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浙江天潔環境科技股份有限公司
Zhejiang Tengy Environmental Technology Co., Ltd

(a joint stock company established in the People's Republic of China with limited liability)

(Stock Code: 1527)

AUDITED ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

SUMMARY

- The revenue of Zhejiang Tengy Environmental Technology Co., Ltd (the "**Company**") and its subsidiaries (collectively the "**Group**") for the year ended 31 December 2024 (the "**Year**") was approximately RMB744.9 million, representing an increase of approximately 20.1% when compared with that of the corresponding period of last year.

- The Group's profit attributable to owners of the Company for the Year was approximately RMB84.6 million, representing an increase of approximately 98.2% when compared with that of the corresponding period of last year.

- The board (the "**Board**") of directors (the "**Directors**" and each a "**Director**") of the Company does not recommend the payment of any final dividend for the Year.

AUDITED ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

The Board is pleased to announce the audited consolidated results of the Group for the Year and the audited comparative figures of the corresponding period of 2024 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024

	Notes	**2024** **RMB'000**	2023 *RMB'000*
Revenue	*4*	**744,942**	620,134
Cost of sales		**(526,767)**	(479,315)
Gross profit		**218,175**	140,819
Other income	*5*	**18,227**	21,006
Distribution and selling expenses		**(17,882)**	(22,149)
Administrative expenses		**(86,167)**	(53,349)
Other expenses		**(5,652)**	(4,499)
Profit from operations		**126,701**	81,828
Finance costs	*6*	**(8,962)**	(9,892)
Share of losses of associates		**(9,846)**	(10,885)
Profit before tax		**107,893**	61,051
Income tax expenses	*7*	**(23,256)**	(18,344)
Profit and total comprehensive income for the year attributable to owners of the Company		**84,637**	42,707
Earnings per share			
Basic and diluted (RMB per share)	*8*	**0.63**	0.32

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
Non-current assets			
Property, plant and equipment		**57,495**	63,772
Right-of-use assets		**15,063**	15,378
Intangible assets		**–**	294
Deferred tax assets	*16*	**59,008**	50,066
Investment properties		**35,175**	35,837
Investment in associates		**108,361**	118,207
		275,102	283,554
Current assets			
Inventories	*10*	**366,776**	374,862
Trade and bills receivables	*11*	**586,576**	559,998
Contract assets		**69,698**	40,886
Prepayments, deposits and other receivables	*12*	**66,761**	78,966
Investments at fair value through profit or loss	*9*	**–**	5,448
Pledged deposits	*13*	**20,000**	–
Bank and cash balances	*13*	**660,123**	453,142
		1,769,934	1,513,302

	Notes	2024 RMB'000	2023 RMB'000
Current liabilities			
Trade and bills payables	*14*	**203,193**	195,040
Contract liabilities		**683,591**	542,933
Other payables and accruals	*15*	**88,325**	78,684
Bank loans		**85,000**	89,502
Tax payable		**30,112**	20,519
		1,090,221	926,678
Net current assets		**679,713**	586,624
Total assets less current liabilities		**954,815**	870,178
NET ASSETS		**954,815**	870,178
Capital and reserves			
Share capital	*17*	**135,000**	135,000
Share premium		**239,064**	239,064
Reserves	*18*	**580,751**	496,114
TOTAL EQUITY		**954,815**	870,178

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024

	Attributable to owners of the Company					
	Share capital *RMB'000*	**Share premium** *RMB'000*	**Statutory surplus reserve** *RMB'000*	**Safety production reserve** *RMB'000*	**Retained profits** *RMB'000*	**Total** *RMB'000*
At 1 January 2023	135,000	239,064	49,323	8,517	402,317	834,221
Total comprehensive income for the year	–	–	–	–	42,707	42,707
Appropriation to statutory surplus reserve	–	–	1,966	–	(1,966)	–
Dividend paid	–	–	–	–	(6,750)	(6,750)
Appropriation to safety production reserve	–	–	–	261	(261)	–
At 31 December 2023	135,000	239,064	51,289	8,778	436,047	870,178
At 1 January 2024	**135,000**	**239,064**	**51,289**	**8,778**	**436,047**	**870,178**
Total comprehensive income for the year	**–**	**–**	**–**	**–**	**84,637**	**84,637**
Appropriation to statutory surplus reserve	**–**	**–**	**194**	**–**	**(194)**	**–**
Appropriation to safety production reserve	**–**	**–**	**–**	**237**	**(237)**	**–**
At 31 December 2024	**135,000**	**239,064**	**51,483**	**9,015**	**520,253**	**954,815**

These reserve accounts comprise the consolidated reserves of approximately RMB465,712,000 (2023: approximately RMB463,776,000) in the consolidated statements of financial position.

1. CORPORATE AND GROUP INFORMATION

The Company is a joint stock company with limited liability established in the People's Republic of China (the "**PRC**" or "**China**"). The registered office of the Company is located at TENGY Industrial Park, Paitou Town, Zhuji City, Zhejiang Province, the PRC.

The Group is principally engaged in the design, development, manufacturing, installation and sale of environmental pollution prevention equipment and electronic products.

As at 31 December 2024, (i) Tengy Group Limited（天潔集團有限公司）("**TGL**"), a company established in the PRC, held 40,500,350 Domestic Shares, representing approximately 30% of the issued share capital of the Company, being the single largest shareholder of the Company; and (ii) Changshan County Guoxi Equity Investment Co., Ltd.*（常山縣國熙股權投資有限公司）("**Guoxi Equity Investment**"), a state-owned enterprise, owned 39,150,000 Domestic Shares, representing 29.00% of the issued share capital of the Company, being the second single largest shareholder of the Company.

Particulars of the principal subsidiaries as at 31 December 2024 are set out below:

Name	Registered/ paid-up capital	Percentage of equity attributable to the Company directly	Place and date of establishment/ registration and place of operations	Principal activities
諸暨市天潔安裝工程有限公司 ("**Tianjie Installation Engineering**")	RMB4,500,000	100%	The PRC 14 May 2003	Provision of installation services
浙江天潔環境工程有限公司 ("**Tianjie Environmental and Engineering**")	RMB50,000,000	100%	The PRC 29 June 2009	Manufacture and sale of electronic products
吐魯番天潔環境科技有限公司 ("**Turpan Environmental and Technology**")	RMB20,000,000	100%	The PRC 19 July 2013	Manufacture and sale of environmental pollution prevention equipment
濟寧天潔環境工程有限公司 ("**Jining Tianjie Environmental and Engineering**")	RMB50,000,000	100%	The PRC 30 April 2021	Manufacture and sale of electronic products
浙江常山環境工程有限公司 ("**Changshan Environmental and Engineering**")	RMB50,000,000	100%	The PRC 28 October 2022	Manufacture and sale of electronic products

2.1 BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("**HKASs**") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Companies Ordinance (Cap. 622 of the Laws of Hong Kong).

