濱 海 投 資 有 限 公 司
BINHAI INVESTMENT COMPANY LIMITED
(Incorporated in Bermuda with limited liability)
(Stock Code: 2886)

RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

FINANCIAL HIGHLIGHTS

Year ended 31 December

	2024	2023	*Changes*
	HK$'000	*HK$'000*	*Percentage*
Revenue	**6,197,801**	6,406,681	-3%
Gross profit	**569,477**	748,979	-24%
Profit for the year	**209,261**	263,422	-21%
Profit for the year attributable to owners of the Company	**199,775**	256,612	-22%
	HK cents	*HK cents*	*Percentage*
Earnings per Ordinary Share			
— Basic	**14.6**	19.0	-23%
— Diluted	**14.6**	18.9	-23%
	Percentage	*Percentage*	*Percentage point*
Gross profit margin *(Note)*	**9.2%**	11.7%	-2.5
Profit margin for the year *(Note)*	**3.4%**	4.1%	-0.7

As at 31 December

	2024	2023	*Changes*
	HK$'000	*HK$'000*	*Percentage*
Current assets	**1,121,309**	1,875,411	-40%
Total assets	**7,749,788**	8,590,782	-10%
Total equity	**2,304,146**	2,320,551	-1%
Current liabilities	**3,022,671**	4,051,960	-25%
Total liabilities	**5,445,642**	6,270,231	-13%

	Percentage	*Percentage*	*Percentage point*
Average finance costs *(Note)*	**5.3%**	5.5%	-0.2
Return on average equity *(Note)*	**9.0%**	11.5%	-2.5

Note:

Definitions

- **Gross profit margin**
  Gross profit divided by Revenue

- **Profit margin for the year**
  Profit for the year divided by Revenue

- **Average finance costs**
  Weighted average interest expenses divided by Weighted average borrowings

- **Return on average equity**
  Profit attributable to owners of the Company for the year divided by Average equity attributable to owners of the Company

ANNUAL RESULTS

The board (the "**Board**") of directors (the "**Directors**") of Binhai Investment Company Limited (the "**Company**") is pleased to announce the audited consolidated financial results of the Company and its subsidiaries (the "**Group**") for the year ended 31 December 2024 (the "**Results Announcement**") as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2024

	Notes	**2024** **HK$'000**	2023 *HK$'000*
Revenue from contracts with customers	*4*	**6,197,801**	6,406,681
Cost of sales and services	*8*	**(5,628,324)**	(5,657,702)
Gross profit		**569,477**	748,979
Administrative expenses	*8*	**(202,963)**	(218,607)
Research and development expenses	*8*	**(112,548)**	(131,580)
Other income	*5*	**153,612**	140,681
Other gains and losses	*6*	**20,757**	(21,596)
Impairment losses on financial assets and contract assets, net of reversal	*7*	**(11,882)**	(17,548)
Operating profit		**416,453**	500,329
Finance income	*9*	**17,862**	6,612
Finance costs	*9*	**(138,559)**	(163,012)
Finance costs — net	*9*	**(120,697)**	(156,400)
Share of results of associates and joint ventures accounted for using the equity method		**14,603**	10,769
Profit before income tax		**310,359**	354,698
Income tax expense	*10*	**(101,098)**	(91,276)
Profit for the year		**209,261**	263,422
Profit for the year attributable to:			
— Owners of the Company		**199,775**	256,612
— Non-controlling interests		**9,486**	6,810
		209,261	263,422
		HK$ cents	*HK$ cents*
Earnings per share attributable to owners of the Company:			
— Basic earnings per share	*12*	**14.6**	19.0
— Diluted earnings per share	*12*	**14.6**	18.9

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2024

	2024	2023
	HK$'000	*HK$'000*
Profit for the year	**209,261**	263,422
Other comprehensive expenses		
Items that will not be reclassified to profit or loss		
— Exchange differences on translation from functional currency to presentation currency	**(84,652)**	(69,251)
Total comprehensive income for the year	**124,609**	194,171
Total comprehensive income for the year is attributable to:		
— Owners of the Company	**117,686**	187,911
— Non-controlling interests	**6,923**	6,260
	124,609	194,171

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	Notes	2024 HK$'000	2023 HK$'000
ASSETS			
Non-current assets			
Property, plant and equipment		**5,985,500**	6,007,569
Right-of-use assets		**189,472**	194,424
Investment properties		**5,832**	12,561
Intangible assets		**68,278**	72,120
Investments in associates and joint ventures		**302,781**	296,902
Prepayments	*14*	**15,720**	87,476
Deferred tax assets		**30,773**	33,394
Restricted bank deposits		**11,107**	10,925
Term deposits		**19,016**	—
		6,628,479	6,715,371
Current assets			
Inventories		**97,266**	107,863
Trade and other receivables	*13*	**304,602**	348,342
Notes receivable		**36,438**	34,708
Contract assets		**4,473**	15,906
Prepayments	*14*	**293,528**	433,193
Term deposits		**957**	127,035
Cash and cash equivalents		**384,045**	808,364
		1,121,309	1,875,411
Total assets		**7,749,788**	8,590,782

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 31 December 2024

	Notes	**2024** **HK$'000**	2023 HK$'000
EQUITY AND LIABILITIES			
Equity			
Share capital		**282,325**	330,299
— Ordinary shares		**138,325**	135,299
— Redeemable preferences shares		**144,000**	195,000
Treasury Stocks		**(7,267)**	—
Share premium		**36,640**	1,536
Contributed surplus		**—**	40,102
Other reserves		**(110,083)**	(70,820)
Retained earnings		**2,020,124**	1,932,273
Equity attributable to owners of the Company		**2,221,739**	2,233,390
Non-controlling interests		**82,407**	87,161
Total equity		**2,304,146**	2,320,551
Liabilities			
Non-current liabilities			
Borrowings	*16*	**2,258,172**	2,059,386
Deferred income		**145,265**	142,721
Lease liabilities		**7,270**	6,412
Deferred tax liabilities		**12,264**	9,639
Trade and other payables	*15*	**—**	113
		2,422,971	2,218,271
Current liabilities			
Trade and other payables	*15*	**1,204,412**	1,324,393
Contract liabilities		**679,990**	821,627
Current income tax liabilities		**61,851**	52,551
Borrowings	*16*	**1,071,352**	1,846,244
Lease liabilities		**5,066**	7,145
		3,022,671	4,051,960
Total liabilities		**5,445,642**	6,270,231
Total equity and liabilities		**7,749,788**	8,590,782

NOTES TO THE RESULTS ANNOUNCEMENT

For the year ended 31 December 2024

1. GENERAL INFORMATION

Binhai Investment Company Limited (the "**Company**") was incorporated in Bermuda on 8 October 1999. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The Company's ordinary shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited ("**HKEx**").

