche Tohmatsu was appointed by the Directors to fill the casual vacancy so arising. There have been no other changes of auditors in the past three years. A resolution for the reappointment of Deloitte Touche Tohmatsu as the auditor of the Company will be proposed at the forthcoming annual general meeting.

ON BEHALF OF THE BOARD

### CHEN XINGUO

*Chairman*

Hong Kong  
25 March 2026

## INDEPENDENT AUDITOR'S REPORT

**Deloitte.**  
**德勤**

德勤•關黃陳方會計師行  
香港金鐘道88號  
太古廣場一座35樓

**Deloitte Touche Tohmatsu**  
35/F One Pacific Place  
88 Queensway  
Hong Kong

**TO THE MEMBERS OF  
BEIJING ENTERPRISES ENVIRONMENT GROUP LIMITED**

北京控股環境集團有限公司

*(Incorporated in Hong Kong with limited liability)*

### OPINION

We have audited the consolidated financial statements of Beijing Enterprises Environment Group Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 45 to 122, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

### BASIS OF OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* (the "Code"), as applicable to audits of financial statement of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### KEY AUDIT MATTERS

Key audit matters are the matter that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

## INDEPENDENT AUDITOR'S REPORT *(CONTINUED)*

### KEY AUDIT MATTERS *(CONTINUED)*

#### Key audit matter

##### *Impairment assessment on goodwill*

We identified the impairment assessment on goodwill as a key audit matter due to the involvement of estimation of the recoverable amounts of the group of cash-generating units to which goodwill has been allocated.

At 31 December 2025, the Group has goodwill with carrying amount of RMB1,010,296,000 relating to the group of cash-generating units of solid waste treatment segment. Based on the assessment made by management of the Group, no impairment was recognised during the year ended 31 December 2025. Details are disclosed in note 17 to the consolidated financial statements.

The recoverable amount of the group of cash-generating units was determined based on the value in use calculations which require the Group to estimate the future cash flows expected to arise from the group of cash-generating units and a suitable discount rate in order to calculate the present value of those cash flows.

#### How our audit addressed the key audit matter

Our procedures in relation to the impairment assessment on goodwill included:

- Performing retrospective review on revenue growth rate and gross margin being the key assumptions and input adopted by the Group in last year assessment;
- Evaluating the key assumptions underpinning the discounted cash flow models, including the revenue growth rates and gross margin based on the historical financial performance and average kWh of electricity generated per ton of waste;
- Involving our internal valuation experts to assess discount rates used underpinning the discounted cash flow models by performing re-calculations based on market data and certain company specific parameters, as well as evaluating the parameters applied by the independent valuer.

## INDEPENDENT AUDITOR’S REPORT *(CONTINUED)*

### OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor’s report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### RESPONSIBILITIES OF THE DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the Company are responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group’s financial reporting process.

## INDEPENDENT AUDITOR'S REPORT *(CONTINUED)*

### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

## INDEPENDENT AUDITOR’S REPORT *(CONTINUED)*

### AUDITOR’S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matter communicated with those charged with governance, we determine the matter that was of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matter. We describe the matter in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor’s report is LEUNG, Po Shan (practising certificate number: P07300).

**Deloitte Touche Tohmatsu**  
*Certified Public Accountants*  
Hong Kong

25 March 2026

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2025

	NOTES	2025 RMB'000	2024 RMB'000
<b>Continuing operations</b>			
REVENUE	5	<b>1,420,814</b>	1,664,124
Cost of sales		<b>(832,809)</b>	(1,061,065)
Gross profit		<b>588,005</b>	603,059
Other income	7	<b>110,679</b>	79,884
Other gain and loss		<b>(23,207)</b>	(3,793)
Administrative expenses		<b>(188,277)</b>	(173,123)
Impairment losses under expected credit losses model, net of reversal		<b>(7,768)</b>	(18,131)
PROFIT FROM OPERATING ACTIVITIES	8	<b>479,432</b>	487,896
Finance costs	9	<b>(150,432)</b>	(111,112)
PROFIT BEFORE TAX		<b>329,000</b>	376,784
Income tax	12	<b>(75,429)</b>	(68,545)
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS		<b>253,571</b>	308,239
<b>Discontinued operation</b>			
LOSS FOR THE YEAR FROM A DISCONTINUED OPERATION	13	–	(6,178)
PROFIT FOR THE YEAR		<b>253,571</b>	302,061
Profit (loss) for the year attributable to owners of the Company:			
– from continuing operations		<b>232,178</b>	291,642
– from the discontinued operation		–	(5,491)
		<b>232,178</b>	286,151
Profit (loss) for the year attributable to non-controlling interests:			
– from continuing operations		<b>21,393</b>	16,597
– from the discontinued operation		–	(687)
		<b>21,393</b>	15,910
		<b>253,571</b>	302,061
EARNINGS PER SHARE	14		
<b>From continuing and discontinued operations</b>			
Basic and diluted (RMB cents)		<b>15.47</b>	19.07
<b>From continuing operations</b>			
Basic and diluted (RMB cents)		<b>15.47</b>	19.43

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

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

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	NOTES	2025 RMB'000	2024 RMB'000
<b>ASSETS</b>			
Non-current assets:			
Property, plant and equipment	15	<b>499,430</b>	516,536
Right-of-use assets	16(a)	<b>33,909</b>	42,652
Goodwill	17	<b>1,010,296</b>	1,032,747
Operating concessions	18	<b>2,834,960</b>	2,860,368
Other intangible assets	19	<b>51,489</b>	55,358
Receivables under service concession arrangements	18	<b>2,306,494</b>	2,395,323
Prepayments, deposits and other receivables	23	<b>219</b>	255
Deferred tax assets	30	<b>165,910</b>	166,033
<b>Total non-current assets</b>		<b>6,902,707</b>	7,069,272
Current assets:			
Contract assets	20	<b>45,541</b>	74,750
Inventories	21	<b>30,910</b>	36,132
Receivables under service concession arrangements	18	<b>93,075</b>	87,597
Trade and bills receivables	22	<b>910,925</b>	814,184
Prepayments, deposits and other receivables	23	<b>285,368</b>	273,264
Restricted bank deposits	24	<b>1,003</b>	1,000
Cash and cash equivalents	24	<b>1,608,062</b>	1,350,768
<b>Assets classified as held for sale</b>	15	<b>302,173</b>	302,173
		<b>3,277,057</b>	2,939,868
<b>TOTAL ASSETS</b>		<b>10,179,764</b>	10,009,140

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(CONTINUED)*

As at 31 December 2025

	NOTES	2025 RMB'000	2024 RMB'000
<b>EQUITY AND LIABILITIES</b>			
Equity attributable to owners of the Company			
Share capital	25	<b>1,972,895</b>	1,972,895
Reserves	26	<b>1,893,277</b>	1,640,341
		<b>3,866,172</b>	3,613,236
Non-controlling interests		<b>324,722</b>	303,236
<b>TOTAL EQUITY</b>		<b>4,190,894</b>	3,916,472
Non-current liabilities:			
Bank and other borrowings	27	<b>1,912,383</b>	1,967,250
Provision for major overhauls	28	<b>16,737</b>	14,491
Other payables	32	<b>1,821</b>	9,731
Deferred income	29	<b>145,727</b>	149,175
Deferred tax liabilities	30	<b>266,455</b>	269,723
Total non-current liabilities		<b>2,343,123</b>	2,410,370
Current liabilities:			
Trade payables	31	<b>485,456</b>	618,664
Other payables and accruals	32	<b>467,590</b>	368,835
Bank and other borrowings	27	<b>2,616,072</b>	2,613,704
Income tax payables		<b>76,629</b>	81,095
Total current liabilities		<b>3,645,747</b>	3,682,298
<b>TOTAL LIABILITIES</b>		<b>5,988,870</b>	6,092,668
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>10,179,764</b>	10,009,140

The consolidated financial statements on pages 45 to 122 were approved and authorised for issue by the Board of Directors on 25 March 2026 and are signed on its behalf by:

**CHEN XINGUO**  
Director

**LI AI**  
Director

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

	Attributable to owners of the Company					Retained profits	Total	Non-controlling interests	Total equity
	Share capital	Capital reserve	Exchange fluctuation reserves	PRC reserve funds	Safety reserve funds				
	RMB'000	RMB'000	RMB'000	RMB'000 (Note 26(b))	RMB'000 (Note 26(c))	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2024	1,972,895	21,944	44,705	149,664	–	1,140,218	3,329,426	326,934	3,656,360
Profit for the year	–	–	–	–	–	286,151	286,151	15,910	302,061
Other comprehensive (expense) income for the year:									
Exchange differences on translation of foreign operations	–	–	(39,492)	–	–	–	(39,492)	(139)	(39,631)
Exchange differences on translation from functional currency to presentation currency	–	–	37,151	–	–	–	37,151	–	37,151
Total comprehensive (expense) income for the year	–	–	(2,341)	–	–	286,151	283,810	15,771	299,581
Capital contribution from non-controlling interests	–	–	–	–	–	–	–	4,778	4,778
Disposal of a subsidiary (note 33)	–	–	–	(1,865)	–	1,865	–	(44,247)	(44,247)
Transfer to PRC reserve funds	–	–	–	50,629	–	(50,629)	–	–	–
<b>At 31 December 2024</b>	<b>1,972,895</b>	<b>21,944</b>	<b>42,364</b>	<b>198,428</b>	<b>–</b>	<b>1,377,605</b>	<b>3,613,236</b>	<b>303,236</b>	<b>3,916,472</b>
Profit for the year	–	–	–	–	–	232,178	232,178	21,393	253,571
Other comprehensive income (expense) for the year:									
Exchange differences on translation of foreign operations	–	–	55,486	–	–	–	55,486	93	55,579
Exchange differences on translation from functional currency to presentation currency	–	–	(34,728)	–	–	–	(34,728)	–	(34,728)
Total comprehensive income for the year	–	–	20,758	–	–	232,178	252,936	21,486	274,422
Transfer to PRC reserve funds	–	–	–	42,479	–	(42,479)	–	–	–
Transfer to safety reserve funds	–	–	–	–	1,456	(1,456)	–	–	–
<b>At 31 December 2025</b>	<b>1,972,895</b>	<b>21,944</b>	<b>63,122</b>	<b>240,907</b>	<b>1,456</b>	<b>1,565,848</b>	<b>3,866,172</b>	<b>324,722</b>	<b>4,190,894</b>

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

	2025 RMB'000	2024 RMB'000
OPERATING ACTIVITIES		
Profit before tax	329,000	371,910
Adjustments for:		
Interest income	(10,041)	(9,805)
Depreciation of property, plant and equipment	45,962	37,795
Depreciation of right-of-use assets	8,743	8,764
Amortisation of operating concessions	144,114	175,448
Amortisation of other intangible assets	4,992	4,599
Provision for major overhauls	1,453	1,276
Loss on disposal of property, plant and equipment	174	92
Loss on disposal of other intangible assets	7	–
Loss on disposal of a subsidiary	–	3,929
Written off of contract assets	21,335	–
Impairment of contract assets	43	6,304
Impairment of trade and bills receivables, net	8,519	11,827
Reversal of impairment of prepayments, deposits and other receivables, net	(794)	–
Finance costs	150,432	111,767
Operating cash flows before movements in working capital	703,939	723,906
Decrease in contract assets	7,640	55,952
Decrease in inventories	5,222	6,856
Decrease (increase) in receivables under operating concession arrangements	73,281	(34,345)
Increase in trade and bills receivables	(109,082)	(171,871)
(Increase) decrease in prepayments, deposits and other receivables	(9,717)	29,446
Decrease in trade payables	(59,320)	(116,771)
Increase (decrease) in other payables and accruals	19,762	(11,350)
Decrease in deferred income	(3,448)	(5,239)
Cash generated from operations	628,277	476,584
Mainland of the People's Republic of China (the "PRC") ("Chinese Mainland") income tax paid	(83,040)	(75,220)
Net cash flows from operating activities	545,237	401,364

## CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

For the year ended 31 December 2025

	NOTE	2025 RMB'000	2024 RMB'000
<b>INVESTING ACTIVITIES</b>			
Additions of operating concessions		<b>(193,780)</b>	(313,822)
Purchases of property, plant and equipment		<b>(29,030)</b>	(13,121)
Purchases of other intangible assets		<b>(1,130)</b>	(9,083)
Placement of restricted bank deposit		<b>(3)</b>	(1,000)
Interest received		<b>7,286</b>	9,805
Proceeds from disposal of property, plant and equipment		–	3,364
Net cash outflow on disposal of a subsidiary	33	–	(53,910)
<b>Net cash flows used in investing activities</b>		<b>(216,657)</b>	(377,767)
<b>FINANCING ACTIVITIES</b>			
Repayment of bank loans		<b>(680,670)</b>	(78,684)
Repayment of other loans		<b>(76,000)</b>	(114,720)
Principal portion of lease payments		<b>(8,305)</b>	(7,978)
Other interest paid		<b>(62,432)</b>	(70,537)
Interest portion of lease payments		<b>(464)</b>	(791)
New other loans raised		<b>605,999</b>	–
New bank loans raised		<b>152,038</b>	377,945
Capital contribution from non-controlling interests		–	4,778
<b>Net cash (used in) from financing activities</b>		<b>(69,834)</b>	110,013
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>258,746</b>	133,610
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>		<b>1,350,768</b>	1,209,940
Effect of foreign exchange rate changes		<b>(1,452)</b>	7,218
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>		<b>1,608,062</b>	1,350,768

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 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 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 last year (see note 13).