They have been prepared under the historical cost convention as modified by the investments at fair value through profit or loss and derivative instruments which are carried at their fair values/fair values less costs to sell. These financial statements are presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand except when otherwise indicated.

2.2 ADOPTION OF NEW AND REVISED HKFRSs

In the current year, the Group has adopted all the new and revised HKFRSs issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 January 2024. HKFRSs comprise HKFRSs; HKAS; and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group's accounting policies, presentation of the Group's financial statements and amounts reported for the current year and prior years.

The Group has not applied the new and revised HKFRSs that have been issued but are not yet effective. The application of these new HKFRSs will not have material impact on the consolidated financial statements of the Group.

3. OPERATING SEGMENT INFORMATION

The Group's revenue during the year was mainly derived from environmental protection equipment contract revenue for installation and sale of environmental pollution prevention equipment and electronic products; the invoiced value of goods sold and the value of services rendered. The products of the Group are subject to similar risks and returns and, therefore, the Group has only one business segment.

Geographical information

(a) Revenue from external customers

	2024	2023
	RMB'000	*RMB'000*
Mainland China	**744,888**	607,159
Other countries	**54**	12,975
Consolidated total	**744,942**	620,134

The revenue information above is based on the locations of the customers.

(b) Non-current assets

All non-current assets of the Group are located in Mainland China.

Revenue from major customers

	2024	2023
	RMB'000	*RMB'000*
Customer A	**115,487**	N/A*
Customer B	**112,372**	N/A*
Customer C	**111,292**	N/A*
Customer D	N/A*	118,558
Customer E	N/A*	84,867
Customer F	N/A*	65,857

* **Customer did not contribute more than 10% of the total consolidated revenue of the Group for the Year and for the corresponding period of 2023.**

4. REVENUE

The Group's revenue represents sales of environmental protection equipment for installation and sales of environmental pollution prevention equipment and electronic products; the invoiced value of materials sold and the value of services rendered during the year.

	2024	2023
	RMB'000	*RMB'000*
Revenue		
Sales of environmental protection equipment	**737,143**	607,348
Sales of materials	**7,705**	12,781
Rendering of services	**94**	5
	744,942	620,134

Disaggregation of revenue from sales of environmental protection equipment:

	2024	2023
	RMB'000	*RMB'000*
Geographical markets		
Mainland China	**737,089**	594,514
Other countries	**54**	12,834
Total	**737,143**	607,348
Major products		
Electrostatic precipitator	**633,089**	436,146
Bag filter precipitator	**69,486**	39,668
SO_2 and NOx emission reduction (desulfurisation and denitrification devices)	**31,107**	95,110
Others (e.g. Pneumatic ash conveying system)	**3,461**	36,424
Total	**737,143**	607,348
Timing of revenue recognition		
At a point in time		
– Sales of environmental protection equipment	**737,143**	607,348
– Sale of materials	**7,705**	12,781
– Rendering of services	**94**	5
Total	**744,942**	620,134

Sales of Environmental protection equipment

The Group manufactures, sells and installs environmental pollution prevention equipment to the customers. The customers pay the contract prices to the Group according to the payment schedules as stipulated in the contracts within one month. Sales are recognised when control of the products and services have transferred, being when the products are delivered to a customer. If the service rendered by the Group exceeds the payments, a contract asset is recognised. If the payments exceed the service rendered, a contract liability is recognised.

If a contract includes the installation of hardware, revenue for the hardware is recognised at a point in time when the hardware is delivered, the legal title has passed and the customer has accepted the hardware.

The contract price is allocated to the performance obligations based on the relative stand-alone selling prices of the performance obligations. The stand-alone selling prices are determined by applying the expected cost plus a margin approach.

Sales of materials

The Group sells the materials to the customers. The products amount is repayable within one month. Sales are recognised when control of the products has transferred, being when the products are delivered to a customer, there is no unfulfilled obligation that could affect the customer's acceptance of the products and the customer has obtained legal titles to the products.

A receivable is recognised when the products are delivered to the customers as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

5. OTHER INCOME

	2024	2023
	RMB'000	*RMB'000*
Bank interest income	**1,840**	1,397
Government grants	**8,290**	8,803
Waiver of insurance service	**–**	5,222
Waiver of account payable	**423**	3,547
Additional deduction on value-added tax	**824**	–
Litigation claim for account receivables	**4,282**	–
Gain on disposal of investments at fair value through profit or loss	**174**	–
Reversal of impairment loss on bills receivables	**2,081**	911
Gain on disposal of property, plant and equipment	**–**	784
Others	**313**	342
	18,227	21,006

6. FINANCE COSTS

An analysis of finance costs is as follows:

	2024	2023
	RMB'000	*RMB'000*
Interest on bank loans	**3,340**	2,254
Charge on letter of guarantee	**5,622**	7,638
	8,962	9,892

7. INCOME TAX EXPENSES

Pursuant to the Corporate Income Tax Law of the PRC and the respective regulations, the Company and its subsidiaries which operate in Mainland China are subject to corporate income tax at a rate of 25% on the taxable income.

The income tax expenses of the Group are analysed as follows:

	2024	2023
	RMB'000	*RMB'000*
PRC Enterprise Income Tax for the year	**32,890**	24,532
PRC Enterprise Income Tax over provision prior year	**(692)**	–
Deferred tax *(note 16)*	**(8,942)**	(6,188)
	23,256	18,344

A reconciliation of the tax expenses applicable to profit before tax at the statutory rate to the tax expenses at the effective tax rate is as follows:

	2024	2023
	RMB'000	*RMB'000*
Profit before tax	**107,893**	61,051
Tax at the statutory tax rate of 25%	**26,973**	15,263
Additional deduction on research and development expenses	**(2,437)**	(2,906)
Tax effect of non-deductible expenses	**1,093**	5,987
Prior year over-provision tax	**(692)**	–
Tax losses for which no deferred tax asset was recognised	**(1,681)**	–
Income tax expenses for the year	**23,256**	18,344

8. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of basic earnings per share amount is based on the profit attributable to ordinary equity holders of the Company, and the weighted average number of ordinary shares of 135,000,000 (2023: 135,000,000) in issue during the Year.