The Company is an investment holding company. The Company and its subsidiaries are hereafter together referred to as the Group.

The directors of the Company (the "**Directors**") regard TEDA Hong Kong Property Company Limited ("**TEDA HK**") and Great Wall Energy Investment (Hong Kong) Limited ("**Great Wall Energy HK**") as the largest and the second largest shareholders of the Company, which hold 37.87% and 29.45% of the total ordinary shares in issue of the Company, respectively.

The consolidated financial statements of the Group are presented in Hong Kong Dollars ("**HK$**") and the functional currency of the Company and its subsidiaries is Renminbi ("**RMB**").

2. GOING CONCERN CONSIDERATIONS

As at 31 December 2024, the Group's current liabilities exceeded its current assets by approximately HK$1,901 million. The Group's current liabilities as at 31 December 2024 primarily included trade and other payables, contract liabilities and current borrowings of approximately HK$1,204 million, HK$680 million and HK$1,071 million, respectively.

The management of the Company has concluded that the Group will have sufficient financial resources to support its operations and to meet its financial obligations and commitments as and when they fall due in the coming twelve months from 31 December 2024 based on the following considerations: 1) the Group will remain profitable and generate net cash from its operations; and 2) the Group has already arranged or secured other loan facilities totaling approximately RMB802 million (equivalent to approximately HK$852 million) from certain banks and other financial institutions which are readily available for the Group as of the date of approval of the consolidated financial statements.

The Directors have reviewed the management's assessment together with the underlying basis and are satisfied that it is appropriate to prepare the consolidated financial statements on a going concern basis.

3. BASIS OF PREPARATION

The consolidated financial statements of the Company have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRS**") as issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance Cap. 622 ("**HKCO**").

The consolidated financial statements have been prepared on a historical cost basis, except for certain notes receivable which are classified as financial assets at fair value through other comprehensive income which are measured at fair values.

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRSs issued by the HKICPA for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2024 for the preparation of the consolidated financial statements:

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

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

New or revised standards that have been issued but not yet effective

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

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

1 Effective for annual periods beginning on or after a date to be determined.
2 Effective for annual periods beginning on or after 1 January 2025.
3 Effective for annual periods beginning on or after 1 January 2026.
4 Effective for annual periods beginning on or after 1 January 2027.

Except for the new HKFRSs mentioned below, the Directors anticipate that the application of the other amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

4. SEGMENT INFORMATION

The chief operating decision-maker ("**CODM**"), who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors of the Company (the "**Executive Directors**") that makes strategic decisions.

The Executive Directors review the Group's internal reporting in order to assess performance and allocate resources of the Group. The Executive Directors have determined the following operating segments based on these internal reports.

The Executive Directors assess the performance of the following Group's operating segments:

- Sales of piped natural gas
- Construction and gas pipeline installation service
- Gas passing through service

The Executive Directors assess the performance of the operating segments based on segment results. Segment results are measured as gross profit of each segment.

The segment revenue, results and other segment information are analysed as follows:

	Year ended 31 December 2024			
	Sales of piped natural gas	**Construction and gas pipeline installation service**	**Gas passing through service**	**Total**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***
Total segment revenue from external customers	**5,802,391**	**327,021**	**68,389**	**6,197,801**
Recognised at a point in time	**5,802,391**	**—**	**68,389**	**5,870,780**
Recognised over time	**—**	**327,021**	**—**	**327,021**
Segment results	**315,872**	**194,697**	**58,908**	**569,477**
Other income				**153,612**
Administrative expenses				**(202,963)**
Research and development expenses ("**R&D**")				**(112,548)**
Other gains and losses				**20,757**
Impairment losses on financial assets and contract assets, net of reversal				**(11,882)**
Finance income				**17,862**
Finance costs				**(138,559)**
Shares of results of associates and joint ventures accounted for using the equity method				**14,603**
Profit before income tax				**310,359**
Other segment information				
Depreciation (included in cost of sales and services)	**142,407**	**867**	**7,099**	**150,373**
Amortization (included in cost of sales and services)	**2,461**	**—**	**—**	**2,461**
Depreciation (included in administrative expenses and R&D)				**67,914**
				220,748
Impairment loss on property, plant and equipment included in other gains and losses				**11,762**

	Year ended 31 December 2023			
	Sales of piped natural gas *HK$'000*	Construction and gas pipeline installation service *HK$'000*	Gas passing through service *HK$'000*	Total *HK$'000*
Total segment revenue from external customers	5,850,142	504,871	51,668	6,406,681
Recognised at a point in time	5,850,142	—	51,668	5,901,810
Recognised over time	—	504,871	—	504,871
Segment results	413,937	290,760	44,282	748,979
Other income				140,681
Administrative expenses				(218,607)
Research and development expenses				(131,580)
Other gains and losses				(21,596)
Impairment losses on financial assets and contract assets, net of reversal				(17,548)
Finance income				6,612
Finance costs				(163,012)
Shares of results of associates and joint ventures accounted for using the equity method				10,769
Profit before income tax				354,698
Other segment information				
Depreciation (included in cost of sales and services)	140,952	931	6,108	147,991
Amortization (included in cost of sales and services)	1,380	—	—	1,380
Depreciation (included in administrative expenses and R&D)				69,193
				218,564
Impairment loss on property, plant and equipment				16,770

The Executive Directors have not made reference to any geographical information for assessing the Group's performance and allocating resources, as all of the Group's operations are conducted in the PRC.

There is no single customer contributing more than 10% of the total revenue of the Group for both years.

The CODM makes decisions according to operating results of each segment. No analysis of segment asset and segment liability is presented as the CODM does not regularly review such information for the purposes of resources allocation and performance assessment. Therefore, only segment revenue and segment results are presented.

5. OTHER INCOME

	2024	2023
	HK$'000	*HK$'000*
Government grants *(i)*	**97,766**	80,523
Assembling services income	**38,112**	32,471
Insurance agency service income	**9,073**	9,246
Sales of gas appliances	**7,962**	8,261
Rental income	**699**	10,180
	153,612	140,681

(i) Government grants relating to costs are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to the purchases of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets.