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 *Lack of Exchangeability*

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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

For the year ended 31 December 2025

### 2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS *(CONTINUED)*

#### **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>2</sup></i>
Amendments to HKFRS 9 and HKFRS 7	<i>Contracts Referencing Nature-dependent Electricity<sup>2</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 HKFRS Accounting Standards	<i>Annual Improvements to HKFRS Accounting Standards – Volume 11<sup>2</sup></i>
Amendments to HKAS 21 and HKFRS 18	<i>Translation to a Hyperinflationary Presentation Currency<sup>3</sup> and Presentation and Disclosure in Financial Statements<sup>3</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 2026

<sup>3</sup> 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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

#### 3.1 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, the loan RMB2,423,900,000 is extended to 31 December 2026 and 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 will be able to operate on a going concern basis. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

#### 3.2 MATERIAL ACCOUNTING POLICY INFORMATION

##### 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 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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

For the year ended 31 December 2025

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(CONTINUED)*

#### 3.2 MATERIAL ACCOUNTING POLICY INFORMATION *(CONTINUED)*

##### **Basis of consolidation** *(continued)*

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).

##### **Goodwill**

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to a group of cash-generating units that is expected to benefit from the synergies of the combination, which represent the lowest level at which the goodwill is monitored for internal management purposes and not larger than an operating segment.

A group of cash-generating units to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the group of cash-generating units to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the group of cash-generating units.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

#### 3.2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

##### **Non-current assets classified as held for sale**

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

##### **Revenue from contracts with customers**

Information about the Group's accounting policies relating to revenue from contracts with customers is provided in notes 5 and 20.

##### **Leases**

The Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 Leases at inception of the contract. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

##### ***The Group as a lessee***

###### *Allocation of consideration to components of a contract*

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group applies practical expedient not to separate non-lease components from lease component, and instead account for the lease component and any associated non-lease components as a single lease component.

###### *Short-term leases and leases of low-value assets*

The Group applies the short-term lease recognition exemption to leases of building, machinery, equipment and motor vehicles that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets (such as laptop computers, office equipment). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis or another systematic basis over the lease term.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

For the year ended 31 December 2025

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(CONTINUED)*

#### 3.2 MATERIAL ACCOUNTING POLICY INFORMATION *(CONTINUED)*

##### *Leases (continued)*

##### **The Group as a lessee** *(continued)*

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

The cost of right-of-use assets includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

##### *Lease liabilities*

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group presents lease liabilities within "Other payables and accruals".

##### **Foreign currencies**

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

For the year ended 31 December 2025

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(CONTINUED)*

#### 3.2 MATERIAL ACCOUNTING POLICY INFORMATION *(CONTINUED)*

##### **Foreign currencies** *(continued)*

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. RMB) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of exchange fluctuation reserves (attributed to non-controlling interests as appropriate and no reclassification to profit or loss).

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

##### **Employee benefits**

The Group has joined a number of defined contribution pension schemes organised by certain provincial or municipal governments in the PRC for certain of its employees, the assets of which are held separately from those of the Group. Contributions are made based on a percentage of the eligible employees' salaries and are charged to profit or loss as they become payable, in accordance with the rules of the pension schemes. The employer contributions vest fully once made.

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for all of its employees in Hong Kong. Contributions are made based on a percentage of the employees' basic salaries and are charged to the statement of profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

##### **Short-term employee benefits**

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another HKFRS Accounting Standards requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid.

##### **Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets until such time as the assets are substantially ready for their intended use.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

For the year ended 31 December 2025

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(CONTINUED)*

#### 3.2 MATERIAL ACCOUNTING POLICY INFORMATION *(CONTINUED)*

##### Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. Such grants are presented under “other income”.

##### Taxation

Income tax expense represents the sum of current and deferred income tax expense.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group’s liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

For the year ended 31 December 2025

### **3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(CONTINUED)***

#### **3.2 MATERIAL ACCOUNTING POLICY INFORMATION *(CONTINUED)***

##### **Taxation *(continued)***

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority on the same taxable entity.

Current and deferred tax are recognised in profit or loss. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

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

Property, plant and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Buildings, plant and machinery in the supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, including costs of testing whether the related assets is functioning properly and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

When the Group makes payments for ownership interests of properties which includes both leasehold land and building elements, the entire consideration is allocated between the leasehold land and the building elements in proportion to the relative fair values at initial recognition. To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land is presented as "right-of-use assets" in the consolidated statement of financial position.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

For the year ended 31 December 2025

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(CONTINUED)*

#### 3.2 MATERIAL ACCOUNTING POLICY INFORMATION *(CONTINUED)*

##### **Property, plant and equipment** *(continued)*

Depreciation is recognised so as to write off the cost of assets other than properties under construction less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

##### **Intangible assets**

Intangible assets with finite useful lives that are recognised in business combination or acquired separately are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

The Group entered into service concession agreements with government authorities and obtained the rights to operate solid waste incineration plants in the PRC. For the service concession arrangements which are within the scope of HK(IFRIC) Interpretation 12 *Service Concession Arrangements*, the non-guarantee receipt rights to receive cash are accounted for as an “operating concession”. For the service concession arrangements which are not within the scope of HK(IFRIC)-Int 12, the fair value of the non-guarantee receipt right to receive cash acquired in a business combination is accounted for as an “operating right”. Amortisation of “operating concessions” and “operating rights” is provided on the straight-line basis over the respective periods of the operating concessions granted to the respective subsidiaries of the Group.

Intangible assets acquired in a business combination are recognised separately from goodwill and are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination with finite useful lives are reported at costs less accumulated amortisation and any accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

For the year ended 31 December 2025

### **3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(CONTINUED)***

#### **3.2 MATERIAL ACCOUNTING POLICY INFORMATION *(CONTINUED)***

##### **Impairment on property, plant and equipment, right-of-use assets, and intangible assets other than goodwill**

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets, intangible assets with finite useful lives to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any).

The recoverable amount of property, plant and equipment, right-of-use assets, and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash-generating unit or group of cash-generating units to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash-generating unit or group of cash-generating units.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit or a group of cash-generating units) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit or a group of cash-generating units) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

For the year ended 31 December 2025

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(CONTINUED)*

#### 3.2 MATERIAL ACCOUNTING POLICY INFORMATION *(CONTINUED)*

##### Cash and cash equivalents

Cash and cash equivalents presented on the consolidated statement of financial position include:

- (a) cash, which comprises of cash on hand and demand deposits, excluding bank balances that are subject to regulatory restrictions that result in such balances no longer meeting the definition of cash; and
- (b) cash equivalents, which comprises of short-term (generally with original maturity of three months or less). Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

For the purposes of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

##### Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

The Group has contractual obligations that it must fulfil as a condition of its licence to maintain the infrastructure to a specified level of serviceability during the service concession arrangements. These contractual obligations to maintain infrastructure, except for any upgrade element, is recognised and measured at the best estimate of the expenditure that would be required to settle the present obligation at the end of each reporting period in the consolidated statement of financial position.

##### Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a first-in, first-out method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

#### 3.2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

##### Service concession arrangements

Concession arrangements are recognised in accordance with HK(IFRIC) - Int 12 Service Concession Arrangements.

HK(IFRIC) - Int 12 is applicable to concession arrangements comprising a public service obligation and satisfying both of the following criteria:

- The concession grantor controls or regulates the services to be provided by the operator using the asset, the infrastructure, the beneficiaries of the services and the prices applied; and
- The grantor controls the significant residual interest in the infrastructure at the end of the term of the arrangement.

The accounting for service concession arrangements is as follows:

##### *Consideration given by the grantor*

A financial asset (receivable under a service concession arrangement) is recognised to the extent that (a) the Group has an unconditional right to receive cash or another financial asset from or at the direction of the grantor for the construction services; and (b) the grantor has obligation for payment because the agreement is enforceable by law. The Group has an unconditional right to receive cash if the grantor contractually guarantees to pay the Group (a) specified or determinable amounts or (b) the shortfall, if any, between amounts received from users of the public service and specified or determinable amounts, even if the payment is contingent on the Group ensuring that the infrastructure meets the specified quality of efficiency requirements.

The financial asset (receivable under a service concession arrangement) is accounted for in accordance with the policy.

An intangible asset (operating concession) is recognised to the extent that the Group receives a right to charge users of the public service, which is not an unconditional right to receive cash because the amounts are contingent on the extent that the public uses the service. The intangible asset (operating concession) is accounted for in accordance with the policy.

If the Group is paid partly by a financial asset and partly by an intangible asset, in which case, each component of the consideration is accounted for separately and the consideration received or receivable for both components shall be recognised initially at the fair value of the consideration received or receivable.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

For the year ended 31 December 2025

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(CONTINUED)*

#### 3.2 MATERIAL ACCOUNTING POLICY INFORMATION *(CONTINUED)*

##### **Service concession arrangements** *(continued)*

###### *Construction services*

Revenue and costs relating to construction services and upgrade services are accounted for in accordance with the policy set out for “Revenue recognition” in note 5.

###### *Operating services*

Revenue relating to operating services is accounted for in accordance with the policy for construction services under solid waste treatment service contracts in note 5. Costs for operating services are expensed in the period in which they are incurred.

###### *Contractual obligations to restore the infrastructure to a specified level of serviceability*

The Group has contractual obligations which it must fulfil as a condition of its licence, that is (a) to maintain the solid waste incineration plants it operates to a specified level of serviceability and/or (b) to restore the solid waste incineration plants to a specified condition before they are handed over to the grantor at the end of the service concession arrangement. These contractual obligations to maintain or restore the solid waste incineration plants, except for any upgrade elements, shall be recognised and measured in accordance with the policy set out for “Provisions” above.

##### **Financial instruments**

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15 *Revenue from Contracts with Customers*. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss (“FVTPL”)) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

#### 3.2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

##### Financial instruments (continued)

##### Financial assets

##### Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### Impairment of financial assets subject to impairment assessment under HKFRS 9 Financial Instruments

The Group performs impairment assessment under expected credit loss (“ECL”) model on financial assets (including receivables under service concession, trade receivables, other receivables, restricted bank deposits, cash and cash equivalents and contract assets) which are subject to impairment assessment under HKFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL (“12m ECL”) represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Group’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade receivables and contract assets without significant financing component.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

For the year ended 31 December 2025

## 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(CONTINUED)*

### 3.2 MATERIAL ACCOUNTING POLICY INFORMATION *(CONTINUED)*

#### Financial instruments *(continued)*

##### Financial assets *(continued)*

*Impairment of financial assets subject to impairment assessment under HKFRS 9 Financial Instruments (continued)*

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

The Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

The Group considers a financial asset in default when contractual payments are 3 years past due. The Group has rebutted the 90 days past due presumption of default as some of the customers of the Group are enterprises directly or indirectly owned and/or controlled by the PRC government through its numerous authorities, affiliates or other organisations and there was no history of default in prior years, the directors of the Company considered the default rate is minimal. However, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;
- (c) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

#### 3.2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

##### **Financial instruments** (continued)

##### **Financial assets** (continued)

*Impairment of financial assets subject to impairment assessment under HKFRS 9 Financial Instruments* (continued)

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights. The Group uses a practical expedient in estimating ECL on trade receivables using a provision matrix taking into consideration historical credit loss experience and forward-looking information that is available without undue cost or effort.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables and contract assets where the corresponding adjustment is recognised through a loss allowance account.

##### *Derecognition of financial assets*

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

##### **Financial liabilities and equity**

##### *Classification as debt or equity*

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

For the year ended 31 December 2025

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(CONTINUED)*

#### 3.2 MATERIAL ACCOUNTING POLICY INFORMATION *(CONTINUED)*

##### **Financial instruments** *(continued)*

##### **Financial liabilities and equity** *(continued)*

##### *Equity instruments*

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

##### *Financial liabilities*

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

##### *Financial liabilities at amortised cost*

Financial liabilities including bank and other borrowings, trade payables and other payables are subsequently measured at amortised cost, using the effective interest method.