There were no potentially dilutive ordinary shares in issue during the years ended 31 December 2024 and 2023.

The calculations of basic earnings per share are based on:

	2024	2023
	RMB'000	*RMB'000*
Earnings		
Profit attributable to ordinary equity holders of the Company used in the basic earnings per share calculation	**84,637**	42,707

	Number of shares	
	2024	2023
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation	**135,000,000**	135,000,000

9. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2024	2023
	RMB'000	*RMB'000*
Ferrous metal future contract, at fair value – current assets	**–**	5,448

10. INVENTORIES

	2024	2023
	RMB'000	*RMB'000*
Raw materials	**18,380**	11,798
Work in progress	**2,198**	7,814
Finished goods	**346,198**	355,250
	366,776	374,862

11. TRADE AND BILLS RECEIVABLES

	2024	2023
	RMB'000	*RMB'000*
Trade receivables	**700,281**	647,915
Less: provision for loss allowance	**(156,049)**	(143,043)
	544,232	504,872
Bills receivable	**42,344**	57,207
Less: provision for loss allowance	**–**	(2,081)
	586,576	559,998

Trade receivables are non-interest-bearing and the credit term is generally one month. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances.

The Group's bills receivable are all due within one year. As at 31 December 2024, the Group's bills receivable of approximately RMB14,101,000 (2023: approximately RMB8,432,000) were pledged to secure the Group's bills payable (note 14).

An aging analysis of the trade receivables, based on the invoice date and net of allowance, is as follows:

	2024	2023
	RMB'000	*RMB'000*
Within 1 year	**301,171**	222,172
1 to 2 years	**94,442**	124,383
2 to 3 years	**46,236**	81,566
3 to 4 years	**102,383**	76,751
	544,232	504,872

Reconciliation of loss allowance for trade receivables:

	2024	2023
	RMB'000	*RMB'000*
At 1 January	**143,043**	136,416
Written off the loss allowance for the year	**(5,236)**	(245)
Increase in loss allowance for the year	**18,242**	6,872
At 31 December	**156,049**	143,043

Reconciliation of loss allowance for bills receivables:

	2024	2023
	RMB'000	*RMB'000*
At 1 January	**2,081**	2,992
Decrease in loss allowance for the year	**(2,081)**	(911)
At 31 December	**–**	2,081

The Group applies the simplified approach under HKFRS 9 "Financial Instrument" to provide for expected credit losses using the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the aging. The expected credit losses also incorporate forward looking information.

	Current	1 to 2 years	2 to 3 years	Over 3 years	Total
At 31 December 2024					
Weighted average expected loss rate	**0%**	**12%**	**18%**	**56%**	**22%**
Receivable amount *(RMB'000)*	**301,171**	**107,931**	**56,518**	**234,661**	**700,281**
Loss allowance *(RMB'000)*	**–**	**13,489**	**10,282**	**132,278**	**156,049**
At 31 December 2023					
Weighted average expected loss rate	0%	12%	17%	59%	22%
Receivable amount *(RMB'000)*	222,172	140,629	98,861	186,253	647,915
Loss allowance *(RMB'000)*	–	16,246	17,295	109,502	143,043

As at 31 December 2024, the Group had endorsed certain bills receivable accepted by certain banks in the PRC (the "**Endorsed Notes**") to certain of its suppliers in order to settle the trade payables due to such suppliers (the "**Endorsement**"). Subsequent to the Endorsement, the Group did not retain any rights on the use of the Endorsed Notes, including the sale, transfer or pledge of the Endorsed Notes to any other third parties. In accordance with the "Law of Negotiable Instruments" in the PRC, the holders of the Endorsed Notes have a right of recourse against the Group if the PRC banks default (the "**Continuing Involvement**"). The total carrying amount of the Endorsed Notes of the Group as at 31 December 2024 was approximately RMB73,010,000 (2023: approximately RMB67,586,000). In the opinion of the Directors, the Group has transferred substantially all the risks and rewards relating to certain Endorsed Notes accepted by large and reputable banks (the "**Derecognised Notes**") with an amount of approximately RMB60,296,000 as at 31 December 2024 (2023: approximately RMB38,590,000). Accordingly, the Group has derecognised the full carrying amounts of these Derecognised Notes and the associated trade payables. The maximum exposure to loss from the Group's Continuing Involvement in these Derecognised Notes and the undiscounted cash flows to repurchase these Derecognised Notes is equal to their carrying amounts. In the opinion of the Directors, the fair values of the Group's Continuing Involvement in these Derecognised Notes are not significant. The Group continued to recognise the full carrying amount of the remaining Endorsed Notes and the associated trade payables settled with an amount of approximately RMB12,714,000 as at 31 December 2024 (2023: approximately RMB28,996,000), because the Directors believe that the Group has retained substantial risks and rewards, which include default risks relating to such remaining Endorsed Notes.

During the Year, the Group has not recognised any gain or loss (2023: Nil) on the date of transfer of the Derecognised Notes. No gains or losses were recognised from the Continuing Involvement, both during the Year or cumulatively. The Endorsement has been made evenly throughout the Year.

12. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2024	2023
	RMB'000	*RMB'000*
Other receivables	**40,707**	29,357
Less: impairment losses	**(2,596)**	(2,808)
	38,111	26,549
Prepayments	**25,008**	48,509
Due from holding company	**3,642**	3,908
	66,761	78,966

The movements in impairment losses of other receivables are as follows:

	2024	2023
	RMB'000	*RMB'000*
At 1 January	**2,808**	3,284
Written off the loss allowance for the year	**–**	(88)
Reversal of impairment loss on other receivables	**(212)**	(388)
At 31 December	**2,596**	2,808

13. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS

At the end of reporting period, the bank and cash balances of the Group denominated in RMB amounted to approximately RMB659,758,000 (2023: approximately RMB453,020,000). Conversion of RMB into foreign currencies is subject to the PRC's Foreign Exchange Control Regulations.