6. OTHER GAINS AND LOSSES

	2024	2023
	HK$'000	*HK$'000*
Net gains from compensation for damaged gas stations and gas pipelines *(i)*	**49,811**	20,367
Net (losses)/gains on disposal of property, plant and equipment	**(2,389)**	24
Net gains on gas pipeline service	**6,352**	2,046
Impairment loss on property under construction	**(5,002)**	(9,148)
Impairment loss on property, plant and equipment	**(6,760)**	—
Net gains on disposal of subsidiaries	**1,964**	—
Impairment loss on investment in joint venture	**(5,730)**	—
Net foreign exchange losses *(ii)*	**(26,610)**	(32,251)
Others	**9,121**	(2,634)
	20,757	(21,596)

(i) In 2024, seven (2023: nine) subsidiaries relocated their gas stations or gas pipelines in accordance with the road repair and construction requirements of the municipal governments of Anxin county, Haiyan county, Deqing county, Gaoan, Jiaozhou, Dezhou and Tianjin (2023: Deqing county, Haiyan county, Anxin county, Gaoan, Sanhe, Zhuozhou, Yizheng, Nanjing and Tianjin). The compensation amounts in excess of the carrying amounts of the pipelines being relocated have been recognised as net gains from compensation for damaged gas pipelines for the years ended 31 December 2024 and 2023.

(ii) The net foreign exchange losses primarily comprised the net exchange loss of HK$26,457,000 (2023: HK$33,101,000) arising from the retranslation of the US$-denominated syndicated borrowing and HK$-denominated bank borrowing during the years.

7. IMPAIRMENT LOSSES ON FINANCIAL ASSETS AND CONTRACT ASSETS, NET OF REVERSAL

	2024	2023
	HK$'000	*HK$'000*
Impairment losses on trade and other receivables	**(12,745)**	(17,539)
Impairment reversal/(losses) on contract assets	**689**	(9)
Impairment reversal on prepayments	**174**	–
	(11,882)	(17,548)

8. EXPENSES BY NATURE

	2024	2023
	HK$'000	*HK$'000*
Cost of gas purchased	**5,134,309**	5,081,867
Employee benefit expenses	**300,343**	312,445
Depreciation	**215,576**	217,417
— Property, plant and equipment	**197,942**	200,353
— Right-of-use assets	**17,391**	16,831
— Investment properties	**243**	233
Subcontractor and other costs	**66,099**	106,939
Safety production expenses	**81,368**	83,075
Costs of pipelines and other materials purchased	**53,665**	80,609
Changes in inventories of pipelines and other materials	**5,791**	25,878
Repair expenses	**17,758**	23,998
Other professional fees	**12,770**	17,479
Expenses relating to short-term leases	**5,285**	5,713
Amortisation — Intangible assets	**5,172**	4,327
Auditor's remuneration	**2,941**	3,514
Others	**42,758**	44,628
Total cost of sales and services, administrative and R&D expenses	**5,943,835**	6,007,889

9. FINANCE INCOME AND COSTS

	2024	2023
	HK$'000	*HK$'000*
Finance income:		
Interest income on bank deposits *(i)*	**17,862**	6,612
Finance costs:		
Interest expenses	**(205,576)**	(224,116)
Less: Amounts capitalised as construction in progress *(ii)*	**67,017**	61,104
	(138,559)	(163,012)
Finance costs — net	**(120,697)**	(156,400)

(i) Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes.

(ii) The capitalisation rate used to determine capitalised amounts of interests incurred in 2024 was 5.32% (2023: 5.65%) per annum.

10. INCOME TAX EXPENSE

	2024	2023
	HK$'000	*HK$'000*
Current income tax	**95,852**	83,417
Deferred taxation	**5,246**	7,859
	101,098	91,276

Under the two-tiered profits tax rates regime, the first HK$2 million of profits of the qualifying group entity are taxed at 8.25%, and profits above HK$2 million are taxed at 16.5%. The profits not qualifying for the two-tiered profits tax rates regime continue to be taxed at a flat rate of 16.5%.

Binhai Investment Hong Kong Company Limited ("**Binhai HK**") is a resident of the Hong Kong Special Administrative Region under the "Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income" for the calendar year 2022 to 2024.

According to the PRC Corporate Income Tax Law (the "**CIT Law**"), the dividends as declared by PRC incorporated subsidiaries to their foreign immediate holding companies (incorporated outside Mainland China) relating to the profits made subsequent to 1 January 2008 are subject to withholding income tax on dividend ("**Dividend Tax**") at the rate of 10% with reduced rates available under certain conditions according to relevant international tax treaties.

The Group is liable to Withholding tax on dividends actually declared and distributed from the unremitted earnings of the PRC incorporated subsidiaries as accumulated subsequent to 1 January 2008. As Binhai HK has acquired Certificate of Resident Status for years from 2022, the reduced rate of Withholding tax was applied.

In accordance with the "Notice of the State Tax Bureau of the Ministry of Finance Regarding Certain Preferential Treatment Policies on Corporate Income Tax", New and High Technical Enterprise was subject to income tax at a preferential tax rate of 15%. Tianjin TEDA Binhai Clean Energy Group Company* ("**Tianjin Energy**") (天津泰達濱海清潔能源集團有限公司) was recognised as a New and High Technical Enterprises on 19 December 2022 in accordance with the CIT Law for 3 years and hence is subject to the preferential tax rate of 15% for the years from 2022 to 2024.

Other subsidiaries established in the PRC are subject to income tax at the statutory tax rate of 25% for the year ended 31 December 2024 (2023: 25%).

The Company was established in Bermuda, which is a tax free country.

11. DIVIDENDS

	2024	2023
	HK$'000	*HK$'000*
Final dividend for the year ended 31 December 2023 of HK$0.076 (2022: HK$0.10) per ordinary share declared and paid	**102,827**	135,203

The final dividend of HK$102,827,000 relating to the year ended 31 December 2023, representing HK$0.076 per ordinary share was approved by the shareholders of the Company at the annual general meeting on 10 May 2024. Shareholders was given the option to elect to receive the final dividend entirely in new ordinary shares, partly in new ordinary shares and partly in cash, or entirely in cash. Based on the approvement, 30,262,000 ordinary shares were issued for a total consideration of HK$38,130,000, and the remaining was paid in cash.

Subsequent to the end of reporting period, a dividend in respect of the year ended 31 December 2024 of HK$0.076 per ordinary share is proposed by the Directors on 21 March 2025. This proposed dividend is subject to approval by the shareholders of the Company at the forthcoming annual general meeting. These consolidated financial statements do not reflect this proposed dividend.