##### *Derecognition of financial liabilities*

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

### 4. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

##### **Estimated impairment of goodwill**

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the recoverable amounts of the group of cash-generating units of waste treatment to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the group of cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill in the consolidated statement of financial position as at 31 December 2025 was RMB1,010,296,000 (2024: RMB1,032,747,000), details of which are set out in note 17 to the consolidated financial statements.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

## 5. REVENUE

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

### Disaggregated revenue information

Segment	Solid waste treatment	
	2025 RMB'000	2024 RMB'000
<b>Continuing operations</b>		
<b>Types of goods or services</b>		
Household waste treatment services*	336,605	318,143
Hazardous and medical waste treatment services	22,550	22,710
Food waste, leachate, sludge and other treatments services	240,509	193,815
Electricity	722,547	701,017
Steam	64,357	40,180
Waste incineration plant construction and related services*	34,246	364,864
Equipment	–	23,395
Total revenue	1,420,814	1,664,124
<b>Geographical markets</b>		
Total revenue from contracts with customers in Chinese Mainland	1,170,401	1,415,282
Revenue from another source:		
Imputed interest income	250,413	248,842
Total revenue	1,420,814	1,664,124
<b>Timing of revenue recognition</b>		
Goods and services transferred at a point in time	1,137,085	1,053,598
Services transferred over time	33,316	361,684
Total revenue from contracts with customers	1,170,401	1,415,282
Revenue from another source:		
Imputed interest income	250,413	248,842
Total revenue	1,420,814	1,664,124

\* 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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

For the year ended 31 December 2025

### 5. REVENUE *(CONTINUED)*

#### Performance obligations

Information about the Group's performance obligations from continuing operation is summarised below:

**(i) Waste and other treatments**

The performance obligations of waste treatment, leachate, sludge and other treatments services are satisfied at the point in time.

**(ii) Sale of electricity, steam and equipment**

The performance obligation 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.

**(iii) Construction service of the waste incineration plant**

Revenue from construction services is recognised over time as the performance obligation is satisfied, with the extent of progress measured using the input method. This is because the Group's performance creates or enhances assets that are controlled by the customer as the asset is created or enhanced. The input method recognises revenue based on the ratio of actual costs incurred to the total estimated costs for fulfilling the obligations related to solid waste incineration plant and ecological construction services.

Revenue from construction services under service concession arrangements is estimated on a cost-plus basis, with reference to the prevailing market gross profit margins at the date of agreements that are applicable to similar construction services provided.

**(iv) Transaction price allocated to the remaining performance obligation for contracts with customers**

The Group has applied the practical expedient in HKFRS 15 for not disclosing the remaining performance obligations of the Group's existing household waste treatment service contracts as the Group recognises revenue from the satisfaction of the performance obligation in the amount to which the Group has a right to consideration from a customer that corresponds directly with the value to the customer of the entity's performance completed to date. For all other contracts in which the performance obligations are expected to be recognised as revenue with an original expected duration of one year or less, the transaction price allocated to these unsatisfied contracts is not disclosed as permitted under HKFRS 15.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

For the year ended 31 December 2025

### 6. 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 6 does not include any amounts for these discontinued operations, which are described in more detail in note 13.

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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

For the year ended 31 December 2025

### 6. OPERATING SEGMENT INFORMATION *(CONTINUED)*

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

##### Continuing operations

	Solid waste treatment RMB'000	Others RMB'000	Total RMB'000
Segment revenue (note 5)	1,420,814	–	1,420,814
Cost of sales	(832,809)	–	(832,809)
Gross profit	588,005	–	588,005
Profit (loss) from operating activities	507,250	(27,818)	479,432
Finance costs	(63,708)	(86,724)	(150,432)
Profit (loss) before tax	443,542	(114,542)	329,000
Income tax	(75,410)	(19)	(75,429)
Profit (loss) for the year	368,132	(114,561)	253,571
Segment profit (loss) attributable to owners of the Company	346,693	(114,515)	232,178
Segment assets	9,812,628	367,136	10,179,764
Segment liabilities	3,322,463	2,666,407	5,988,870
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*	148,866	–	148,866

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

## 6. OPERATING SEGMENT INFORMATION (CONTINUED)

Year ended 31 December 2024/as at 31 December 2024

Continuing operations

	Solid waste treatment RMB'000	Others RMB'000	Total RMB'000
Segment revenue (note 5)	1,664,124	–	1,664,124
Cost of sales	(1,061,065)	–	(1,061,065)
<b>Gross profit</b>	<b>603,059</b>	<b>–</b>	<b>603,059</b>
Profit (loss) from operating activities	525,084	(37,188)	487,896
Finance costs	(69,447)	(41,665)	(111,112)
Profit (loss) before tax	455,637	(78,853)	376,784
Income tax	(68,493)	(52)	(68,545)
<b>Profit (loss) for the year</b>	<b>387,144</b>	<b>(78,905)</b>	<b>308,239</b>
Segment profit (loss) attributable to owners of the Company	370,567	(78,925)	291,642
Segment assets	9,621,860	387,280	10,009,140
Segment liabilities	3,458,053	2,634,615	6,092,668
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*	337,527	53	337,580

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 6. OPERATING SEGMENT INFORMATION (CONTINUED)

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

### 7. OTHER INCOME

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

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

## 8. PROFIT FROM OPERATING ACTIVITIES

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

	2025 RMB'000	2024 RMB'000
<b>Continuing operations</b>		
Cost of raw materials consumed	61,122	58,037
Cost of waste treatment services rendered <sup>1</sup>	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 – note 10):		
Wages and salaries	286,442	260,208
Pension scheme contributions (defined contribution scheme) <sup>2</sup>	28,209	25,034
	<b>314,651</b>	285,242
Less: Amount capitalised	<b>(1,798)</b>	(7,679)
	<b>312,853</b>	277,563
Depreciation of property, plant and equipment <sup>3</sup>	45,962	36,804
Depreciation of right-of-use assets <sup>4</sup>	8,743	8,764
Lease payments not included in the measurement of lease liabilities	8,806	10,067
Amortisation of operating concessions <sup>5</sup>	144,114	175,448
Amortisation of other intangible assets <sup>5</sup>	4,992	4,447
Provision for major overhauls <sup>5</sup>	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	<b>(794)</b>	–
	<b>7,768</b>	18,131
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	<b>(3,616)</b>	2,419

<sup>1</sup> 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 (note 29), 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 RMB30,287,000 (2024: RMB33,377,000) 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 (2024: 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 RMB2,338,000 (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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 9. FINANCE COSTS

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

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

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

### 10. DIRECTORS' REMUNERATION

Directors' remuneration for the year, disclosed pursuant to the applicable Listing Rules of the Hong Kong Companies Ordinance, is as follows:

	2025 RMB'000	2024 RMB'000
Fees	800	878
Other emoluments:		
Salaries, allowances and benefits in kind	732	614
Pension scheme contributions	127	61
	<b>859</b>	675
	<b>1,659</b>	1,553

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

## 10. DIRECTORS' REMUNERATION (CONTINUED)

	Fees RMB'000	Salaries, allowances and benefits in kind RMB'000	Pension scheme contributions RMB'000	Total remuneration RMB'000
<b>Year ended 31 December 2025</b>				
Executive directors:				
Mr. Chen Xinguo*	–	–	–	–
Mr. Li Ai	–	732	127	859
Ms. Li Yining* (appointed on 30 December 2025)	–	–	–	–
Ms. Liu Li* (appointed on 30 December 2025)	–	–	–	–
Mr. Ng Kong Fat, Brian	110	–	–	110
Ms. Sha Ning* (resigned on 30 December 2025)	–	–	–	–
Mr. Yu Jie* (resigned on 30 December 2025)	–	–	–	–
	<b>110</b>	<b>732</b>	<b>127</b>	<b>969</b>
Independent non-executive directors:				
Dr. Huan Guocang	138	–	–	138
Dr. Wang Jianping	138	–	–	138
Mr. Cheung Ming	138	–	–	138
Ms. Miao Li	138	–	–	138
Dr. Luo Shengqiang (appointed on 16 January 2025)	138	–	–	138
Dr. Jin Lizuo (resigned on 16 January 2025)	–	–	–	–
Prof. Nie Yongfeng (resigned on 16 January 2025)	–	–	–	–
	<b>690</b>	<b>–</b>	<b>–</b>	<b>690</b>
<b>Total</b>	<b>800</b>	<b>732</b>	<b>127</b>	<b>1,659</b>
<b>Year ended 31 December 2024</b>				
Executive directors:				
Mr. Chen Xinguo*	–	–	–	–
Mr. Li Ai (appointed on 1 February 2024)	–	614	61	675
Mr. Ng Kong Fat, Brian	109	–	–	109
Ms. Sha Ning*	–	–	–	–
Mr. Yu Jie*	–	–	–	–
Mr. Ke Jian* (resigned on 1 February 2024)	–	–	–	–
	<b>109</b>	<b>614</b>	<b>61</b>	<b>784</b>
Independent non-executive directors:				
Dr. Huan Guocang	137	–	–	137
Dr. Wang Jianping	137	–	–	137
Mr. Cheung Ming	137	–	–	137
Ms. Miao Li (appointed on 22 May 2024)	84	–	–	84
Dr. Jin Lizuo	137	–	–	137
Prof. Nie Yongfeng	137	–	–	137
	<b>769</b>	<b>–</b>	<b>–</b>	<b>769</b>
<b>Total</b>	<b>878</b>	<b>614</b>	<b>61</b>	<b>1,553</b>

\* Certain directors have also been employed by BEHL and fellow subsidiaries, their emoluments were borne by BEHL and fellow subsidiaries for both years.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

For the year ended 31 December 2025

### 10. DIRECTORS' REMUNERATION *(CONTINUED)*

The executive directors' emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group.

The independent non-executive directors' emoluments shown above were for their services as directors of the Company.

There was no arrangement under which a director waived or agreed to waive any remuneration during both years.

### 11 FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees for each of the years ended 31 December 2025 and 2024 do not include any director of the Company. Details of the remuneration of the five (2024: five) non-director highest paid employees for the year are as follows:

	2025 RMB'000	2024 RMB'000
Salaries, allowances and benefits in kind	6,637	6,029
Pension scheme contributions	454	286
	<b>7,091</b>	<b>6,315</b>

The number of the non-director highest paid employees whose remuneration fell within the following bands is as follows:

	Number of employees	
	2025	2024
HK\$1,000,001 to HK\$1,500,000	4	4
HK\$1,500,001 to HK\$2,000,000	–	1
HK\$2,000,001 to HK\$2,500,000	–	–
HK\$2,500,001 to HK\$3,000,000	1	–
	<b>5</b>	<b>5</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

## 12. INCOME TAX

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

	2025 RMB'000	2024 RMB'000
<b>Continuing operations</b>		
Current – Chinese Mainland		
Charge for the year	78,574	65,596
Underprovision in prior years	–	1,850
	<b>78,574</b>	67,446
Deferred (note 30)	<b>(3,145)</b>	1,099
	<b>75,429</b>	68,545

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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 12. INCOME TAX (CONTINUED)

A reconciliation of the tax expense applicable to profit before tax at the statutory rate for the jurisdiction in which the Company and the majority of its subsidiaries are domiciled to the tax expense at the effective tax rate, and a reconciliation of the applicable rate (i.e., statutory tax rate) to effective tax rate, are as follows:

	2025		2024	
	RMB'000	%	RMB'000	%
<b>Continuing operations</b>				
Profit before tax	<b>329,000</b>		376,784	
Tax at the statutory tax rate	<b>82,250</b>	<b>25.0</b>	94,298	25.0
Effect of withholding tax on interest income from intercompany loans and rental income from a lessee in the PRC	<b>532</b>	<b>0.2</b>	1,045	0.3
Tax concession enjoyed	<b>(59,948)</b>	<b>(18.2)</b>	(56,109)	(14.9)
Underprovision in prior years	<b>–</b>	<b>–</b>	1,850	0.5
Income not subject to tax	<b>(5,874)</b>	<b>(1.8)</b>	(1,796)	(0.5)
Expenses not deductible for tax	<b>44,892</b>	<b>13.6</b>	20,313	5.4
Tax losses not recognised	<b>16,137</b>	<b>4.9</b>	11,584	3.1
Tax losses utilised from previous years	<b>(2,560)</b>	<b>(0.8)</b>	(2,640)	(0.7)
Tax charge at the Group's effective tax rate	<b>75,429</b>	<b>22.9</b>	68,545	18.2

### 13. 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 for the period from the discontinued operation was set out below.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

For the year ended 31 December 2025

### 13. DISCONTINUED OPERATION *(CONTINUED)*

#### Construction services

The performance obligation was satisfied over time, using an input method to measure progress towards complete satisfaction of the service, because the Group's performance created or enhanced an asset that the customer controls as the asset was created or enhanced.