Pledged deposit with banks have been placed as security for bills payables issued by the Group. Bank guarantees are performance guarantees and made for varying periods ranging from several months to five years depending on the agreement of the contract, and earn interest at the respective short term time deposit rates. The bank balances and pledged deposits are deposited with creditworthy banks with no recent history of default.

14. TRADE AND BILLS PAYABLES

	2024	2023
	RMB'000	*RMB'000*
Trade payables	**184,900**	185,131
Bills payables	**18,293**	9,909
	203,193	195,040

Bills payables were secured by the Group's pledged bank deposit of RMB20,000,000 (2023: RMB nil) and bills receivables of RMB14,101,000 (2023: RMB8,432,000).

An aging analysis of the trade payables, based on the invoice date, is as follows:

	2024	2023
	RMB'000	*RMB'000*
Within 1 year	**129,603**	137,082
1 to 2 years	**35,111**	28,155
2 to 3 years	**11,855**	12,203
Over 3 years	**8,331**	7,691
	184,900	185,131

15. OTHER PAYABLES AND ACCRUALS

	2024	2023
	RMB'000	*RMB'000*
Other payables	**88,325**	78,684

16. DEFERRED TAX

Deferred tax assets

	Changes in investments at fair value through profit or loss	**Impairment of other receivables**	**Impairment of trade and bills receivables**	**Accruals**	**Tax loss**	**Unrealised profit in inventories**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	**–**	**822**	**34,851**	**1,724**	**1,844**	**4,637**	**43,878**
– Credit/(debit) to consolidated statement of profit or loss	**86**	**(119)**	**1,429**	**406**	**(771)**	**5,157**	**6,188**
At 31 December 2023 and 1 January 2024	**86**	**703**	**36,280**	**2,130**	**1,073**	**9,794**	**50,066**
– Credit/(debit) to consolidated statement of profit or loss	**(86)**	**(53)**	**2,731**	**228**	**407**	**5,715**	**8,942**
At 31 December 2024	**–**	**650**	**39,011**	**2,358**	**1,480**	**15,509**	**59,008**

17. SHARE CAPITAL

Shares

	2024	2023
	RMB'000	*RMB'000*
Issued and fully paid:		
135,000,000 (2023: 135,000,000) ordinary shares	**135,000**	135,000

No changes in the Company's share capital for the Year.

18. RESERVES

The amounts of the Group's reserves and the movements therein are presented in the consolidated statement of profit or loss and other comprehensive income and consolidated statement of changes in equity.

Statutory surplus reserve

Pursuant to the PRC Company Law and the respective entities' articles of association, the Company and its subsidiaries established in the PRC shall appropriate 10% of their annual statutory net profit (determined in accordance with the PRC accounting principles and regulations and after offsetting any prior years' losses) to the statutory surplus reserve until such reserve fund reaches 50% of the share capital of these entities. The statutory surplus reserve can be utilised to offset prior years' losses or to increase capital. However, except for offsetting prior years' losses, such reserve must be maintained at a minimum of 25% of the share capital after usage.

Safety production reserve

Pursuant to the regulation of "Administrative Measures for the Withdrawal and Use of Expenses for Safety Production of Enterprises" in the PRC relating to the construction industry, a subsidiary of the Group, Tianjie Installation Engineering, is required to transfer an amount to the reserve account as safety production reserve. The amount is calculated based on the revenue of construction each year and at the applicable rate of 2%. The safety production reserve will be used for modification and maintenance of safety equipment in accordance with the rules of the Company Law of the PRC and is not available for distribution to shareholders.

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

The Group is a first-class manufacturer of environmental protection products in China specializing in the design, manufacture, installation and servicing of environmental protection products as well as a general contractor for air pollution control projects such as precipitators and flue gas desulfurisation and denitrification devices in China, with a primary focus on particulate emission control by offering mega-sized precipitators to customers in various industries. The Group has years of industry experience and a record of continual innovation in industrial technologies.

The Group has formed an all-round technology research and development system comprising technical scheme design, engineering design centers and technical transformation project improvement. The Group has an R&D center in Hangzhou and employs more than 10 professional engineers, whose fields of expertise are environmental engineering, civil engineering and mechanical and electrical engineering. In addition, the Group's design center also employs a number of professionals. The Group has become a municipal R&D center and technology center in Shaoxing.

During the Year, the Group generated its revenue primarily from (i) sales of environmental protection equipment; (ii) sales of materials; and (iii) rendering of services.

The Group's sales of environmental protection equipment represented tailor-made and integrated atmospheric pollution control solutions offered by the Group to its customers, comprising engineering design, equipment procurement and manufacturing, supervision of installation and commissioning, customer training, and repair and maintenance services provided to its customers on a project basis.

During the Year, the Group mainly offered three types of precipitators: electrostatic precipitators, bag filter precipitator and SO2 and NOx emission reduction (desulfurisation and denitrification devices).

The Group's sales of materials represented sales of materials, including raw materials, spare parts and components and scrap materials to related parties or independent third parties.

The Group's rendering of services represented its technology consultancy services provided to its customers on a stand-alone basis, which include repair and replacement, and on-site engineering and maintenance services for those projects which were not constructed by the Group.

Precipitators are widely installed at coal-fired power plants, metallurgical plants, paper mills and other industrial production plants. As such, the Group has an extensive range of customers including the project owners of power plants and industrial production plants, or contractors who undertake the construction work of power plants and industrial production plants.

Business Review

Super-large dust collectors are a crucial component of industrial environmental protection equipment, widely used in high-pollution emission sectors such as power generation, steel, cement, chemicals, and waste incineration. These devices, known for their high efficiency in particulate matter removal, play a key role in controlling industrial emissions and improving air quality. Against the backdrop of rapid development in China's manufacturing sector, the increasing environmental protection requirements have further driven the growth of the dust collector market.

As global manufacturing demand rises and various countries impose stricter regulations on pollution emissions, the demand for super-large dust collectors manufactured in China continues to increase. According to forecasts from the International Monetary Fund (IMF), the global manufacturing growth rate is projected to reach 3.5% in 2024. Additionally, demand in the Asia-Pacific region has shown significant growth, with market research institutions predicting an annual growth rate of over 10% for the environmental protection equipment market in this region. These data indicate that the recovery of global manufacturing and the enhancement of environmental standards in various countries are driving the rising demand for super-large dust collectors made in China.