12. EARNINGS PER SHARE

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted-average number of ordinary shares in issue during the year.

	2024	2023
Profit attributable to owners of the Company *(HK$'000)*	**199,775**	256,612
Weighted-average number of ordinary shares (excluded treasury shares) for basic earnings per share *(thousand)*	**1,368,949**	1,352,422
Basic earnings per share *(HK$ cents)*	**14.6**	19.0

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares; and
- the weighted-average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

	2024	2023
Profit attributable to owners of the Company *(HK$'000)*	**199,775**	256,612
Weighted-average number of ordinary shares (excluded treasury shares) for diluted earnings per share *(thousand)*	**1,368,949**	1,356,254
Diluted earnings per share *(HK$ cents)*	**14.6**	18.9

(iii) Weighted-average number of shares used as the denominator

In thousands share	**2024**	2023
Weighted-average number of ordinary shares (excluded treasury shares) used as the denominator in calculating basic earnings per share	**1,368,949**	1,352,422
Adjustment for share options granted to employees	**–**	3,832
Weighted-average number of ordinary shares (excluded treasury shares) and potential ordinary shares used as the denominator in calculating diluted earnings per share	**1,368,949**	1,356,254

13. TRADE AND OTHER RECEIVABLES

	31 December 2024	31 December 2023
	HK\$'000	*HK\$'000*
Trade receivables from third parties	**298,762**	349,058
Less: Provision for impairment loss allowance	**(95,950)**	(90,186)
	202,812	258,872
Trade receivables from related parties	**11,093**	9,924
Less: Provision for impairment loss allowance	**(4,883)**	(6,049)
	6,210	3,875
Other receivables	**104,510**	89,959
Less: Provision for impairment loss allowance	**(8,930)**	(4,364)
	95,580	85,595
Total trade and other receivables	**304,602**	348,342

The Group grants credit period of 90 days for its customers of piped natural gas sales and customers of gas passing through service, whereas a longer credit period of 180 days after the completion of relevant stage of contract work is granted to customers of construction and gas pipeline installation. A longer credit period may be granted on a discretionary basis to certain selected customers with good repayment histories or settlement by bills.

The ageing analysis of trade receivables presented based on the revenue recognition date is set out below:

	31 December 2024	31 December 2023
	HK\$'000	*HK\$'000*
Within 90 days	**65,725**	125,991
91 – 180 days	**20,059**	32,192
181 – 365 days	**27,778**	29,705
Over 365 days	**196,293**	171,094
	309,855	358,982

14. PREPAYMENTS

	31 December 2024 *HK$'000*	31 December 2023 *HK$'000*
Prepayments for natural gas purchases	**247,884**	379,487
Prepayments for construction projects	**56,865**	58,913
Prepayments for others	**6,915**	84,859
	311,664	523,259
Less: Provision for impairment	**(2,416)**	(2,590)
	309,248	520,669
Representing:		
— Non-current portion	**15,720**	87,476
— Current portion	**293,528**	433,193
	309,248	520,669

The non-current portion of prepayments mainly represented the prepayments for the constructions of the gas pipeline network of the Group.

15. TRADE AND OTHER PAYABLES

	31 December 2024 *HK$'000*	31 December 2023 *HK$'000*
Trade payables	**647,310**	663,227
Other payables	**550,485**	599,247
Accrued expenses	**6,617**	62,032
Total trade and other payables	**1,204,412**	1,324,506
Less: Non-current portion of trade and other payables	**–**	(113)
Current portion	**1,204,412**	1,324,393

As at 31 December 2024, the ageing of the trade payable based on suppliers' invoice date is set out below:

	31 December 2024 *HK$'000*	31 December 2023 *HK$'000*
Within 90 days	**174,303**	178,588
91 – 180 days	**51,766**	53,039
181 – 365 days	**101,772**	104,275
Over 365 days	**319,469**	327,325
	647,310	663,227

16. BORROWINGS

	31 December 2024 ***HK$'000***	31 December 2023 *HK$'000*
Non-current		
Secured:		
— Bank borrowings	**291,825**	1,510,973
— Other borrowings	**398,258**	548,413
	690,083	2,059,386
Unsecured:		
— Syndicated borrowing	**853,007**	—
— Bank borrowings	**715,082**	—
	1,568,089	—
Total non-current borrowings	**2,258,172**	2,059,386
Current		
Secured:		
— Syndicated borrowing	**—**	889,342
— Bank borrowings	**707,685**	631,952
— Other borrowings	**132,821**	189,950
	840,506	1,711,244
Unsecured:		
— Syndicated borrowing	**29,217**	—
— Bank borrowings	**201,629**	135,000
	230,846	135,000
Total current borrowings	**1,071,352**	1,846,244
Total borrowings	**3,329,524**	3,905,630

Note:

In June 2024, the Group's syndicated borrowing in the amount of US$114 million (equivalent to approximately HK$893 million) was due and fully repaid. In March 2024, the Company entered into a new syndicated term loan facility agreement, and subsequently, in June 2024, the Company drew down a syndicated borrowing of US$85 million (equivalent to approximately HK$664 million) and RMB220 million (equivalent to approximately HK$235 million), bearing interest at the Secure Overnight Financing Rate ("**SOFR**") plus 2.35% per annum and fixed at 6% per annum, respectively. The new syndicated borrowing is guaranteed by Tianjin Energy, Binhai Investment (Tianjin) Company Limited and Taicheng Clean Energy Company Limited. Interests are payable quarterly and the principal will be due for repayment by instalments until June 2026.

17. EVENT OCCURRING AFTER THE BALANCE SHEET DATE

No material subsequent events were noted as at the date of approval of this results announcement.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2024 as set out in this Results Announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the audited consolidated financial statements of the Group for the year as approved by the Board of Directors on 21 March 2025. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Messrs. Deloitte Touche Tohmatsu on this Results Announcement.