	1 January to 19 June 2024 RMB'000
Loss for the period from the discontinued operation	(1,000)
Loss on the disposal of the discontinued operation (note 33)	(3,929)
Income tax	(1,249)
	(6,178)

The results of the discontinued operation were presented below:

	1 January to 19 June 2024 RMB'000
Revenue	103,190
Other income	2,386
Cost of sales	(94,739)
Administrative expenses	(11,128)
Finance costs	(655)
	(946)
Loss before tax	(946)
Income tax	(54)
	(1,000)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 13. DISCONTINUED OPERATION (CONTINUED)

Loss for the period from the discontinued operation included the following:

	1 January to 19 June 2024 RMB'000
Auditor's remuneration	–

The net cash flows of the discontinued operation were as follows:

Operating activities	(52,242)
Investing activities	(290)
Financing activities	19,345
Net cash outflow	(33,187)

	RMB cents
Loss per share:	
Basic and diluted, from the discontinued operation	(0.37)

### 14. 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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 15. PROPERTY, PLANT AND EQUIPMENT/ASSETS CLASSIFIED AS HELD FOR SALES

#### (a) Property, plant and equipment

	Buildings RMB'000	Leasehold improvements RMB'000	Plant and machinery RMB'000	Furniture, fixtures and office equipment RMB'000	Motor vehicles RMB'000	Construction in progress RMB'000	Total RMB'000
<b>31 December 2025</b>							
At 1 January 2025:							
Cost	361,391	28,572	367,132	34,019	14,576	–	805,690
Accumulated depreciation and impairment	(63,428)	(23,942)	(178,675)	(13,024)	(10,085)	–	(289,154)
Net carrying amount	297,963	4,630	188,457	20,995	4,491	–	516,536
Net carrying amount:							
At 1 January 2025	297,963	4,630	188,457	20,995	4,491	–	516,536
Additions	–	–	25,923	1,588	826	693	29,030
Depreciation provided during the year	(23,934)	(2,845)	(15,296)	(2,519)	(1,368)	–	(45,962)
Disposals	–	–	(24)	(91)	(59)	–	(174)
At 31 December 2025	274,029	1,785	199,060	19,973	3,890	693	499,430
At 31 December 2025:							
Cost	361,391	28,572	392,575	33,559	14,911	693	831,701
Accumulated depreciation and impairment	(87,362)	(26,787)	(193,515)	(13,586)	(11,021)	–	(332,271)
Net carrying amount	274,029	1,785	199,060	19,973	3,890	693	499,430

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 15. PROPERTY, PLANT AND EQUIPMENT/ASSETS CLASSIFIED AS HELD FOR SALES (CONTINUED)

#### (a) Property, plant and equipment (continued)

	Buildings RMB'000	Leasehold improvements RMB'000	Plant and machinery RMB'000	Furniture, fixtures and office equipment RMB'000	Motor vehicles RMB'000	Construction in progress RMB'000	Total RMB'000
31 December 2024							
At 1 January 2024:							
Cost	366,362	64,597	370,677	29,924	22,086	–	853,646
Accumulated depreciation and impairment	(54,529)	(43,333)	(165,176)	(14,583)	(15,824)	–	(293,445)
Net carrying amount	311,833	21,264	205,501	15,341	6,262	–	560,201
Net carrying amount:							
At 1 January 2024	311,833	21,264	205,501	15,341	6,262	–	560,201
Additions	–	–	3,359	9,010	752	–	13,121
Depreciation provided during the year	(10,534)	(4,497)	(18,710)	(2,491)	(1,563)	–	(37,795)
Disposals	(3,336)	–	(42)	(19)	(59)	–	(3,456)
Disposal of a subsidiary (note 33)	–	(12,137)	(1,651)	(846)	(901)	–	(15,535)
At 31 December 2024	297,963	4,630	188,457	20,995	4,491	–	516,536
At 31 December 2024:							
Cost	361,391	28,572	367,132	34,019	14,576	–	805,690
Accumulated depreciation and impairment	(63,428)	(23,942)	(178,675)	(13,024)	(10,085)	–	(289,154)
Net carrying amount	297,963	4,630	188,457	20,995	4,491	–	516,536

The above items of property, plant and equipment are depreciated on a straight line basis over their estimated useful lives taking into account of their estimated residual values, at the following rates per annum:

Buildings	3% to 4%
Leasehold improvements	Over the shorter of the lease terms and 20%
Plant and machinery	5% to 19%
Furniture, fixtures and equipment	10% to 32%
Motor vehicles	8% to 19%

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 15. PROPERTY, PLANT AND EQUIPMENT/ASSETS CLASSIFIED AS HELD FOR SALES (CONTINUED)

#### (b) Asset classified as held for sale

Note: In July 2019, the Group entered into a supplementary agreement with a local government authority, pursuant to which the existing solid waste incineration plant of 北控環境再生能源(張家港)有限公司 (“Beikong Zhangjiagang”) (the “Old Plant”, which was operated under a Build-Own-Operate (“BOO”) basis with a concession period of 30 years up to 2038) shall be transferred to the government authority upon the completion of final acceptance of construction of a new solid waste incineration plant of Beikong Zhangjiagang (the “New Plant”, which is operated under a Build-Operate-Transfer (“BOT”) basis with a concession period of 30 years up to 2052).

As at 31 December 2023, the New Plant was completed and commenced its commercial operation, and the operation of the Old Plant was suspended. The directors of the Company are of the opinion that the Group expected to transfer the title of the Old Plant to the government authority by the end of 2024. Therefore, the property, plant and equipment related to the Old Plant of RMB302,173,000 of Beikong Zhangjiagang was classified as non-current assets held for disposal.

As at 31 December 2025, the transfer of the title of the Existing Plant has not yet completed due to the delay of certain administrative procedure by the government authority, the directors of the Company are of the opinion that the title of the Existing Plant can be transferred by the end of 2026, and therefore the property, plant and equipment related to the Existing Plant of RMB302,173,000 was still classified as non-current assets held for disposal.

### 16. LEASES

#### The Group as a lessee

The Group has lease contracts for various items of land and buildings, machinery, motor vehicles and other equipment used in its operations. Lump sum payments were made upfront to acquire the leased land from the owners with lease periods of 50 years, and no ongoing payments will be made under the terms of these land leases. Leases of land and buildings generally have lease terms between 2 and 5 years. Machinery, motor vehicles and other equipment generally have lease terms of 12 months or less and/or are individually of low value and hence the leases of these assets are not recognised as right-of-use assets in accordance with the Group’s accounting policy. Generally, the Group is restricted from assigning and sub-leasing the leased assets outside the Group.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 16. LEASES (CONTINUED)

#### The Group as a lessee (continued)

##### (a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

	Buildings RMB'000	Leasehold land RMB'000	Total RMB'000
At 1 January 2024	23,989	27,427	51,416
Depreciation provided during the year	(8,018)	(746)	(8,764)
At 31 December 2024 and 1 January 2025	<b>15,971</b>	<b>26,681</b>	<b>42,652</b>
Depreciation provided during the year	<b>(7,997)</b>	<b>(746)</b>	<b>(8,743)</b>
At 31 December 2025	<b>7,974</b>	<b>25,935</b>	<b>33,909</b>

##### (b) Lease liabilities

The carrying amount of lease liabilities (included under "Other payables and accruals" - note 32) and the movements during the year are as follows:

	2025 RMB'000	2024 RMB'000
At 1 January	<b>14,831</b>	22,809
Accretion of interest recognised during the year	<b>464</b>	791
Payments	<b>(8,769)</b>	(8,769)
At 31 December (note 32)	<b>6,526</b>	14,831
Portion classified as current liabilities	<b>(6,526)</b>	(6,190)
Non-current portion	-	8,641

The maturity analysis of lease liabilities is disclosed in note 41(d) to the consolidated financial statements.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 16. LEASES (CONTINUED)

#### The Group as a lessee (continued)

(c) The amounts recognised in profit or loss in relation to leases are as follows:

	2025 RMB'000	2024 RMB'000
Interest on lease liabilities	464	791
Depreciation of right-of-use assets	8,743	8,764
Expense relating to short-term leases	3,852	5,924
Expense relating to leases of low-value assets	4,953	4,143
Total amount recognised in profit or loss	<b>18,012</b>	19,622

(d) The total cash outflow for leases included in the consolidated statement of cash flows is disclosed in note 35(c) to the financial statements.

### 17. GOODWILL

	2025 RMB'000	2024 RMB'000
Cost and net carrying amount:		
At 1 January	1,032,747	1,010,296
Exchange realignment	(22,451)	22,451
At 31 December	<b>1,010,296</b>	1,032,747

#### Impairment testing on goodwill

The carrying amount of the goodwill acquired through the acquisition of subsidiaries has been allocated to the solid waste treatment segment of the Group for impairment testing.

The recoverable amount of the solid waste treatment segment has been determined based on a value-in-use calculation using cash flow projections based on financial forecasts of the cash-generating units approved by senior management covering the service concession periods and based on the assumption that sizes of the operations remain constant perpetually. The pre-tax discount rate applied to the cash flow projections was 8.53% (2024: 8.89%). The growth rate used to extrapolate the cash flows beyond the service concession periods was 2.5% (2024: 2.5%).

Based on the results of the impairment testing of goodwill, in the opinion of the directors of the Company, no impairment provision is considered necessary for the Group's goodwill as at 31 December 2025 (2024: Nil).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

For the year ended 31 December 2025

### 17. GOODWILL *(CONTINUED)*

#### **Impairment testing on goodwill** *(continued)*

##### **Key assumptions used in assessing the value in use**

Assumptions were used in the value-in-use calculation of the solid waste treatment segment for 31 December 2025 and 2024. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

- Budgeted turnover:
  - It is based on the projected unguaranteed solid waste treatment volume and the latest solid waste treatment and electricity selling prices up to the date of the forecast.
- Budgeted gross margins:
  - The basis used to determine the value assigned to the budgeted gross margins is the average gross margins achieved in the year immediately before the budget year, increased for expected efficiency improvements, and expected market development.
- Business environment:
  - There have been no major changes in the existing political, legal and economic conditions in Chinese Mainland. Under the service concession arrangements, the Group has been granted with priority for renewal of operating rights of its solid waste incineration plants. Given its performance record and its relationship with the grantors, the Group has key advantages over other operators. In addition, the high investment cost has also created an entry barrier for new competitors. Therefore, in the opinion of the directors of the Company, the operating rights of solid waste incineration plants shall be renewed upon expiry, and therefore, the size of the solid waste treatment operation is expected to remain constant under operating period, which enables the Group to generate income under operating period.
- Discount rates:
  - The discount rates used are before tax and reflect specific risks relating to the relevant business units. The pre-tax discount rate implied in the cash flow projections is 8.53% for the relevant business units (2024: 8.89%).

The recoverable amount is significantly above the carrying amount of the solid waste treatment segment. Management believes that any reasonably possible change in any of above assumptions would not result in impairment.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

## 18. SERVICE CONCESSION ARRANGEMENTS

The Group has entered into service concession arrangements with governmental authorities in Chinese Mainland on a BOT basis in respect of the construction and operation of solid waste incineration plants. These service concession arrangements involve the Group as an operator in (i) constructing the incineration plants (the “Facilities”) for those arrangements on a BOT basis; and (ii) operating and maintaining the Facilities at a specified level of serviceability on behalf of the relevant governmental authorities for periods ranging from 15 to 30 years (the “Service Concession Periods”), and the Group will be paid for its services over the Service Concession Periods at prices stipulated through a pricing mechanism. The Group is generally entitled to use all the property, plant and equipment of the Facilities, but the relevant governmental authorities as grantors retain the beneficial entitlement to any residual interest in the Facilities at the end of the term of the Service Concession Periods. Each of these service concession arrangements is governed by a contract and, where applicable, supplementary agreements entered into between the relevant subsidiaries and the relevant governmental authority in Chinese Mainland that set out, inter alia, performance standards, mechanisms for adjusting prices for the services rendered by the Group, specific obligations levied on the Group to restore the Facilities to a specified level of serviceability at the end of the Service Concession Periods, and arrangements for arbitrating disputes.