As the "world's factory", China's manufacturing sector holds a significant position in the national economy. According to data from 2023, manufacturing contributes over 30% to China's GDP, encompassing heavy industry, light industry, and high-tech industries. High-pollution industries such as steel, cement, and chemicals remain the primary sources of industrial emissions in China.

As China enters a stage of high-quality development, the manufacturing sector is gradually transitioning from a model focused on quantity to one that emphasizes technological innovation and green development. In 2024, the energy conservation and emissions reduction targets in the industrial sector will be further strengthened, with high-pollution enterprises required to complete ultra-low emissions transformations. Super-large dust collectors are among the core equipment for these transformations.

Additionally, China's dual carbon goals – aiming to reach peak carbon emissions by 2030 and achieve carbon neutrality by 2060 – are driving significant upgrades in environmental protection technologies within the industrial sector. Super-large dust collectors play an indispensable role in achieving these dual carbon targets by helping to reduce industrial emissions and improve ecological quality.

The policy focus for 2024 is on the green transformation of the manufacturing sector, including the promotion of process improvements in energy-intensive and high-emission industries. The State Council's "Action Plan for the Green Transformation of Manufacturing" emphasizes enhancing the application of environmental protection technologies and equipment to improve the level of clean production within industries. According to the "Energy Conservation and Carbon Reduction Action Plan for 2024-2025" implemented by the State Council in May 2024, non-fossil energy consumption is expected to reach approximately 20% by 2025. The energy conservation and carbon reduction transformations in key industries are projected to yield energy savings equivalent to around 50 million tons of standard coal, resulting in a reduction of approximately 130 million tons of carbon dioxide emissions.

Furthermore, the National Development and Reform Commission has mandated that provinces conduct energy conservation reviews for enterprises consuming over 10,000 tons of standard coal annually within 2024. By the end of 2025, this review scope will be expanded to include enterprises consuming over 5,000 tons of standard coal annually, covering about 70% of energy consumption and carbon emissions. The "14th Five-Year Plan" has also established several binding indicators for energy conservation and carbon reduction, including a 13.5% decrease in energy consumption per unit of GDP and an 18% reduction in carbon dioxide emissions per unit of GDP by 2025. These objectives further intensify the requirements for energy conservation and emissions reduction in the manufacturing sector, encouraging enterprises to accelerate the adoption of advanced environmental protection technologies and equipment.

To promote the development of the super-large dust collector industry, the Chinese government has introduced a series of targeted support policies in 2024, including tax reductions for environmental protection equipment manufacturers to alleviate the burden on enterprises and encourage technological innovation and capacity expansion. Additionally, the government has established a special environmental protection fund to support the research and application of super-large dust collectors, particularly in the technological upgrades of high-pollution industries. Environmental protection agencies have further strengthened their oversight of heavily polluting industries, requiring the installation of advanced dust collection equipment to meet ultra-low emission standards. These measures provide strong policy support and market assurance for the super-large dust collector industry.

As global climate change issues intensify, countries are implementing increasingly strict controls on carbon emissions. By 2024, over 120 countries have committed to achieving carbon neutrality by 2050, prompting industrial enterprises to strengthen their emissions reduction measures. The European Union's Carbon Border Adjustment Mechanism (CBAM) mandates that products imported from non-EU regions meet stringent carbon emission standards, further driving the manufacturing sector's demand for efficient environmental protection equipment. In 2024, the U.S. Environmental Protection Agency (EPA) proposed stricter particulate matter (PM2.5) emission limits, requiring manufacturing enterprises to upgrade their facilities by 2026. These policies significantly boost market demand for super-large dust collectors.

In 2024, countries reached a new multilateral environmental agreement at the United Nations Climate Change Conference (COP29), committing to enhance controls on industrial emissions. These international agreements require governments to adopt stricter environmental protection measures, promoting the adoption of efficient environmental protection equipment by manufacturing enterprises, including various dust collection and filtration devices, such as super-large dust collectors.

High-pollution industries such as steel, cement, and chemicals in China and globally are experiencing a rising demand for efficient super-large dust collectors due to policy requirements and environmental pressures. In particular, in China, the environmental protection agency has raised emission standards in 2024, requiring all types of pollutant emissions to meet ultra-low emission standards, thereby driving the procurement of advanced dust collection equipment in related industries. Concurrently, the global demand for efficient super-large dust collectors continues to grow. In 2024, the market size of the global waste-to-energy industry is expected to increase to $33.28 billion, with super-large dust collectors being favored for their effectiveness in removing particulates during the incineration process.

As the global waste-to-energy sector develops, the demand for super-large dust collectors is also on the rise. According to statistics, the market size of the global waste-to-energy industry is projected to grow by 15% in 2024, with super-large dust collectors being preferred for their ability to efficiently remove particulates during incineration. Furthermore, with the advancement of the Belt and Road Initiative, the demand for Chinese super-large dust collectors in markets across Asia, Africa, and the Middle East has seen significant growth. In 2024, several Chinese companies successfully entered the international market, participating in large-scale industrial pollution control projects.

For the Year, the revenue and total comprehensive income of the Group amounted to approximately RMB744.9 million and approximately RMB84.6 million respectively. During the Year, the Group's gross profit amounted to approximately RMB218.2 million, representing an increase of approximately 54.9% as compared with approximately RMB140.8 million of the corresponding period of last year; and the Group's gross margin increased by approximately 22.7% from last year to approximately 29.3%. The increase was mainly attributable to the decrease in the price of raw material steel and the majority of contracts for the Year being large-scale projects where the Company is more competitive and managed to secure higher profit margins.

For the Year, the value of the Group's new contracts (which represents the aggregate value of the contracts it entered into during a specified period) was approximately RMB1,549.6 million. As at 31 December 2024, the Group's backlog (including applicable value-added tax) (which represents the total estimated contract value of work that remains to be completed pursuant to outstanding contracts as of a certain date and assuming performance in accordance with the terms of the contract) was approximately RMB2,962.1 million.

The Group's profit before tax for the Year increased to approximately RMB107.9 million and profits attributable to owners of the Company increased to approximately RMB84.6 million, representing a year-on-year increase of approximately 76.7% and increase of approximately 98.2% respectively. The aforesaid increases in profit before tax and profits attributable to owners of the Company are mainly due to the increase in gross profit and the increase being partially offset by the increase in administrative expense.