PERFORMANCE REVIEW

In 2024, China recorded a 5% economic growth, which was marked by a stable economic and progressive landscape. The sustained effects of domestic macroeconomic policies continued to materialize, driving a robust upturn in natural gas consumption. The annual apparent consumption surpassed the 400-billion-cubic-metre threshold, reaching 426.05 billion cubic meters, representing an 8% year-on-year increase, according to the data from the National Development and Reform Commission. The international natural gas market was influenced by a combination of multiple factors, including global economic slowdown, high inventory levels in Europe and the United States, and the weakening marginal impact of geopolitical factors on the international energy market. These factors have struck an overall balance between the supply and demand of natural gas, with narrowing price volatility. Due to the reduced external disturbances and steadily-growing natural gas supply, the domestic natural gas market featured an overall loose supply and demand situation, with its pricing declining year-on-year. Confronting complex and volatile business climates both domestically and globally, the Group adopted agile operational strategies and pursued a diversified development roadmap to enhance growth quality. The Group has been selected as one of the "Double-Hundred Enterprises" by the State-owned Assets Supervision and Administration Commission of the State Council for the fourth year in a row and was awarded the "Outstanding" grade of the local "Double-Hundred Enterprises" for 2023.

In 2024, total gas sales of the Group reached a record high, exceeding 2.51 billion cubic metres, of which, piped natural gas sales reached 1.71 billion cubic metres, a year-on-year increase of 6%. Such sales volume was primarily attributable to the sales of natural gas to domestic and industrial users through gas pipeline. In terms of the gas passing through service business, the business involves transporting gases for clients mainly through gas pipeline networks and charges passing through fees. During the year, gas passing through reached 0.80 billion cubic metres, a year-on-year increase of 32%. Among total gas sales, the proportion of industrial and commercial customers exceeded 85%, indicating a clear advantage in customer structure. Besides, the Group also offers construction and gas pipeline installation service, which mainly involves constructing gas pipelines for its clients and connecting such pipelines to the Group's main gas pipeline networks. The Group then charges construction and gas pipeline installation service fees from industrial and commercial customers, property developers and property management companies. The number of regular customers from the construction and installation of gas engineering works of the Group increased by about 70,000 year-on-year, with an aggregate number of customers amounting to about 2.44 million in 2024, fully demonstrating the excellence of the Group in market expansion and operating efficiency.

Over recent years, China has been actively promoting its natural gas storage and transportation infrastructure. The commissioning of major projects such as the West-East Gas Pipeline Route IV and the China-Russia East Route, along with the completion and operation of numerous Liquefied Natural Gas (LNG) terminals across the country, has put the "National Unified Pipeline Network" drive on a faster track. This has optimised the gas transmission and distribution network and delivered more flexible resource allocation and better mutual support capabilities of the pipeline system. Against this backdrop, the Group has refreshed its efforts in the optimisation of the upstream and downstream industrial chain as one of its development priorities during the "14th Five-Year Plan" period. The Northern China operating region of the Group is strategically located at a natural gas hub. Gas pipelines have achieved interconnection with four major LNG receiving stations around the Beijing-Tianjin-Hebei region. In the upstream segment of the industrial chain, other than using "three barrels of oil" (i.e. CNPC, SINOPEC and CNOOC) as the main gas source, the Group has also successively signed gas purchase contracts with multiple new gas suppliers within the year, including Beijing Gas Group (Tianjin) Natural Gas Sales Company Limited, a subsidiary of Beijing Gas Group Co. Ltd., HCIG New Energy Supply Chain Management Co. Ltd., a subsidiary of China Suntien Green Energy Corporation Limited, and Yonghe Guoxin Gas Sales Co. Ltd., a subsidiary of Shanxi Huaxin Gas Sales Co. Ltd. These efforts have created a more diversified and competitive composition of gas sources and have enabled the Group's resource pool in Northern China to take shape, robustly sustaining future business growth and resource integration.

During the year, the Group made significant progress in developing the industrial chain terminal market, leveraging the coordinated management of its own resource pool. The Group has signed contracts for several major projects, including the Suntien's Rolling-one Steel Natural Gas Supply Project, Kunlun Jinre Thermal Gas Incremental Project, and Huaneng Power Plant Natural Gas Incremental Project. The successful development of these projects demonstrates the Group's ability to upgrade and expand its customer base in a multi-dimensional manner, which will help the Group to scale-up its gas sales volume, thereby further enhancing the Group's brand position and influence in the natural gas market.

The Group's value-added service business has seen sustained growth, with gross profit increased year-on-year by 9.6% to HK$54.7 million and a four-year compound annual growth rate of approximately 42%. The business mainly consists of four sub-businesses, namely small installations, kitchen appliances sales, insurance sales and non-residential paid maintenance. During the year, the Group established a specialized operating company for the "Gas+" value-added service business. In August 2024, the Group officially launched the value-added service brand "Taiyuejia (泰悦佳)", marking a new development stage of the value-added service business. The brand, centering on the core philosophy of "Peace of Mind, Joyful Living, and Quality Products", aims for a high reputation and outstanding cost performance to deliver one-stop smart home solutions that are safe and convenient. Taiyuejia has integrated and operated the value-added services segment, manufacturing and selling kitchen appliances, gas security products, and other related items. In addition, the Group has forged cooperation with North China Municipal Engineering Design & Research Institute Co., Ltd. to strictly control product quality and safety performance at the source for users' safety. This has enhanced the market competitiveness of our products. With the continuous improvement of domestic users' demand for gas safety, products under the Taiyuejia brand will continue to iterate and upgrade based on the dual goals of safety and quality, and will grow into a new business module of the Company in the future to assist the Group to further enhance its strength and profitability as a whole.

The Group has harvested remarkable results in scientific research and innovation. Specifically, Binhai Investment (Tianjin) Company Limited, a subsidiary of the Company participated in the organisation and initiation of the group standard of the Technical Specification for Load Analysis of Integrated Energy Planning and Design (《綜合能源規劃設計負荷分析技術規範》), which cemented the Group's importance in the industry. Another subsidiary of the Company, Tianjin Bintou Xinzhi Technology Co., Ltd. ("**Bintou Xinzhi**") has obtained the qualification certification for National High-tech Enterprise (NHE), accelerating the transformation and market-oriented progress of R&D outcomes, and continuing to inject continuous momentum into the sustainable and sound development of the gas industry. Bintou Xinzhi has also been included in the 2024 fifth batch of national technology-based small and medium-sized enterprises in Tianjin. Tianjin TEDA Binhai Clean Energy Group Company Limited, a subsidiary of the Company, has been honored with the title of "Top 100 Leading Enterprises in Tianjin". Its project "Non-Residential Gas Safety Intelligent Service Platform (《非居燃氣安全智慧服務平台》)" was honored with the Excellence Award for Quality Improvement Projects in Binhai New Area, Tianjin. These achievements have manifested the solid strength and huge potential of the Group in scientific research and innovation.

BUSINESS REVIEW

The Group is principally engaged in the sales of piped natural gas and the provision of construction and gas pipeline installation service and gas passing through service.