Details of the major terms of the Group’s service concession arrangements are set out as follows:

Name of company as operator	Location	Name of grantor	Type of service concession arrangement	Practical processing capacity (tonnes/day)	Service concession period
常德北控生物質能發電有限公司 (“Changde Beikong”)	Hunan	常德市環境衛生管理處	BOT	Phase II: 600 Phase III: 600	25 years from 2019 to 2044 27 years from 2020 to 2047
北京北控綠海環保有限公司 (“Beikong Lvhaiheng”)	Beijing	北京市海澱區市政 市容管理委員會	BOT	2,100	30 years from 2018 to 2048
北京朝陽北控再生 能源科技有限公司 (“Chaoyang Beikong”)	Beijing	北京市朝陽區市政 市容管理委員會	BOT	1,600	30 years from 2005 to 2034
哈爾濱北控環境資 源利用有限公司 (“Ha’erbin Beikong”, formerly named as 哈爾濱市雙琦 環保資源利用有限公司)	Heilongjiang	哈爾濱市城市管理局	BOT	Phase I: 400 Phase II: 1,200	30 years from 2013 to 2043 30 years from 2013 to 2043
北控環境再生能源沭陽有限公司 (“Beikong Shuyang”)	Jiangsu	江蘇省沭陽縣人民政府	BOT	Phase I: 600 Phase II: 600	30 years from 2015 to 2045 30 years from 2018 to 2048

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 18. SERVICE CONCESSION ARRANGEMENTS (CONTINUED)

Details of the major terms of the Group's service concession arrangements are set out as follows:  
(continued)

Name of company as operator	Location	Name of grantor	Type of service concession arrangement	Practical processing capacity (tonnes/day)	Service concession period
北控環境(文昌)再生能源有限公司 ("Beikong Wenchang")	Hainan	海南省文昌市人民政府	BOT	225	15 years from 2012 to 2027
北控(衡陽)環境科技有限公司 ("Beikong Hengyang")	Hunan	湖南省環境保護廳	BOT	96	25 years from 2017 to 2042
Beikong Zhangjiagang	Jiangsu	張家港市靜脈科技 產業園管理委員會	BOT	2,250	30 years from 2021 to 2052
濟寧北控合利環境科技有限公司 ("Jining Beikong", formerly named as 北發合利 (濟寧)環保電力有限公司)	Shandong	濟寧市兗州區 綜合行政執法局	BOT	1,500	30 years from 2020 to 2049
十堰北控再生能源開發有限公司 ("Shiyan Beikong")	Hubei	十堰市城市管理 執法委員會	BOT	600	28 years from 2023 to 2051

Pursuant to the service concession agreements, the Group is granted the rights to use the land and the property, plant and equipment of the Facilities, which are generally registered under the name of the relevant subsidiaries of the Group, during the Service Concession Periods. The Group is generally required to return the property, plant and equipment to the grantors at a specified level of serviceability at the end of the respective Service Concession Periods under the BOT arrangements. At 31 December 2025, the Group was in the process of applying for the change of registration of the title certificates with respect to the land use right and the buildings of several Facilities to which the Group's service concession arrangements relate. The directors of the Company are of the opinion that the Group is entitled to the lawful and valid occupation or use of these buildings and land and thus the Group would not have any legal barriers in obtaining the title certificates.

As further explained in the accounting policy for "Service concession arrangements" set out in note 3.2 to the consolidated financial statements, the consideration (i.e. construction cost for the BOT) paid by the Group for a service concession arrangement is accounted for as an intangible asset (operating concession), a financial asset (receivable under service concession arrangements) or a combination of an intangible asset and a financial asset, as appropriate.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 18. SERVICE CONCESSION ARRANGEMENTS (CONTINUED)

#### Operating concessions

	2025 RMB'000	2024 RMB'000
At 1 January:		
Cost	4,174,633	3,858,910
Accumulated amortisation and impairment	(1,314,265)	(1,138,817)
Net carrying amount	<b>2,860,368</b>	2,720,093
Net carrying amount:		
At 1 January	2,860,368	2,720,093
Additions	118,706	315,723
Amortisation provided during the year	(144,114)	(175,448)
At 31 December	<b>2,834,960</b>	2,860,368
At 31 December:		
Cost	4,293,339	4,174,633
Accumulated amortisation and impairment	(1,458,379)	(1,314,265)
Net carrying amount	<b>2,834,960</b>	2,860,368

#### Receivables under service concession arrangements

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

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 RMB1,771,748,000 (2024: RMB2,308,544,000), which are managed by the Group pursuant to the relevant service concession arrangements signed with the grantors, are mortgaged for the Group's bank loans (note 27(c)).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 19. OTHER INTANGIBLE ASSETS

	Operating rights RMB'000 (Note)	Licences RMB'000	Computer software RMB'000	Total RMB'000
<b>31 December 2025</b>				
At 1 January 2025:				
Cost	106,636	22,007	29,232	157,875
Accumulated amortisation and impairment	(79,377)	(17,133)	(6,007)	(102,517)
Net carrying amount	27,259	4,874	23,225	55,358
Net carrying amount:				
At 1 January 2025	27,259	4,874	23,225	55,358
Additions	–	–	1,130	1,130
Amortisation provided during the year	(1,435)	(400)	(3,157)	(4,992)
Disposals	–	(7)	–	(7)
At 31 December 2025	25,824	4,467	21,198	51,489
At 31 December 2025:				
Cost	106,636	22,000	30,362	158,998
Accumulated amortisation and impairment	(80,812)	(17,533)	(9,164)	(107,509)
Net carrying amount	25,824	4,467	21,198	51,489
<b>31 December 2024</b>				
At 1 January 2024:				
Cost	106,636	22,000	20,184	148,820
Accumulated amortisation and impairment	(77,942)	(16,733)	(3,243)	(97,918)
Net carrying amount	28,694	5,267	16,941	50,902
Net carrying amount:				
At 1 January 2024	28,694	5,267	16,941	50,902
Additions	–	7	9,076	9,083
Disposal of a subsidiary (note 33)	–	–	(28)	(28)
Amortisation provided during the year	(1,435)	(400)	(2,764)	(4,599)
At 31 December 2024	27,259	4,874	23,225	55,358
At 31 December 2024:				
Cost	106,636	22,007	29,232	157,875
Accumulated amortisation and impairment	(79,377)	(17,133)	(6,007)	(102,517)
Net carrying amount	27,259	4,874	23,225	55,358

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 19. OTHER INTANGIBLE ASSETS (CONTINUED)

Note: Certain subsidiaries acquired by the Group were under service concession arrangements with governmental authorities in Chinese Mainland on a BOO basis for the construction and operation of solid waste incineration plants. The costs of operating rights represent their fair values under the BOO arrangements acquired by the Group in prior years and are amortised over the service concession period. Details of the major terms of the BOO arrangements are set out as follows:

Name of company as operator	Location	Type of service concession arrangement	Practical processing capacity	Service concession period
泰安北控環境能源開發有限公司 ("Taian Beikong")	Shandong	BOO	Phase I: 800	30 years from 2008 to 2038
			Phase II: 1,200	Not yet finalised
Beikong Zhangjiagang (note)	Jiangsu	BOO	Phase I: 600	30 years from 2008 to 2038
			Phase II: 300	30 years from 2014 to 2044

Note: Included in the operating right, RMB25,824,000 (2024: RMB27,259,000) represents the service concession operated by Beikong Zhangjiagang, of which the operation was suspended during the year ended 31 December 2023, the directors of the Company are of the opinion that the entire intangible asset can be recovered upon transfer of the title of the Existing Plant as disclosed in note 15, and therefore, no impairment is recognised during the years ended 31 December 2025 and 2024.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end. The principal annual rates used for this purpose are as follows:

Operating rights	4%
Licences	4% to 7%
Computer software	10% to 20%

### 20. CONTRACT ASSETS

	2025 RMB'000	2024 RMB'000
Contract assets arising from:		
Waste incineration plant construction services	51,888	81,054
Impairment (note 8)	(6,347)	(6,304)
	<b>45,541</b>	74,750

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 20. CONTRACT ASSETS (CONTINUED)

Contract assets are initially recognised for revenue earned from the provision of construction services for the infrastructures during the period of construction under the service concession arrangements. Pursuant to the service concession agreements, the Group receives no payment from the grantors during the construction period and receives service fees when the relevant solid waste treatment services are rendered. All contract assets classified as current assets as at 31 December are expected to be recovered or settled within one year. The receivables under service concession arrangements (including the contract assets therein) are not yet due for payment and will be settled by service fees to be received during the operating periods of the service concession arrangements. Amounts billed will then be transferred to trade receivables (note 22). The decrease in contract assets in 2025 was the result of the completion of construction of a solid waste incineration plant of the Group during the year. The Group's exposure to credit risk is insignificant and the directors of the Company are of the opinion that the ECL of the contract assets is minimal. The Group's trading terms and credit policy with customers are disclosed in note 22(a) to the consolidated financial statements.

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 RMB1,771,748,000 (2024: RMB2,308,544,000), which are managed by the Group pursuant to the relevant service concession arrangements signed with the grantors, are mortgaged for the Group's bank loans (note 27(c)).

### 21. INVENTORIES

	2025 RMB'000	2024 RMB'000
Raw materials – coal and consumables	<b>30,910</b>	36,132

### 22. TRADE AND BILLS RECEIVABLES

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 22. TRADE AND BILLS RECEIVABLES (CONTINUED)

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 RMB'000	2024 RMB'000
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	53,249	22,714
	<b>501,169</b>	393,726
Unbilled*	<b>409,756</b>	420,458
	<b>910,925</b>	814,184

\* 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.

- (c) The movements in the loss allowance for impairment of trade and bills receivables are as follows:

	2025 RMB'000	2024 RMB'000
At 1 January	37,794	26,602
Impairment losses provided during the year, net	8,519	11,827
Disposal of a subsidiary	–	(635)
	<b>46,313</b>	37,794

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 22. TRADE AND BILLS RECEIVABLES (CONTINUED)

Notes: (continued)

- (d) An impairment analysis is performed for the Group's trade and bills receivables at the end of each reporting period, using an ECL model which measures ECLs of trade and bills receivables based on ECL rates estimated by the Group for different groups of customers. The ECL rates used for a provision matrix of customers are estimated with reference to the ageing of the receivables, the credit rating, probabilities of default and loss given default rate of that customer group. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Set out below is a summarised information about the credit risk exposure on the Group's trade and bills receivables, by aggregating customer groups into three different tiers based on their settlement patterns and economic status of their geographical locations:

	Gross carrying amount RMB'000	ECLs RMB'000	Effective ECL rate %	Probability of default rates applied %	Loss given default rates applied %
At 31 December 2025					
Tier 1	351,886	3,004	0.85	0.21 to 0.41	60.1 to 62.3
Tier 2	103,732	2,916	2.81	1.67 to 3.26	60.1 to 63.6
Tier 3*	501,620	40,393	8.05	21.2 to 100	60.1 to 100
	957,238	46,313	4.84	0.21 to 100	60.1 to 100
At 31 December 2024					
Tier 1	323,957	2,029	0.63	0.21 to 0.40	60.1 to 62.3
Tier 2	103,401	4,684	4.53	1.69 to 3.25	60.1 to 63.6
Tier 3*	424,620	31,081	7.32	18.75 to 100	60.1 to 100
	851,978	37,794	4.44	0.21 to 100	60.1 to 100

\* Included impairment losses of RMB34,072,000 (2024: RMB27,823,000) in total recognised as at 31 December 2025 in respect of specific customers as there was no reasonable expectation for recovering the trade receivables from them.

- (e) At 31 December 2024, trade receivables of RMB50,000 (2025: Nil) arising from the provision of solid waste treatment services were pledged to secure a bank loan granted to the Group (note 27(c)).
- (f) Included in the Group's trade and bills receivables is an amount of RMB94,000 (2024: RMB38,000) due from a non-controlling equity holder of a subsidiary, arising from transactions carried out in the ordinary course of business of the Group. The balance is unsecured, interest-free and receivable on credit terms.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 23. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	Notes	2025 RMB'000	2024 RMB'000
Prepayments		21,246	20,133
Deposits and other receivables	(a)	247,192	239,024
Due from fellow subsidiaries	(b)	19,798	17,805
Due from a non-controlling equity holder of a subsidiary	(b)	1,598	1,598
		<b>289,834</b>	278,560
Impairment	(c)	<b>(4,247)</b>	(5,041)
		<b>285,587</b>	273,519
Current portion		<b>(285,368)</b>	(273,264)
		<b>219</b>	255
Non-current portion			

Notes:

- (a) Deposits and other receivables mainly represent value added tax recoverable and deposits with suppliers.
- (b) The balances with fellow subsidiaries and a non-controlling equity holder of a subsidiary are unsecured, interest-free and repayable on demand.
- (c) The movements in the loss allowance for impairment of deposits and other receivables during the year is as follows:

	2025 RMB'000	2024 RMB'000
At 1 January	5,041	5,041
Reversal of impairment during the year, net (note 8)	<b>(794)</b>	–
At 31 December	<b>4,247</b>	5,041

Other than those other receivables for which impairment losses have been provided, none of the above assets is either past due or impaired and relate to receivables for which there was no recent history of default and past due amounts. As at 31 December 2025 and 2024, the loss allowance was assessed to be minimal.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 24. CASH AND CASH EQUIVALENTS AND RESTRICTED BANK DEPOSITS

	Notes	2025 RMB'000	2024 RMB'000
Cash and bank balances other than time deposits:			
Placed in banks		<b>1,553,569</b>	1,296,176
Placed in a financial institution	(c)	<b>4,994</b>	4,661
		<b>1,558,563</b>	1,300,837
Time deposits, placed in banks		<b>50,502</b>	50,931
		<b>1,609,065</b>	1,351,768
Less: Restricted bank deposits	(d)	<b>(1,003)</b>	(1,000)
		<b>1,608,062</b>	1,350,768

Notes:

- (a) At the end of the reporting period, the cash and bank balances of the Group denominated in RMB amounted to RMB1,466,925,000 (2024: RMB1,196,572,000). The RMB is not freely convertible into other currencies, however, under Chinese Mainland's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.
- (b) Cash at banks earns interest at floating rates based on daily bank deposit rates. Time deposits are made for varying periods of between three months and one year depending on the immediate cash requirements of the Group, and earn interest at the respective time deposit rates. The bank balances and restricted bank deposits are deposited with creditworthy banks with no recent history of default.
- (c) At 31 December 2025, RMB4,994,000 (2024: RMB4,661,000) was placed by the Group in 北京控股集團財務有限公司 ("BG Finance", a non-wholly-owned subsidiary of BEGCL and a fellow subsidiary of the Company), which is an authorised financial institution registered under the China Banking Regulatory Commission (note 38(a)(iii)).
- (d) At 31 December 2025, a bank deposit of RMB1,003,000 (2024: RMB1,000,000) was restricted for the performance of an operating concession agreement.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 25. SHARE CAPITAL

	2025 Equivalent to		2024 Equivalent to	
	HK\$'000	RMB'000	HK\$'000	RMB'000
Issued and fully paid: 1,500,360,150 ordinary shares	<b>2,227,564</b>	<b>1,972,895</b>	2,227,564	1,972,895

### 26. RESERVES

- (a) The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity.
- (b) PRC reserve funds are reserves set aside in accordance with the PRC Companies Law or the Law of the PRC on Joint Ventures Using Chinese and Foreign Investments as applicable to the Group's PRC subsidiaries. None of the Group's PRC reserve funds as at 31 December 2025 was distributable in the form of cash dividends (2024: Nil).
- (c) Safety funds are reserves set aside in accordance with Chinese laws and regulations, entities operating in high-risk industries are required to appropriate work safety funds. Such appropriations are charged to the cost of relevant products or to profit or loss for the period, with a corresponding credit to the special reserve account. For the current year, the special reserve balance represents the excess of amounts appropriated over amounts utilised by the project companies in Chinese Mainland.