At the time of raising the amount of product sales, the Group spent great effort in enhancing cost management to make its products and solutions more cost competitive. The atmospheric pollution control solutions offered by the Group mainly comprise the atmospheric pollution control devices designed and manufactured by itself. The Group possesses the qualifications and expertise in manufacturing and supply of the key atmospheric pollution control system of the projects it undertakes based on customised design proposals. The Group is dedicated to improving its manufacturing process and management system by managing the product quality and operation, reducing energy consumption and assessing the environmental impact in accordance with international standards. The quantitative management, environmental management and quality management systems of the Group were awarded with a number of ISO certificates. These systems facilitate the Company in estimating costs, smoothening project operations and improving operating efficiency.

As at 31 December 2024, the Group had 61 registered patents (including 5 invention patents and 56 utility model patents) in the PRC. Based on its strong design and engineering capabilities, the Group primarily provides comprehensive atmospheric pollution control solutions to its customers. The Group offers a wide range of models of electrostatic precipitators which support electricity generators with capacity spanning from 6MW to over 1,240MW. The Group is one of the few manufacturers in the PRC which provides electrostatic precipitators for single generator unit with capacity of 1,000MW or above.

As at 31 December 2024, the Group maintained a total of 434 full-time employees (2023: 422). The remuneration payable to the Group's employees includes basic wages, bonuses and other staff benefit. The Group conducts periodic performance reviews for the employees and determine their remuneration based on factors including qualifications, contributions, years of experience and performance.

Financial Review

Revenue

The revenue of the Group amounted to approximately RMB744.9 million for the Year representing an increase of approximately 20.1% from approximately RMB620.1 million of the corresponding period of last year. The increase was mainly due to the majority of contracts for the Year being large-scale projects.

The following table sets forth a breakdown of the Group's revenue by segment and each item as a percentage of revenue for the respective years indicated:

	Year ended 31 December			
	2024		2023	
	RMB'000	*%*	*RMB'000*	*%*
Revenue				
Sales of environmental protection equipment	**737,143**	**99**	607,348	98
Sales of materials	**7,705**	**1**	12,781	2
Rendering of services	**94**	**0**	5	0
Total	**744,942**	**100**	620,134	100

Revenue generated from sales of environmental protection equipment of the Group amounted to approximately 99% of its total revenue. Depending on the specifications and requirements of its customers, the Group may provide an integrated set of atmospheric pollution control devices comprising precipitators, desulfurisation system and/or denitrification system, or only provide one type of the said atmospheric pollution control devices on a stand-alone basis towards new installation projects or upgrading or modification projects. A majority of the Group's sales of environmental protection equipment are related to the manufacturing, installation and sales of electrostatic precipitators.

The following table sets forth a further revenue breakdown of sales of environmental protection equipment by types of atmospheric pollution control solutions for the respective years indicated:

	Year ended 31 December			
	2024		2023	
	RMB'000	***%***	*RMB'000*	*%*
Environmental protection equipment				
Ash removal and transfers				
– Electrostatic precipitator	**633,089**	**86**	436,146	72
– Bag filter precipitator	**69,486**	**9**	39,668	6
– Others (e.g. Pneumatic ash conveying system)	**3,461**	**1**	36,424	6
– SO_2 and NOx emission reduction (desulfurisation and denitrification devices)	**31,107**	**4**	95,110	16
	737,143	**100**	607,348	100

The Group's revenue for the Year was mainly generated from sales of electrostatic precipitator and bag filter precipitator. During the Year, as compared with the corresponding period of last year, the revenue derived from sales of electrostatic precipitator and bag filter precipitator were increased by approximately RMB196.9 million and approximately RMB29.8 million respectively while the revenue derived from sales of SO_2 and NOx emission reduction (desulfurisation and denitrification devices) was decreased by approximately RMB64.0 million respectively.

With the experience in delivery of new installation projects, the Group also provided large scale upgrading and modification projects for power plants and other industries. The following table sets forth a revenue breakdown of sales of environmental protection equipment by types of new installation project as well as upgrading/modification project for the respective years indicated:

	Year ended 31 December			
	2024		2023	
	RMB'000	*%*	*RMB'000*	*%*
Revenue				
Newly installed	**735,263**	**99**	580,019	96
Upgrading/modification	**1,880**	**1**	27,329	4
	737,143	**100**	607,348	100

Cost of sales

The Group's costs incurred in sales of environmental protection equipment principally comprise material costs, staff costs, depreciation and overhead costs. The Group's major raw materials used in the manufacturing process of ash removal and transfer devices and desulfurisation and denitrification devices are steel, electrical instruments, filter bags and others.

The cost of sales of the Group amounted to approximately RMB526.8 million for the Year representing an increase of approximately 9.9% from approximately RMB479.3 million of the corresponding period of last year.

Gross profit and gross margin

The following table sets forth the breakdown of gross profit and gross margin of the Group (stated as a percentage of revenue) for the respective years indicated:

	Year ended 31 December	
	2024	2023
Gross profit *(RMB'000)*	**218,175**	140,819
Gross margin *(%)*	**29.3%**	22.7%

The Group's gross profit of the Year amounted to approximately RMB218.2 million, representing a significant increase of approximately RMB77.4 million or approximately 54.9% as compared with approximately RMB140.8 million of the corresponding period of last year. The gross margin of the Group increased to approximately 29.3% for the Year. The increase was mainly attributable to the decrease in the price of raw material steel and the majority of contracts in the Year being large-scale projects where the Company is more competitive and managed to secure higher profit margins.

Other income and gains

Other income and gains of the Group during the Year decreased to approximately RMB18.2 million, representing a significant decrease of approximately 13.2% from approximately RMB21.0 million of the corresponding period of last year. The other income and gains of the Group of the year were mainly derived from government grants and litigation claim for account receivables amounting to approximately RMB8.3 million and approximately RMB4.3 million respectively.

Selling and distribution expenses

The Group's selling and distribution expenses of the Year amounted to approximately RMB17.9 million, representing a decrease of approximately RMB4.2 million as compared with approximately RMB22.1 million of the corresponding period of last year. The selling and distribution expenses of the Group are mainly comprised of salaries and travelling expenses amounting to approximately RMB6.9 million and approximately RMB4.9 million respectively.