Sales of Piped Natural Gas

In 2024, the Group achieved steady growth in its piped natural gas business under the national policy of protecting the use of natural gas. The National Development and Reform Commission of Mainland China has revised the "Measures for the Administration of Natural Gas Utilisation" to provide the industry with guidance and regulations on the utilization of domestically produced and imported natural gas in China, of which promoted the efficient use of natural gas and stimulated demand of natural gas across various sectors.

The Group seized the favorable opportunity of increasing demand and strived to strengthen the sale of piped natural gas. During the year, the Group secured significant gas purchase contracts with several new gas suppliers and entered into strategic agreements or projects related to the supply, purchase, or utilization of natural gas, aimed at expanding natural gas resource pools, strengthening market presence, enhancing cost control, and fostering long-term cooperative relationships to support business growth and development in Mainland China, particularly in the Northern China region. These measures helped to enhance the Group's competitiveness and market share in Tianjin and Hebei provinces which provided strong support for future business growth and resource integration.

In 2024, total gas sales of the Group reached a record high, exceeding 2.51 billion cubic metres, of which piped natural gas sales reached 1.71 billion cubic metres, a year-on-year increase of 6%. Such sales volume was primarily attributable to the sale of natural gas to domestic and industrial users through gas pipeline. Among total gas sales, the proportion of industrial and commercial customers exceeded 85%, indicating a clear advantage in customer structure. For the year ended 31 December 2024, consumption of piped natural gas by domestic and industrial users amounted to approximately 11,588 x 10^6 and 48,591 x 10^6 megajoules respectively, as compared to 11,528 x 10^6 and 45,006 x 10^6 megajoules respectively for the year ended 31 December 2023. During the year, the Group's revenue from sales of piped natural gas amounted to HK$5,802,391,000, representing a decrease of HK$47,751,000 or approximately 1% compared to the amount of HK$5,850,142,000, recorded for the year ended 31 December 2023.

Construction and Gas Pipeline Installation Service

The Group constructs gas pipelines for its clients and connects such pipelines to the Group's main gas pipeline networks. The Group then charges construction and gas pipeline installation service fees from industrial and commercial customers, property developers and property management companies. These services are integral to the Group's operations, ensuring seamless gas distribution and expanding its network reach.

However, in 2024, the growth of the Group's construction and gas pipeline installation service was significantly hindered by the challenges within the real estate market. The sector experienced a downturn due to a combination of factors, including insufficient domestic demand, weakened external demand, and ongoing structural adjustments in the industry. These market conditions constrained opportunities for new construction projects and led to a decline in demand from property developers and related clients. Nonetheless, the Group remains committed to refining its strategies to navigate market volatility and is actively pursuing opportunities for recovery and expansion in the construction and gas pipeline installation segment.

The number of regular customers from the construction and installation of gas engineering works of the Group increased by about 70,000 year-on-year, with an aggregate number of customers amounting to about 2.44 million in 2024, fully demonstrating the excellence of the Group in market expansion and operating efficiency. As at 31 December 2024, the aggregate length of city medium-pressure gas pipeline networks was approximately 3,976 kilometers, representing an increase of 85 kilometers from the length of 3,891 kilometers as at 31 December 2023. While the aggregate length of city high-pressure and sub-high-pressure gas pipeline networks was approximately 657 kilometers, representing an increase of 8 kilometers from the length of 649 kilometers as at 31 December 2023. For the year ended 31 December 2024, the revenue of the Group from construction and gas pipeline installation service amounted to approximately HK$327,021,000, representing a decrease of HK$177,850,000 or approximately 35% compared to the amount of HK$504,871,000 recorded for the year ended 31 December 2023.

Gas Passing Through Service

The Group transports gases for clients through gas pipeline networks and charges passing through fees. Natural gas is the primary energy source utilized in the Group's gas passing through service. As a clean and efficient energy resource, natural gas plays a critical role in addressing environmental pollution by significantly reducing carbon emissions and other harmful pollutants compared to traditional fossil fuels. Its inherent advantages, such as safety, reliability, and cost-effectiveness, make it an attractive option for both industrial and residential use across the country. Furthermore, natural gas has emerged as a cornerstone in global clean energy strategies, contributing to the transition toward sustainable and environmentally friendly energy systems. This aligns with the nation's efforts to combat climate change and promote greener energy solutions, solidifying its importance in the development of clean energy initiatives in Mainland China. For the year ended 31 December 2024, the volume of gases transported by the Group for its clients amounted to 800,857,356 cubic metres and gas passing through service income amounted to approximately HK$68,389,000, representing an increase of approximately HK$16,721,000 or 32% compared to the amount of approximately HK$51,668,000 recorded for the year ended 31 December 2023.

Property Development

As at 31 December 2024, the Group held a piece of land under development of approximately 15,899.6 square metres located to the east of Central West Road, west of Central Road, north of Xi San Road and south of Xi Er Road in the Tianjin Airport Economic Area in the Binhai New Area of the PRC, under land use rights for commercial use for a term of 40 years from 31 December 2009.

In view of the Group's current strategic direction which focuses on the development of the gas business, the Group plans to dispose of the above property under construction.

FINANCIAL REVIEW

Gross Profit Margin

Gross profit of the Group for the year ended 31 December 2024 was approximately HK$569 million (2023: HK$749 million) and the gross profit margin for the Group was approximately 9% (2023: 12%). The decrease in the gross margin is predominantly attributable to the reduction in gross profit from construction and gas pipeline installation service.

Administrative Expenses

Administrative expenses of the Group for the year ended 31 December 2024 was approximately HK$203 million, representing a decrease of approximately HK$16 million or 7% compared to approximately HK$219 million for the year ended 31 December 2023.

Profit Attributable to Owners of the Company

Profit attributable to owners of the Company for the year ended 31 December 2024 was approximately HK$200 million, as compared to approximately HK$257 million for the year ended 31 December 2023. The decrease in profit attributable to owners of the Company was mainly attributable to the decrease of gross profit for the year ended 31 December 2024.

Basic earnings per share for the year ended 31 December 2024 was HK$14.6 cents, as compared to HK$19.0 cents for the year ended 31 December 2023.

Liquidity and Financial Resources

The Group financed its liquidity requirements primarily through cash flow generated from operating activities and proceeds from interest-bearing bank loans and other borrowings.