### 27. BANK AND OTHER BORROWINGS

	Notes	2025 RMB'000	2024 RMB'000
Bank loans			
Unsecured	(b)	<b>238,074</b>	136,204
Secured	(c)	<b>838,583</b>	1,469,085
		<b>1,076,657</b>	1,605,289
Other loans – unsecured			
The immediate holding company	(d)	<b>2,423,970</b>	2,477,836
A fellow subsidiary	(e)	<b>1,027,828</b>	497,829
		<b>3,451,798</b>	2,975,665
Total bank and other borrowings		<b>4,528,455</b>	4,580,954
Portion classified as current liabilities		<b>(2,616,072)</b>	(2,613,704)
Non-current portion		<b>1,912,383</b>	1,967,250

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

For the year ended 31 December 2025

### 27. BANK AND OTHER BORROWINGS *(CONTINUED)*

Notes:

- (a) At 31 December 2025 and 2024, except for the loan from Idata, the immediate holding company, which is denominated in Hong Kong dollars, the Group's bank and other borrowings are all denominated in RMB.
- (b) At 31 December 2025, the Group's unsecured bank loans bear interest at rates ranging from five-year or above Loan Prime Rate (the "LPR") promulgated by the People's Bank of China less 131 basis points to one-year LPR plus 35 basis points and are repayable by installments up to year 2038 (2024: up to year 2035).
- (c) At 31 December 2025, the Group's secured bank loans bear interest at rates ranging from five-year or above LPR less 87 to 90 basis points (2024: ranging from five-year or above LPR less 87 basis points to one-year LPR plus 35 basis points) and are repayable by installments up to year 2034. The loans are secured by mortgage over (i) certain solid waste treatment concession rights of the Group, which comprises operating concessions and receivables under service concession arrangements with an aggregate net carrying amount of RMB1,771,748,000 (2024: RMB2,308,544,000), which are managed by the Group pursuant to the relevant service concession arrangements signed with the grantors (note 18); and (ii) at 31 December 2024, trade receivables of RMB50,000 arising from the provision of solid waste treatment services (note 22(e)).
- (d) The loan represents an advance from Idata as at 31 December 2025 and 2024. At 31 December 2025, the loan bears interest at 3.5% (2024: 1.7%) per annum and is repayable on December 2026 (2024: repayable in December 2025) and not to demand repayment of the loan of 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.
- (e) At 31 December 2025, the loans advanced from BG Finance, a fellow subsidiary, bear interest at rates ranging from five-year or above LPR less 25 to 90 basis points (2024: ranging from five-year or above LPR less 25 to 40 basis points) and are repayable by installments up to year 2035.

### 28. PROVISION FOR MAJOR OVERHAULS

Pursuant to the service concession agreements entered into by the Group, the Group has contractual obligations to maintain the waste incineration plants it operates to a specified level of serviceability and/or to restore the plants to a specified condition before it is handed over to the grantors at the end of the service concession periods. These contractual obligations to maintain or restore the waste treatment and power generation plants, except for any upgrade element, are recognised and measured in accordance with HKAS 37 Provisions, Contingent Liabilities and Contingent Assets, i.e., at the best estimate of the expenditure that would be required to settle the present obligation at the end of the reporting period. The future expenditure on these maintenance and restoration costs is collectively referred to as "major overhauls". The estimation basis is reviewed on an ongoing basis and revised where appropriate.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 28. PROVISION FOR MAJOR OVERHAULS (CONTINUED)

The movements in the provision for major overhauls of the waste incineration plants during the year are as follows:

	2025 RMB'000	2024 RMB'000
At 1 January	14,491	12,540
Additional provision	1,453	1,276
Increase in discounted amounts arising from the passage of time (note 9)	793	675
At 31 December	<b>16,737</b>	14,491

### 29. DEFERRED INCOME

Deferred income of the Group represented government subsidies in respect of the Group's construction of the waste treatment and power generation plants in Chinese Mainland. The subsidies are interest-free and not required to be repaid, and are recognised in profit or loss on the straight-line basis over the expected useful lives of the relevant assets.

### 30. DEFERRED TAX

An analysis of the net deferred tax assets/(liabilities) recognised in the consolidated statement of financial position is as follows:

	2025 RMB'000	2024 RMB'000
Deferred tax assets	165,910	166,033
Deferred tax liabilities	<b>(266,455)</b>	(269,723)
	<b>(100,545)</b>	(103,690)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

For the year ended 31 December 2025

### 30. DEFERRED TAX *(CONTINUED)*

The components of deferred tax assets and liabilities and the movements during the year are as follows:

	Fair value adjustments arising from acquisition of subsidiaries RMB'000	Temporary differences related to service concession arrangements RMB'000	Impairment provision RMB'000	Provision for major overhauls RMB'000	Other RMB'000	Net deferred tax assets/(liabilities) RMB'000
At 1 January 2024	(23,017)	(166,643)	83,587	2,872	610	(102,591)
Deferred tax credited/(charged) to profit or loss during the year (note 12)	2,656	2,172	(6,188)	488	(227)	(1,099)
At 31 December 2024 and 1 January 2025	<b>(20,361)</b>	<b>(164,471)</b>	<b>77,399</b>	<b>3,360</b>	<b>383</b>	<b>(103,690)</b>
Deferred tax credited/(charged) to profit or loss during the year (note 12)	<b>2,342</b>	<b>2,155</b>	<b>(2,025)</b>	<b>824</b>	<b>(151)</b>	<b>3,145</b>
At 31 December 2025	<b>(18,019)</b>	<b>(162,316)</b>	<b>75,374</b>	<b>4,184</b>	<b>232</b>	<b>(100,545)</b>

Notes:

- (a) At 31 December 2025, deferred tax assets have not been recognised in respect of (i) unused tax losses arising in Hong Kong of approximately RMB109,638,000 (2024: RMB139,023,000) that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose; and (ii) unused tax losses arising in Chinese Mainland of RMB187,270,000 (2024: RMB219,799,000) that will expire in one to five years for offsetting against future taxable profit, as they have arisen in certain subsidiaries that have been loss-making for some time and it is not probable that taxable profits will be available against which such tax losses can be utilised.
- (b) Pursuant to the PRC Corporate Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Chinese Mainland. A lower withholding tax rate may be applied if there is a tax treaty between Chinese Mainland and the jurisdiction of the foreign investors. For the Group, the applicable rates are 5% or 10%. The Group is therefore liable for withholding taxes on dividends distributed by those subsidiaries established in Chinese Mainland.

At 31 December 2025, no deferred tax has been recognised for withholding taxes that would be payable on the unremitted earnings that are subject to withholding taxes of the Group's subsidiaries established in Chinese Mainland (2024: Nil). In the opinion of the directors of the Company, it is not probable that these subsidiaries will distribute such earnings in the foreseeable future. The aggregate amount of temporary differences associated with investments in subsidiaries in Chinese Mainland for which deferred tax liabilities have not been recognised totalled approximately RMB2,223,960,000 (2024: RMB1,786,036,000) as at 31 December 2025.

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

For the year ended 31 December 2025

## 31. TRADE PAYABLES

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

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

\* 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 interests 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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 32. OTHER PAYABLES AND ACCRUALS

	Notes	2025 RMB'000	2024 RMB'000
Other payables	(a)	75,394	80,042
Contract liabilities	(b)	9,669	14,688
Lease liabilities (note 16(b))		6,526	14,831
Accruals		69,385	43,669
Due to the immediate holding company	(c)	208,461	126,370
Due to fellow subsidiaries	(c)	99,976	98,966
<b>Total other payables and accruals</b>		<b>469,411</b>	378,566
Portion classified as current liabilities		<b>(467,590)</b>	(368,835)
<b>Non-current portion</b>		<b>1,821</b>	9,731

Notes:

- (a) Other payables are non-interest-bearing and have an average term of three to six months.
- (b) Details of contract liabilities are as follows:

	2025 RMB'000	2024 RMB'000
<i>Short-term advances received from customers in respect of:</i>		
Hazardous and medical waste treatment services	1,572	426
Waste incineration plant construction and related services	8,097	14,262
<b>Total contract liabilities</b>	<b>9,669</b>	14,688

At 1 January 2024, contract liabilities amounted to RMB56,004,000.

- (c) The balances with the immediate holding company and fellow subsidiaries are unsecured, interest-free and repayable on demand.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 33. DISPOSAL OF A SUBSIDIARY

As referred to in note 13, on 19 June 2024, the Group discontinued its ecological construction services business at the time of disposal of its subsidiary, Beikong Ecology. The net assets of Beikong Ecology at the date of disposal were as follows:

	19 June 2024 RMB'000
<b>Analysis of assets and liabilities over which control was lost:</b>	
Property, plant and equipment (note 15)	15,535
Other intangible assets (note 19)	28
Contract assets	235,287
Trade and bills receivables	58,270
Prepayments, deposits and other receivables	9,601
Cash and cash equivalents	53,910
Trade payables	(121,026)
Other payables and accruals	(55,659)
Bank and other borrowings	(93,200)
Income tax payables	(13,082)
	<hr/>
Net assets disposed of	89,664
	<hr/>
<b>Loss on disposal of a subsidiary:</b>	
Deferred cash consideration (Note)	41,488
Net assets disposed of	(89,664)
Non-controlling interests (note 34)	44,247
	<hr/>
Loss on disposal (note 13)	(3,929)
	<hr/>
<b>Net cash outflow arising on disposal:</b>	
Cash and cash equivalents disposed of	(53,910)
	<hr/>

Note: Hainan Gerun has settled the cash consideration to the designated account of CBEX on 12 June 2024 and the cash consideration will be released by CBEX upon the approval of the transaction by government authorities.

The impact of Beikong Ecology on the Group's results and cash flows in prior periods is disclosed in note 13.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 34. DETAILS OF NON-WHOLLY-OWNED SUBSIDIARIES THAT HAVE MATERIAL NON-CONTROLLING INTERESTS

Details of the Group's non-wholly owned subsidiaries that have material non-controlling interests are set out below:

	Chaoyang Beikong		Ha'erbin Beikong		Jining Beikong	
	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000
Percentage of equity interest held by non-controlling interests	<b>15.104%</b>	15.104%	<b>20%</b>	20%	<b>25%</b>	25%
Accumulated balances of non-controlling interests as at 1 January	<b>171,582</b>	162,726	<b>58,370</b>	49,069	<b>66,127</b>	66,635
Profit (loss) for the year attributable to non-controlling interests	<b>8,141</b>	8,856	<b>10,931</b>	9,301	<b>(74)</b>	(508)
Accumulated balances of non-controlling interests as at 31 December	<b>179,723</b>	171,582	<b>69,301</b>	58,370	<b>66,053</b>	66,127

The following table illustrates the summarised financial information of the above subsidiaries:

	Chaoyang Beikong		Ha'erbin Beikong		Jining Beikong	
	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000
Revenue	<b>188,519</b>	191,438	<b>160,482</b>	156,574	<b>80,365</b>	85,134
Cost of sales and total expenses	<b>(134,622)</b>	(132,806)	<b>(105,829)</b>	(110,068)	<b>(80,660)</b>	(87,164)
Profit (loss) for the year	<b>53,897</b>	58,632	<b>54,653</b>	46,506	<b>(295)</b>	(2,030)
Current assets	<b>710,842</b>	607,861	<b>264,818</b>	204,100	<b>179,872</b>	163,617
Non-current assets	<b>612,260</b>	670,637	<b>603,446</b>	581,155	<b>689,540</b>	660,274
Current liabilities	<b>(41,280)</b>	(48,521)	<b>(188,809)</b>	(165,162)	<b>(93,915)</b>	(37,823)
Non-current liabilities	<b>(88,615)</b>	(92,987)	<b>(338,721)</b>	(334,012)	<b>(517,135)</b>	(524,752)
Net cash flows from operating activities	<b>118,394</b>	102,147	<b>54,388</b>	56,038	<b>16,332</b>	15,101
Net cash flows used in investing activities	<b>(6,129)</b>	(9,766)	<b>(9,390)</b>	(17,344)	<b>(6,375)</b>	(20,535)
Net cash flows used in financing activities	<b>–</b>	(1,237)	<b>(34,136)</b>	(37,825)	<b>(13,062)</b>	(6,659)
Net increase (decrease) in cash and cash equivalents	<b>112,265</b>	91,144	<b>10,862</b>	869	<b>(3,105)</b>	(12,093)

The amounts disclosed above are before any inter-company eliminations.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 35. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) The Group has no other major non-cash transactions of investing and financing activities during the years ended 31 December 2025 and 2024.