Administrative expenses

The administrative expenses of the Group for the Year amounted to approximately RMB86.2 million, representing an increase of approximately 61.5% as compared with approximately RMB53.3 million of the corresponding period of last year, mainly due to:

(i) The impairment loss on assets in 2024 increased by approximately RMB9.5 million; and

(ii) the R&D expenses in 2024 increase by RMB13.7 million as compared with 2023.

Finance costs

The finance costs of the Year amounted to approximately RMB9.0 million, representing a decrease of approximately 9.4% as compared with approximately RMB9.9 million of the corresponding period of last year.

Income tax expenses

The Group's income tax expenses of the Year amounted to approximately RMB23.3 million, as compared with the income tax expenses approximately RMB18.3 million of the corresponding period of last year.

Trade and bills receivables

As at 31 December 2024, the trade and bills receivables of the Group were approximately RMB586.6 million, increased by approximately RMB26.6 million as compared to approximately RMB560.0 million of the corresponding period of last year. The increase in trade receivables before provision for loss allowance by approximately RMB52.4 million as compared with the corresponding period of the last year is mainly due to the increase in the revenue during the Year while the decrease in bill receivables before provision for loss allowance by approximately RMB14.9 million as compared with the corresponding period of last year is mainly due to the fact that more bill receivables are used for the settlement of trade payables during the Year.

Inventories

As at 31 December 2024, the Group experienced a decrease of inventories by approximately RMB8.1 million to approximately RMB366.8 million when compared to approximately RMB374.9 million of the corresponding period of last year. The inventories mainly consisted of steels, filter bags, electrical instruments and other components.

Liquidity and capital resources

Cash and cash equivalents

As at 31 December 2024, the cash and cash equivalents of the Group increased by approximately RMB207.0 million to approximately RMB660.1 million when compared to approximately RMB453.1 million of the corresponding period of last year, which was mainly due to:

(i) the net cash outflow of approximately RMB20.8 million used in investing activities of the Group in the Year, which mainly consists of the cash outflow of approximately RMB20 million on the change in pledged deposits;

(ii) the net cash inflow of approximately RMB227.6 million generated from the operation of the Group in the Year; and

Indebtedness

As at 31 December 2024, the Group incurred outstanding bank loans (excluding margin loans) of approximately RMB85 million.

Net current assets

As at 31 December 2024, the net current assets of the Group (being the difference between total current assets and current liabilities) increased by approximately 15.9% from approximately RMB586.6 million of the corresponding period of last year to approximately RMB679.7 million for the Year.

Capital expenditure

During the Year, the Group acquired property, plant and equipment of approximately RMB2.0 million and did not acquire any right-of-use assets.

Exchange risk

The Group has transactional currency exposures. Such exposures arise from sales by operating units in currencies other than the functional currencies adopted by the units. Approximately 0% (2023: 2.1%) of its sales for the Year were denominated in currencies other than the functional currencies of the operating units making the sale. At present, the Group does not intend to seek to hedge its exposure to foreign exchange fluctuations. However, the Group's management will constantly monitor the economic situation and the foreign exchange risk profile of the Group, and will consider appropriate hedging measures in the future should the need arise.

Major acquisitions and disposals

The Group did not have any material acquisition and disposal of subsidiaries, associates and joint ventures during the Year.

Significant investments

During the Year, the Group did not have any significant investments.

Contingent liabilities

The Group is neither currently involved in any material legal proceedings nor aware of any pending or potential material legal proceedings involving itself. If the Group were involved in such material legal proceedings, the Group would record any loss or contingent events when, based on information then available, it is likely that a loss has been incurred and the amount of the loss can be reasonably estimated.

As at 31 December 2024, the Group did not have any material contingent liabilities or guarantees.

DIVIDENDS

The Board does not recommend the payment of final dividend for the Year (2023: Nil).

PROSPECTS

The super-large dust collector industry is poised for significant development opportunities, driven by the growth in global manufacturing demand, supportive policies, and technological innovations. As carbon emissions and pollution regulations become increasingly stringent worldwide, countries are enhancing their control over industrial emissions, leading to a marked rise in the demand for efficient environmental protection equipment. The Group will continue to invest more time and resources in the research and development of energy-efficient environmental protection devices to meet market demands for green technologies, while also expanding the Group's range of environmental protection equipment (such as dust collectors, ash handling systems, and flue gas desulfurization and denitrification devices) to enhance the Group market competitiveness.

Moreover, with the advancement of the Belt and Road Initiative, the Group will actively seek suitable acquisition projects to engage further in diverse environmental protection and emissions reduction industries, as well as in the fields of new materials and new energy.

In the coming year, the Group will seize opportunities for market expansion and international cooperation, continuing to increase investments in technological innovation to meet the growing environmental protection demands. This will help solidify the Group's market position and promote diversification, thereby expanding the Group's domestic and international market share.

The Group believes that as global demand for environmental protection technologies increases, the application prospects for super-large dust collectors will become even broader. The Group will continue to drive the achievement of industrial pollution control and environmental protection goals, positioning the Group as a leader in the environmental protection and emissions reduction industry.

MATTERS RELATING TO THE FINANCIAL REPORT

Approval of financial statements

The audited financial statements of the Group for the Year were approved by the Board on 28 March 2025.

Accounting policies, accounting estimates and other auditing methods

There were no changes in accounting policies and other auditing methods of the Group during the Year.

Material accounting error correction

There was no correction to material accounting errors for the Group during the Year.

Change in the scope of consolidation

There was no change in the scope of consolidation for the financial statements of the Group during the Year.