As at 31 December 2024, the total borrowings of the Group amounted to approximately HK$3,329,524,000 (2023: HK$3,905,630,000) and the cash and bank deposits of the Group amounted to approximately HK$415,125,000 (2023: HK$946,324,000), which included cash and cash equivalents of approximately HK$384,045,000, term deposits of approximately HK$19,973,000 and restricted bank deposits of approximately HK$11,107,000. As at 31 December 2024, the Group had consolidated current assets of approximately HK$1,121,309,000 and its current ratio was approximately 0.37. As at 31 December 2024, the Group had a gearing ratio of approximately 56%. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including current and non-current borrowings and lease liabilities as shown in the consolidated statement of financial position) less cash and cash equivalents and term deposits. Total capital is calculated by adding total equity and net debt. To effectively manage the Group's liquidity risks, the Company is reviewing the existing loans of the Group to be repayable in 2025 and will negotiate with potential funding parties, when appropriate, to secure more competitive interest rates to refinance its borrowings under the current financing arrangements.

Borrowings Structure

As at 31 December 2024, the total borrowings of the Group amounted to approximately HK$3,329,524,000, of which 20% were denominated in USD and 80% denominated in RMB (2023: HK$3,905,630,000, of which 23% were denominated in USD, 74% denominated in RMB and 3% denominated in HKD). Syndicated borrowing was denominated in USD and RMB, USD tranche carrying the interest at the rate of 2.35% plus SOFR per annum, and RMB tranche carrying the interest of 6% per annum. Secured borrowings from PRC banks were denominated in RMB and carried interest rates from 3.20% to 5.00% per annum. Unsecured borrowing from bank was denominated in RMB, carrying interest rates from 2.8% to 2.35% plus Hong Kong InterBank Offered Rate ("**HIBOR**") per annum. Other secured borrowings carry interests at the rates ranging from 3.80% to 4.15% per annum. 22% of the borrowings are in fixed interest rate and 78% of the borrowings are in floating rates. As at 31 December 2024, short-term borrowings and the current portion of long-term borrowings amounted to approximately HK$1,071,352,000, while the remainder were long-term borrowings falling due after one year or above.

Particulars of bank and other borrowings of the Group as at 31 December 2024 are set out in note 16 to this results announcement. The net loan proceeds are for refinancing the indebtedness and for financing general corporate funding requirements of the Group.

Directors' Opinion on Sufficiency of Working Capital

As at 31 December 2024, the Group's current liabilities exceeded its current assets by approximately HK$1,901,362,000. The Group's ability to continue as a going concern largely depends on the sufficiency of financial resources available to the Group. The Directors are of the view that the Group will have sufficient working capital to meet its financial obligations as and when they fall due in the next twelve months from 31 December 2024.

Exposure to Exchange Rate Fluctuations

The majority of the Group's transactions are denominated in the functional currency of the respective group entities. Part of the deposits and bank borrowings of the Group are denominated in HK Dollars and US Dollars which expose the Group to certain foreign currency risks. For the year ended 31 December 2024, net foreign exchange loss for the financing activities amounted to approximately HK$27 million.

The Group has adopted various measures to manage exchange rate fluctuation risks. In June 2024, to repay its previous loans, the Group drew down a syndicated loan of approximately US$85 million and RMB220 million, securing more favorable interest rates compared to prior loans. Given the higher volatility of the exchange rate between RMB and US Dollars compared to that between RMB and HK Dollars, the Group has strategically reduced its borrowings denominated in US Dollars to mitigate the impact of exchange rate fluctuations.

The Group does not currently have a foreign currency hedging policy. However, the management of the Company has been monitoring foreign exchange risks and will consider hedging significant foreign currency exposure should the need arise.

Treasury policies

The Group has adopted a prudent financial management approach towards its treasury policies and remained steadfast in its commitment to prudent capital and cash flow management to maintain a strong and healthy liquidity position for the year ended 31 December 2024.

Charge on the Group's Assets

As at 31 December 2024, 50% of the equity interest of Tianjin Energy were pledged amounting to approximately HK$639,807,000 as security for other borrowing. In addition, as at 31 December 2024, the Group had restricted bank deposits of HK$11,107,000 (2023: HK$10,925,000). The net carrying amount of pipelines and equipment as at 31 December 2024 amounting to approximately HK$638,256,000 were pledged as security for the other borrowings. Details of the Group's borrowings are set out in Note 16 to this Results Announcement.

CONTINGENT LIABILITIES

As at 31 December 2024, the Group did not have any significant contingent liabilities.

PROSPECTS

Looking ahead to 2025, the Organisation for Economic Co-operation and Development (OECD) forecasts a growth rate of 4.5% for China's economy. Meanwhile, the National People's Congress has proposed an expected growth target of roughly 5%. Guided by the national policy of "seeking progress while maintaining stability, promoting stability through progress, striving for innovation while safeguarding integrity and establishing the new before abolishing the old", the Group will continue to implement more proactive fiscal policies and moderately accommodative monetary policies. By combining these policies and enhancing their synergies, the Group provides strong support for the continued steady growth of China's macroeconomy. The Group believes that with the government's multi-pronged approach, steady growth in the macroeconomy will continue to consolidate the fundamental demand for clean energy, including natural gas. According to forecasts by China National Petroleum Corporation (CNPC), China's natural gas demand is expected to reach 448.5 billion cubic metres in 2025, representing a year-on-year increase of 6.2%. The Group will pay close attention to geopolitical risks and market conditions to ensure sound development of the Company.

The Group has always been committed to becoming an advocate and supplier of integrated energy in China, focusing on providing industrial and commercial users as well as urban residents with a full range of safe, reliable and environmentally friendly energy solutions. Delivering premium services, the Group seeks to expand its footprint, build consensus, and increase customer loyalty and service offerings for the sound and sustainable development of the enterprise. In 2025, the Group will continue to deepen its core business of gas supply and focus on the growth in the revenue of its main business. Leveraging our increasingly integrated upstream-downstream industry chain, the Group has been optimising its procurement strategies to improve cost management efficiency and expanding its end-user customer base in alignment with evolving market landscapes. Thanks to the new terminal projects put into production one after another and declining gas procurement costs, the Group anticipates steady restorative growth in profitability in the future. In addition, the Group will continue to work on the development of value-added service business by diversifying and expanding our product offerings and services. We anticipate that this business segment will be among the key drivers for the Group's performance to reach new heights in the future.

The Group will fulfil its mission of green development while seeking robust business growth and will proactively respond to the nation's clean energy development strategy and the "Dual Carbon Target". The Group will continue its efforts in scientific innovation and embrace energy transformation opportunities to systematically push forward the "Dual Carbon" initiative and create a green and low-carbon value chain for great contributions to the sustainable development.