#### (b) Changes in liabilities arising from financing activities

	<b>Bank and other borrowings</b>	<b>Lease liabilities</b>	<b>Total</b>
	RMB'000	RMB'000	RMB'000
At 1 January 2024	4,435,747	22,809	4,458,556
Changes from financing cash flows	114,004	(8,769)	105,235
Disposal of a subsidiary (note 33)	(93,200)	–	(93,200)
Interest expense	70,537	791	71,328
Foreign exchange movement	53,866	–	53,866
At 31 December 2024 and 1 January 2025	<b>4,580,954</b>	<b>14,831</b>	<b>4,595,785</b>
Changes from financing cash flows	<b>(61,065)</b>	<b>(8,769)</b>	<b>(69,834)</b>
Interest expense	<b>62,432</b>	<b>464</b>	<b>62,896</b>
Foreign exchange movement	<b>(53,866)</b>	<b>–</b>	<b>(53,866)</b>
At 31 December 2025	<b>4,528,455</b>	<b>6,526</b>	<b>4,534,981</b>

#### (c) Total cash outflow for leases

The total cash outflow for leases included in the consolidated statement of cash flows is as follows:

	<b>2025</b>	2024
	RMB'000	RMB'000
Within operating activities	<b>8,806</b>	10,067
Within financing activities	<b>8,769</b>	8,769
	<b>17,575</b>	18,836

### 36. CONTINGENT LIABILITIES

Indemnity issued to a financial institution for a performance bond in respect of operation undertaken by a subsidiary is RMB30,000,000 (2024: RMB70,000,000).

Save as disclosed above, as at 31 December 2025, the Group did not have any significant contingent liabilities which have not been provided for in the financial statements.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 37. CAPITAL COMMITMENTS

The Group had the following capital commitments as at the end of the reporting period:

	2025 RMB'000	2024 RMB'000
Contracted, but not provided for:		
Service concession arrangements on a BOT basis	–	11,420

### 38. RELATED PARTY DISCLOSURES

(a) In addition to the transactions detailed elsewhere in these financial statements, the Group had the following material transactions with related parties during the year:

Name of related parties	Nature of transactions	Notes	2025 RMB'000	2024 RMB'000
Immediate holding company:				
Idata	Interest expense	(i)	86,724	41,665
Fellow subsidiaries:				
北海北控環境科技發展有限公司 ("Beihai Beikong")	Sale of equipment <sup>®</sup>	(ii)	–	2,880
BG Finance	Interest income <sup>#</sup>	(iii)	18	40
BG Finance	Interest expense	(iv)	18,167	21,900
Indirectly owned subsidiary:				
山東太陽紙業股份有限公司 ("Sun Paper")	Sale of steam <sup>#</sup>	(v)	882	5,645

<sup>®</sup> These transactions constitutes connected transactions of the Company that are subject to the reporting, announcement and the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

<sup>#</sup> These transactions constitute continuing connected transactions that are subject to the announcement, reporting and annual review requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 38. RELATED PARTY DISCLOSURES (CONTINUED)

(a) (continued)

Notes:

- (i) The interest expense payable to Idata was provided at an interest rate of 3.5% per annum, with reference to the prevailing market rates, on the loan principal amount of HK\$2,693,300,000 payable to Idata, which is unsecured and repayable on December 2025 (2024: repayable in December 2024). The loan is extended to be repayable in December 2026 (2024: December 2025) subsequent to the end of reporting period.
- (ii) The sale of equipment to Beihai Beikong were mutually agreed between 北京北控環境保護有限公司 (as vendor), a wholly-owned subsidiary of the Company, and Beihai Beikong (as purchaser) under the supply contract dated 3 September 2021. Further details of the transaction are set out in the circular of the Company dated 30 September 2021.
- (iii) The interest income received from BG Finance was mutually agreed between the parties under the deposit services master agreement dated 20 December 2023, pursuant to which the Group may, in its ordinary and usual course of business, place and maintain deposits with BG Finance on normal commercial terms from time to time for the period from 1 January 2024 to 31 December 2026. The deposit rate will not be lower than (i) the minimum interest rate prescribed by the People's Bank of China; (ii) the interest rates offered by commercial banks in Hong Kong and the PRC to the Group; and (iii) the interest rates offered by BG Finance to other members of BEGCL, for the same type of deposits at the same period; and the cumulative daily outstanding deposit balance in Hong Kong dollars equivalent placed by the Group with BG Finance (including any interest accrued thereon) during the term of the agreement will not exceed RMB21,800,000. The deposits placed by the Group with BG Finance as at 31 December 2025 amounted to RMB4,994,000 (2024: RMB4,661,000). Further details of the transaction are set out in the announcement of the Company dated 20 December 2023.
- (iv) The interest expenses were paid for loans obtained from BG Finance and the interest rates were mutually agreed with BG Finance, with reference to the prevailing market rates.
- (v) The sale of steam to Sun Paper were mutually agreed between Jining Beikong, a 75% indirectly owned subsidiary of the Company, and Sun Paper, a connected person of Jining Beikong, under the steam supply contract (the "Contract") dated 30 May 2023. Pursuant to the Contract, Jining Beikong supplies industrial steam to Sun Paper and Sun Paper supplies steam condensate and desalinated water to Jining Beikong, with unit prices mutually agreed between the Contract parties, for the validity period up to 31 December 2025. The annual caps of the fee settlement for the year ending 31 December 2023, 2024 and 2025 are determined at HK\$32,000,000, HK\$90,000,000 and HK\$90,000,000. Further details of the transactions are set out in the announcement of the Company dated 30 May 2023.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

For the year ended 31 December 2025

### 38. RELATED PARTY DISCLOSURES *(CONTINUED)*

#### (b) Outstanding balances with related parties

- (i) Details of the Group's balances with the immediate holding company, fellow subsidiaries and non-controlling equity holders of subsidiaries included in trade and bills receivables, prepayments, deposits and other receivables, trade payables and other payables and accruals as at the end of the reporting period are disclosed in notes 22(f), 23(b), 31(a) and 32(c) to the consolidated financial statements, respectively.
- (ii) Details of the Group's cash deposits placed in a fellow subsidiary and other loans borrowed from the immediate holding company and a fellow subsidiary as at the end of the reporting period are disclosed in notes 24(c), 27(d) and 27(e) to the consolidated financial statements, respectively.

#### (c) Compensation of key management personnel of the Group

	2025 RMB'000	2024 RMB'000
Short term employee benefits	17,662	15,156
Post-employment benefits	1,773	1,072
<b>Total compensation paid to key management personnel</b>	<b>19,435</b>	16,228

Further details of directors' emoluments are included in note 10 to the consolidated financial statements.

#### (d) Transactions with other state-owned entities in Chinese Mainland

The Company is a state-owned enterprise of the PRC government and is subject to the control of the Beijing SASAC and the ultimate control of the PRC government. The Group operates in an economic environment predominated by enterprises directly or indirectly owned and/or controlled by the PRC government through its numerous authorities, affiliates or other organisations (collectively "Other SOEs"). During the year, the Group had transactions with Other SOEs including, but not limited to, bank deposits and borrowings and utilities consumptions. The directors of the Company consider that the transactions with Other SOEs were activities in the ordinary course of the Group's businesses, and that the dealings of the Group have not been significantly or unduly affected by the fact that the Group and Other SOEs are ultimately controlled or owned by the PRC government. The Group has also established pricing policies for products and services and such pricing policies do not depend on whether or not the customers are Other SOEs. Having due regard to the substance of the relationships, the directors of the Company are of the opinion that none of these transactions are material related party transactions that require separate disclosure.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 39. FINANCIAL INSTRUMENTS BY CATEGORY

#### Categories of financial instruments

	2025 RMB'000	2024 RMB'000
<b>Financial assets</b>		
Financial assets at amortised cost	<b>5,183,900</b>	4,902,258
<b>Financial liabilities</b>		
Financial liabilities at amortised cost	<b>5,467,127</b>	5,548,665

### 40. FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amounts of financial assets and financial liabilities which are due to be received or settled within one year are reasonable approximation of their respective fair values, and accordingly, no disclosure of the fair values of these financial instruments is made.

For other non-current financial assets and financial liabilities, in the opinion of the directors of Company, since their carrying amounts are not significantly different from their respective fair values, no disclosure of the fair values of these financial instruments is made.

### 41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise cash and bank balances, bank and other borrowings. These financial instruments are used for the Group's working capital. The Group has various other financial assets and liabilities such as trade and bills receivables and trade payables, which arise directly from its operations.

It is, and has been throughout the year under review, the Group's policy that no trading in financial instruments shall be undertaken.

The main risks arising from the Group's financial instruments are (a) interest rate risk, (b) foreign currency risk, (c) credit risk and (d) liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

For the year ended 31 December 2025

### 41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(CONTINUED)*

#### (a) Interest rate risk

The following table sets out the carrying amounts of the Group's financial instruments as at the end of the reporting period that are exposed to interest rate risk:

	RMB'000	Effective interest rate %
<b>31 December 2025</b>		
Floating rate:		
Bank balances	1,558,553	1.13
Bank and other borrowings	2,104,485	2.70
Fixed rate:		
Time deposits	50,502	2.23
Other borrowings	2,423,970	3.50
<b>31 December 2024</b>		
Floating rate:		
Bank balances	1,300,827	1.25
Bank and other borrowings	2,103,118	3.27
Fixed rate:		
Time deposits	50,931	2.62
Other borrowings	2,477,836	1.70

#### ***Sensitivity analysis***

The sensitivity analysis below has been determined based on the exposure to interest rates for its floating rate bank balances and bank borrowings. The analysis is prepared assuming the floating rate bank balances and bank borrowings at the end of reporting period were outstanding for the whole year. For floating rate bank balances, 50 basis points increase and 50 basis points decrease (2024: 50 basis points increase and 50 basis points decrease) are used. For floating rate bank borrowings, 50 basis points (2024: 50 basis points) increase or decrease is used.

If interest rates had been 50 basis points higher for floating rate bank balances and 50 basis point higher for variable-rate bank borrowings/50 basis points lower for floating rate bank balances and 50 basis points lower for floating rate bank borrowings and all other variables were held constant, the Group's profit for the year ended 31 December 2025 would decrease by approximately RMB2,047,000 if interest rate is higher; would increase by approximately RMB2,047,000 if interest rate is lower (2024: decrease by approximately RMB3,012,000 if interest rate is higher; would increase by approximately RMB3,012,000 if interest rate is lower).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

#### (b) Foreign currency risk

The Group's businesses are mainly carried out by subsidiaries located in Chinese Mainland and the majority of its transactions are conducted in RMB. The Group therefore has a minimal transactional currency exposure which arises from sales or purchases by an operating unit in currencies other than the unit's functional currency.

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in the RMB exchange rate, with all other variables held constant, of the Group's profit before tax.

	Increase/ (decrease) in HK\$ rate %	Decrease/ (increase) in profit before tax RMB'000
<b>2025</b>		
If RMB weakens against HK\$	5	(4,962)
If RMB strengthens against HK\$	(5)	4,962
<b>2024</b>		
If RMB weakens against HK\$	5	(3,629)
If RMB strengthens against HK\$	(5)	3,629

#### (c) Credit risk and impairment assessment

Credit risk refers to the risk that the Group's counterparties default on their contractual obligations resulting in financial losses to the Group. The Group's credit risk exposures are primarily attributable to trade and bills receivables, contract assets, time deposits, restricted bank deposits, bank balances and other receivables.