OTHER MATTERS

Directors' and chief executive's interest and/or short position in the shares, underlying shares and debentures of the Company

As at 31 December 2024, the interests and short positions of each of the directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and any of its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) ("**SFO**")), as recorded in the register required to be kept by the Company under section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited ("**Stock Exchange**") pursuant to the Rules Governing the Listing of Securities on the Stock Exchange ("**Listing Rules**") were as follows:

1. Long position in respect of domestic shares of the Company ("**Domestic Shares**") as at 31 December 2024:

Name of Director/Chief executive	Capacity/ Nature of interest	Number of Domestic Shares	Approximate % of total issued Domestic Shares	Approximate % of Company's share capital
Mr. Bian Yu	Beneficial owner	7,693,250	7.69	5.70
	Interest in a controlled corporation *(Note 1)*	40,500,350	40.5	30.00
Ms. Bian Shu	Beneficial owner	2,739,750	2.74	2.03
Mr. Chen Jiancheng	Beneficial owner	1,851,000	1.85	1.37
Mr. Zhang Yuanyuan	Family interest of spouse *(Note 2)*	2,739,750	2.74	2.03

Notes:

1. According to the disclosure of interest filings, these 40,500,350 Domestic Shares in the Company are beneficially owned by TGL which is in turn approximately 64.08% owned by Mr. Bian Yu and approximately 35.92% by 諸暨市科源企業管理有限公司 ("**Keyuan Enterprise**"). Pursuant to Part XV of the SFO, Mr. Bian Yu is deemed to be interested in TGL's interest in the Company.

2. Mr. Zhang Yuanyuan, the spouse of Ms. Bian Shu, is deemed to be interested in Ms. Bian Shu's interest in the Company by virtue of the SFO.

Substantial shareholders' interests and/or short position in the shares and underlying shares of the Company

According to the register of substantial shareholders (not being a director or chief executive of the Company) required to be kept under section 336 of Part XV of the SFO shows that as at 31 December 2024, the Company had been notified of the following substantial shareholders' interests and short positions. These interests are in addition to those disclosed above in respect of the directors and chief executive of the Company.

1. Long position in respect of Domestic Shares as at 31 December 2024:

Name	Capacity/ Nature of interest	Number of Domestic Shares	Approximate % of total issued Domestic Shares	Approximate % of Company's share capital
Changshan County Guoxi Equity Investment Co., Ltd.* (常山縣國熙股權投資有限公司) ("**Guoxi Equity Investment**")	Beneficial owner	39,150,000	39.15	29.00
TGL *(Note 1)*	Beneficial owner	40,500,350	40.50	30.00
Keyuan Enterprise *(Note 2)*	Interest in a controlled corporation	40,500,350	40.50	30.00

Notes:

1. TGL is directly interested in approximately 30.00% in the Company.

2. These 40,500,350 Domestic Shares in the Company are beneficially owned by TGL which is in turn approximately 35.92% owned by Keyuan Enterprise. By virtue of the SFO, Keyuan Enterprise is deemed to be interested in TGL's interest in the Company.

2. Long position in respect of H Shares of the Company ("**H Shares**") as at 31 December 2024:

Name	Capacity/ Nature of interest	Number of H Shares	Approximate % of total issued H Shares	Approximate % of Company's share capital
Shou Erjun	Beneficial owner	6,000,000	17.14	4.44
Hong Kong Joint Financial Investment Ltd	Beneficial owner	5,504,400	15.73	4.08
Zhao Kaiyuan *(Note 1)*	Interest in a controlled corporation	5,504,400	15.73	4.08

Notes:

1. Mr. Zhao Kaiyuan, the controlling shareholder of Hong Kong Joint Financial Investment Ltd, is deemed to be interested in Hong Kong Joint Financial Investment Ltd's interests in the Company by virtue of the SFO.

Purchase, sale or redemption of listed securities

From the date of listing of the shares of the Company on the Stock Exchange up to 31 December 2024, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

Model Code for Directors' Securities Transactions

The Group adopted the "Model Code for Securities Transactions by Directors of Listed Issuers" ("**Model Code**") under Appendix C3 to the Listing Rules as the code of conduct on securities transactions entered into by the directors and supervisors of the Company, in order to govern such transactions. Having made specific written enquiries, all directors and supervisors of the Company confirmed their compliance with the provisions under the Model Code throughout the Year.

Corporate Governance Code

The Group is committed to maintaining high standards of corporate governance to ensure managerial optimisation and to safeguard the interests of all shareholders of the company. The Group has always been emphasising on transparency and accountability to the Shareholders. The Board believes that a high standard of corporate governance could maximise the benefits for the Shareholders. Throughout the Year, the Group complied with all principles and code provisions as well as adopted the recommended best practices set out in the "Corporate Governance Code" under Appendix C1 to the Listing Rules.

Audit Committee

The Group's audit committee ("**Audit Committee**") has reviewed the accounting principles and practices adopted by the Group, and discussed with the management the internal control and financial reporting matters. The Audit Committee also reviewed and confirmed the audited consolidated financial statements of the Group for the Year. The relevant financial information are prepared under the Hong Kong Financial Reporting Standards.

Events of material impact

From the end of the Year to the date of this announcement, no important events (other than those in the ordinary and usual course of business of the Company) had been occurred in a way of affecting the Company and any of its subsidiaries.

SCOPE OF WORK OF ZHONGHUI ANDA CPA LIMITED

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 announcement have been agreed by the Group's auditor, ZHONGHUI ANDA CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year ended 31 December 2024. The work performed by ZHONGHU ANDA CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by ZHONGHUI ANDA CPA Limited on this announcement.

PUBLICATION OF THE ANNUAL RESULTS AND ANNUAL REPORT

The audited annual results announcement is published on the website of the Stock Exchange (www.hkexnews.hk) as well as the website of the Company (http://www.tengy.com). The Company's annual report for the Year will be despatched to the Shareholders and published on the aforementioned websites in due course.

APPRECIATION

The Board would like to express its sincere gratitude to the management of the Group and all the staff for their hard work and dedication, as well as the Shareholders, investors and business associates for their continuing trust in and support to the Group throughout the Year.

* *In this announcement, the English translation of the Chinese name of certain PRC entities or title of documents in the PRC are included herein for identification purpose only. In the event of any inconsistency, the Chinese names or titles shall prevail.*

By order of the Board
Zhejiang Tengy Environmental Technology Co., Ltd
ZHU Xian Bo
Chairman and non-executive Director

Zhuji City, Zhejiang Province, the PRC
28 March 2025

As at the date of this announcement, the executive directors of the Company are Mr. BIAN Yu, Mr. ZHANG Yuanyuan and Ms. BIAN Shu; the non-executive directors of the Company are Mr. ZHU Xian Bo, Ms. YU Ji and Mr. CHEN Jiancheng; and the independent non-executive directors of the Company are Mr. FUNG Kun Kei, Mr. LI Jiannan and Mr. WANG Feng.