With the support of the shareholders of the Company (the "**Shareholders**") and governments at all levels, the Group will seize the development opportunities and strive to win the decisive battle in the final year of the "14th Five-Year Plan" period. We will deliver solid and stable operating results to our investors and create long-term value for our Shareholders.

EMPLOYEES

As at 31 December 2024, the Group had 1,746 employees (2023: 1,752 employees). For the year ended 31 December 2024, the salaries and wages of the employees of the Group amounted to approximately HK$208 million (2023: HK$222 million) and among these, approximately HK$53 million were recorded in research and development expenses (2023: HK$58 million).

REMUNERATION POLICY

We recognize that our Group's success depends on the contributions of our employees, whom we consider invaluable assets to the Group. The Group is committed to offering competitive remuneration packages while fostering a fair, inclusive, and safe working environment for all employees. The Group prioritizes work safety and occupational health by adhering to laws and regulations, implementing a comprehensive safety management system, and fostering a culture of safety through training and performance assessments.

The remuneration of the employees of the Group is determined by reference to the market rates, and the performance, qualification and experience of the relevant employee. In addition, a discretionary bonus based on individual performance during the year is distributed to reward the contributions of employees to the Group. The Group provides training opportunities and other benefits to its employees, including pension insurance, unemployment insurance, injury insurance, medical insurance, maternity insurance and housing fund, etc.

Furthermore, a share option scheme was adopted by the Company on 13 January 2021 as an incentive and award plan for directors, senior management personnel and eligible employees of the Group.

SIGNIFICANT INVESTMENTS

During the year ended 31 December 2024, the Company did not hold any significant investments.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES

During the year ended 31 December 2024, there were no material acquisitions or disposals of subsidiaries and associated companies by the Group.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

The Group currently does not have any future plans for material investments or capital assets.

CORPORATE GOVERNANCE PRACTICES

The Board is in charge of the management of the entire business of the Group and assumes overall responsibility for the leadership and control of the Group, collectively being responsible for promoting the success of the Group through giving instructions and supervising its business. The Board believes that good corporate governance practices would strengthen investors' confidence, facilitate the development of the Group, and increase transparency of the operation of the Group, all of which are in the long-term interest of the Group and the Shareholders. For the year ended 31 December 2024, the Company had fully complied with the code provisions set out in Part 2 of the Appendix C1 (Corporate Governance Code) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

AUDIT COMMITTEE

The Company has established an audit committee (the "**Audit Committee**") in accordance with Rule 3.21 of the Listing Rules. The Audit Committee comprises four independent non-executive Directors, namely Mr. LAU Siu Ki, Kevin (chairman), Mr. IP Shing Hing, *B.B.S.*, *J.P.*, Professor Japhet Sebastian LAW and Dr. TANG Lai Wah, and Mr. LAU Siu Ki, Kevin and Dr. TANG Lai Wah are qualified accountants.

The Audit Committee has reviewed the consolidated financial results of the Group for the year ended 31 December 2024 and has provided advice and comments on the financial statements.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings as set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") under Appendix C3 to the Listing Rules. Trading of securities by Directors shall be approved by the chairman of the Board and shall be conducted in accordance with the time frame and the number of securities approved.

All Directors have confirmed, following specific enquiries by the Company that they have complied with the required standard of dealings as set out in the Model Code and the Company's code of conduct regarding securities transactions by Directors throughout the year ended 31 December 2024.

PURCHASE, SALE AND REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the year ended 31 December 2024, pursuant to the general mandate to repurchase shares approved by the holders of ordinary shares of the Company at the 2024 annual general meeting, the Company repurchased a total of 6,522,000 ordinary shares of the Company ("**Repurchased Shares**") on HKEx for an aggregate consideration of approximately HK$7,253,460 after deducting expenses. The Repurchased Shares were subsequently held by the Company as treasury shares. The repurchases were effected for the enhancement of the net asset value per share and/or earnings per share of the Company. Details of the Repurchased Shares are as follows:

		Purchase consideration per Repurchased Share		
Month of purchase in 2024	**No. of Repurchased Shares**	**Highest price paid** *(HK$)*	**Lowest price paid** *(HK$)*	**Aggregate consideration paid** *(HK$)*
September	256,000	1.04	1.02	264,400
October	1,994,000	1.24	1.08	2,325,120
November	928,000	1.22	1.02	1,032,840
December	3,344,000	1.15	1.00	3,631,100
Total	6,522,000			7,253,460

During the year ended 31 December 2024, in view of the fulfillment of the conditions for redemption of the redeemable non-voting preference shares at par value of HK$50 each ("**Redeemable Preference Shares**") under the bye-laws of the Company and having considered the financial position of the Group, the Company redeemed and cancelled 1,020,000 Redeemable Preference Shares from TEDA HK on 19 July 2024, at the redemption amount of HK$50 per Redeemable Preference Share, amounting in aggregate to HK$51,000,000.

Save as disclosed above, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2024.

FINAL DIVIDEND

The Board has recommended a final dividend for the year ended 31 December 2024 of HK$0.076 per ordinary share (final dividend for the year ended 31 December 2023: HK$0.076 per ordinary share with scrip option) (the "**Final Dividend**").

After approval by the holders of ordinary shares at the forthcoming annual general meeting proposed to be held on 9 May 2025, the Final Dividend is expected to be paid on or around 10 June 2025 to those holders of ordinary shares whose names appear on the register of members of the Company as at 20 May 2025, being the record date for such dividend.

The dates of closure of register of members of the Company for the purpose of determining the identity of the holders of ordinary shares entitled to the Final Dividend and to attend and vote at the forthcoming annual general meeting will be announced later.

ISSUANCE OF ANNUAL REPORT

The Annual Report for the year ended 31 December 2024 will be published on or about 7 April 2025.

By Order of the Board
Binhai Investment Company Limited
Gao Liang
Executive Director

Hong Kong, 21 March 2025

As at the date of this announcement, the Board comprises three executive Directors, namely, Mr. Zhang Wang, Mr. Wang Xin and Mr. Gao Liang, three non-executive Directors, namely, Mr. Zhang Chang Liang, Mr. Shen Hong Liang and Mr. Yu Ke Xiang and four independent non-executive Directors, namely, Mr. Ip Shing Hing, B.B.S., J.P., Mr. Lau Siu Ki, Kevin, Professor Japhet Sebastian Law and Dr. Tang Lai Wah.

** For identification purpose only*