##### ***Trade and bills receivables and contract assets arising from contracts with customers***

The Group trades only with recognised and creditworthy third parties and receivable balances are monitored on an ongoing basis, and therefore, the management considers that the Group's credit risk is significantly reduced.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

For the year ended 31 December 2025

## 41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(CONTINUED)*

### (c) Credit risk and impairment assessment *(continued)*

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

For receivables under service concession arrangements, the management makes periodic individual assessment on the recoverability of receivables under service concession arrangements based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information. The management believes that there are no significant increase in credit risk of these amounts since initial recognition and the Group provided impairment based on 12m ECL. For the years ended 31 December 2025, the Group assessed the ECL for receivables under service concession arrangements, there is no loss allowance was recognised (2024: Nil).

#### ***Restricted bank deposits/bank balances***

Credit risk on restricted bank deposits/bank balances is limited because the counterparties are reputable banks with high credit ratings assigned by international credit agencies. The Group assessed 12m ECL for restricted bank deposits/bank balances by reference to information relating to probability of default and loss given default of the respective credit rating grades published by external credit rating agencies. Based on the average loss rates, the 12m ECL on restricted bank deposits/bank balances is considered to be insignificant and therefore no loss allowance was recognised.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

## 41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

### (c) Credit risk and impairment assessment (continued)

#### Maximum exposure and year-end staging

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at the end of the reporting period. The amounts presented are gross carrying amounts for financial assets.

	12-month ECLs		Lifetime ECLs		Total RMB'000
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Simplified approach RMB'000	
<b>31 December 2025</b>					
Trade and bills receivables*	–	–	–	957,238	957,238
Receivables under service concession arrangements	2,399,569	–	–	–	2,399,569
Financial assets included in deposits and other receivables					
– Normal#	264,341	–	–	–	264,341
Restricted bank deposits	1,003	–	–	–	1,003
Cash and cash equivalents					
– Not yet past due	1,608,062	–	–	–	1,608,062
	<b>4,272,975</b>	–	–	<b>957,238</b>	<b>5,230,213</b>
<b>31 December 2024</b>					
Trade and bills receivables*	–	–	–	851,978	851,978
Receivables under service concession arrangements	2,482,920	–	–	–	2,482,920
Financial assets included in deposits and other receivables					
– Normal#	253,386	–	–	–	253,386
Restricted bank deposits	1,000	–	–	–	1,000
Cash and cash equivalents					
– Not yet past due	1,350,768	–	–	–	1,350,768
	<b>4,088,074</b>	–	–	<b>851,978</b>	<b>4,940,052</b>

\* For trade and bills receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix of trade and bills receivables is disclosed in note 22(d) to the financial statements. The Group's exposure to credit risk of contract assets is not significant and the ECL is minimal.

# The credit quality of the financial assets (other than contract assets) included in prepayments, deposits and other receivables is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be "doubtful".

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

For the year ended 31 December 2025

### 41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(CONTINUED)*

#### (d) Liquidity risk

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial liabilities and financial assets (e.g., trade and bills receivables) and projected cash flows from operations.

The Group has the following loans and borrowings as at the end of the reporting period:

	2025 RMB'000	2024 RMB'000
Bank loans	1,076,657	1,605,289
Other loans	3,451,798	2,975,665
Lease liabilities	6,526	14,831
	<b>4,534,981</b>	4,595,785
Analysed into:		
Bank loans repayable:		
Within one year	82,102	79,868
In the second year	111,000	82,302
In the third to fifth years, inclusive	406,500	427,000
Beyond five years	477,055	1,016,119
	<b>1,076,657</b>	1,605,289
Other loans repayable:		
Within one year	2,533,970	2,533,836
In the second year	130,527	76,000
In the third to fifth years, inclusive	451,402	158,929
Beyond five years	335,899	206,900
	<b>3,451,798</b>	2,975,665
Lease liabilities repayable:		
Within one year	6,526	6,190
In the second year	–	8,641
	<b>6,526</b>	14,831
Total loans and borrowings	<b>4,534,981</b>	4,595,785

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

#### (d) Liquidity risk (continued)

The maturity profile of the Group's financial liabilities (other than receipts in advance and contract liabilities) as at 31 December 2025 and 2024, based on the contractual undiscounted payments, is as follows:

	Weighted average effective interest rate %	On demand or within 1 year RMB'000	1 to 2 years RMB'000	3 to 5 years RMB'000	Beyond 5 years RMB'000	Total RMB'000
<b>At 31 December 2025</b>						
Bank and other borrowings	3.13	2,657,895	251,417	967,797	972,532	4,849,641
Trade payables	–	485,456	–	–	–	485,456
Lease liabilities	5.33	6,874	–	–	–	6,874
Other payables and accruals (excluding lease liabilities)	–	453,211	–	–	–	453,211
		<b>3,603,436</b>	<b>251,417</b>	<b>967,797</b>	<b>972,532</b>	<b>5,795,182</b>
<b>At 31 December 2024</b>						
Bank and other borrowings	3.27	2,854,411	220,508	737,636	1,382,141	5,194,696
Trade payables	–	618,664	–	–	–	618,664
Lease liabilities	5.33	9,262	6,359	–	–	15,621
Other payables and accruals (excluding lease liabilities)	–	339,318	–	–	–	339,318
		<b>3,821,655</b>	<b>226,867</b>	<b>737,636</b>	<b>1,382,141</b>	<b>6,168,299</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

For the year ended 31 December 2025

### 41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(CONTINUED)*

#### (e) Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may issue new shares to increase share capital.

The Group monitors capital using the gearing ratio, which is calculated based on net debt and total equity. Net debt is calculated as total bank and other borrowings and lease liabilities less cash and cash equivalents. The gearing ratios as at 31 December 2025 and 2024 were as follows:

	2025 RMB'000	2024 RMB'000
Total debt	4,534,981	4,595,785
Less: Cash and cash equivalents	(1,608,062)	(1,350,768)
Net debt	2,926,919	3,245,017
Total equity	4,190,894	3,916,472
Gearing ratio	69.8%	82.9%

### 42. 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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

## 43. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

Company name	Place of registration and business	Registered capital	Percentage of equity attributable to the Company		Principal activities
			2025 %	2024 %	
北京北控環境投資有限公司#	PRC/Chinese Mainland	USD40,000,000	100	100	Investment holding
北京北控環境保護有限公司	PRC/Chinese Mainland	RMB75,000,000	100	100	Investment holding and provision of waste incineration plant construction and related services
Taian Beikong#	PRC/Chinese Mainland	US\$40,700,000	100	100	Household waste incineration
Changde Beikong#	PRC/Chinese Mainland	RMB145,652,300	100	100	Household waste incineration
Beikong Lvhaiheng*	PRC/Chinese Mainland	RMB308,340,000	99	99	Household waste incineration
Chaoyang Beikong*	PRC/Chinese Mainland	RMB274,000,000	84.896	84.896	Household waste incineration
Beikong Zhangjiagang#	PRC/Chinese Mainland	RMB637,000,000	100	100	Household waste incineration
Ha'erbin Beikong	PRC/Chinese Mainland	RMB240,000,000	80	80	Household waste incineration
Beikong Shuyang	PRC/Chinese Mainland	RMB158,369,000	100	100	Household waste incineration
Beikong Wenchang	PRC/Chinese Mainland	RMB20,000,000	100	100	Household waste incineration
Jining Beikong	PRC/Chinese Mainland	RMB240,000,000	75	75	Household waste incineration
Shiyan Beikong	PRC/Chinese Mainland	RMB91,420,000	90	90	Household waste incineration
Beikong Hengyang	PRC/Chinese Mainland	RMB38,090,000	65	65	Hazardous and medical waste Treatment

# Registered as wholly-foreign-owned enterprises under PRC law

\* Registered as Sino-foreign joint ventures under PRC law

All of the above principal subsidiaries are registered as limited liability companies under PRC law and are indirectly held by the Company. The above table lists the subsidiaries of the Company which, in the opinion of the directors of the Company, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors of the Company, result in particulars of excessive length.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 44. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company as at the end of the reporting period is as follows:

	2025 RMB'000	2024 RMB'000
<b>ASSETS</b>		
Non-current assets:		
Office equipment and motor vehicles	91	92
Intangible assets	15	21
Investments in subsidiaries	3,846,312	3,932,525
<b>Total non-current assets</b>	<b>3,846,418</b>	3,932,638
Current assets:		
Prepayments, deposits and other receivables	298,792	298,260
Cash and cash equivalents	65,127	75,750
<b>Total current assets</b>	<b>363,919</b>	374,010
<b>TOTAL ASSETS</b>	<b>4,210,337</b>	4,306,648
<b>EQUITY AND LIABILITIES</b>		
Equity:		
Share capital	1,972,895	1,972,895
Reserves (note)	(416,936)	(292,486)
<b>TOTAL EQUITY</b>	<b>1,555,959</b>	1,680,409
Current liabilities:		
Other payables and accruals	230,408	148,403
Loan from the immediate holding company	2,423,970	2,477,836
<b>Total current liabilities</b>	<b>2,654,378</b>	2,626,239
<b>TOTAL LIABILITIES</b>	<b>2,654,378</b>	2,626,239
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>4,210,337</b>	4,306,648

The Company's statement of financial position was approved and authorised for issue by the Board of Directors on 25 March 2026 and are signed on its behalf by:

**CHEN XINGUO**  
Director

**LI AI**  
Director

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

For the year ended 31 December 2025

### 44. STATEMENT OF FINANCIAL POSITION OF THE COMPANY *(CONTINUED)*

Note: A summary of the Company's reserves is as follows:

	Capital reserve	Exchange fluctuation reserve	Accumulated losses	Total
	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2024	10,371	53,483	(337,016)	(273,162)
Loss for the year and total comprehensive income (expense) for the year	–	37,151	(56,475)	(19,324)
At 31 December 2024	<b>10,371</b>	<b>90,634</b>	<b>(393,491)</b>	<b>(292,486)</b>
Loss for the year and total comprehensive expense for the year	–	<b>(34,728)</b>	<b>(89,722)</b>	<b>(124,450)</b>
At 31 December 2025	<b>10,371</b>	<b>55,906</b>	<b>(483,213)</b>	<b>(416,936)</b>

### 45. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 25 March 2026.

## FIVE YEAR FINANCIAL SUMMARY

A summary of the results and of the assets, liabilities and non-controlling interests of the Group for the last five financial years, as extracted and restated from the published audited financial statements and the annual report for the year ended 31 December 2024, is set out below:

	<b>2025</b> <b>RMB'000</b>	<b>Year ended 31 December</b>			
		2024 RMB'000	2023 RMB'000 (Restated)	2022 RMB'000 (Restated)	2021 RMB'000 (Restated)
<b>RESULTS</b>					
<b>Continuing operations</b>					
Revenue	<b>1,420,814</b>	1,664,124	1,611,798	2,011,989	1,846,847
Profit before tax	<b>329,000</b>	376,784	253,826	393,126	277,059
Income tax	<b>(75,429)</b>	(68,545)	(53,617)	(68,108)	(27,426)
Profit for the year from continuing operations	<b>253,571</b>	308,239	200,209	325,018	249,633
<b>Discontinued operation</b>					
(Loss) profit for the year from a discontinued operation	–	(6,178)	1,870	(43,457)	(45,770)
Profit for the year	<b>253,571</b>	302,061	202,079	281,561	203,863
Attributable to:					
Owners of the Company	<b>232,178</b>	286,151	190,954	303,755	219,163
Non-controlling interests	<b>21,393</b>	15,910	11,125	(22,194)	(15,300)
	<b>253,571</b>	302,061	202,079	281,561	203,863

## FIVE YEAR FINANCIAL SUMMARY (CONTINUED)

	2025 RMB'000	As at 31 December			
		2024 RMB'000	2023 RMB'000	2022 RMB'000 (Restated)	2021 RMB'000 (Restated)
<b>ASSETS, LIABILITIES AND NON-CONTROLLING INTERESTS</b>					
Total assets	<b>10,179,764</b>	10,009,140	9,897,162	10,571,045	8,876,519
Total liabilities	<b>(5,988,870)</b>	(6,092,668)	(6,240,802)	(7,130,826)	(5,776,791)
Net assets	<b>4,190,894</b>	3,916,472	3,656,360	3,440,219	3,099,728
Equity attributable to:					
Owners of the Company	<b>3,866,172</b>	3,613,236	3,329,426	3,122,648	2,759,643
Non-controlling interests	<b>324,722</b>	303,236	326,934	317,571	340,085
	<b>4,190,894</b>	3,916,472	3,656,360	3,440,219	3,099,728

Note: For presentation purpose, (i) the consolidated results information for the prior financial years were restated following the discontinuous of ecological construction services business during the year ended 31 December 2024; and (ii) the consolidated results, assets, liabilities and non-controlling interests information for the prior financial years were restated following the change in presentation currency of the Group's financial statements from HK\$ to RMB during the year ended 31 December 2023.