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綠色動力
DYNAGREEN

綠色動力環保集團股份有限公司
Dynagreen Environmental Protection Group Co., Ltd.*
(a joint stock limited liability company incorporated in the People's Republic of China)
(Stock Code: 1330)

PROVISION FOR IMPAIRMENT OF ASSETS

This announcement is made pursuant to Rules 13.09(2) and 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Director(s)**”) of Dynagreen Environmental Protection Group Co., Ltd.* (the “**Company**”) hereby announces that in accordance with the relevant provision in the Accounting Standards for Business Enterprises, and based on the principle of prudence, the Company conducted an impairment test on relevant assets that have indications of impairment at the end of the year in order to objectively reflect the Company’s financial position and operating results. After the test, the Company was required to make provision for impairment of assets of Huludao Industrial Waste Treatment and Disposal Center project (the “**Huludao Hazardous Waste Project**”) in an amount of RMB129.35 million in 2024.

I. DETAILS OF PROVISION FOR IMPAIRMENT OF ASSETS

(I) Method, basis and standards of provision for impairment

In accordance with the relevant provisions of the Accounting Standards for Business Enterprises No. 8 – Asset Impairment and the accounting policies implemented by the Company: where there is any indication of existence of asset impairment, the recoverable amount of the assets should be estimated. Recoverable amount should be determined as the highest of the net amount of the fair value of assets minus the expenses on disposal, the present value of the expected future cash flow of assets and nil. Where the measurement results show the recoverable amount of an asset is lower than its book value, the book value of the assets shall be written down to the recoverable amount, and the amount written down shall be recognised as impairment loss of the assets included in profit or loss for that period and provision for assets impairment shall be made accordingly.

(II) Indication and reasons of impairment

Huludao Hazardous Waste Project, put into operation in December 2021, adopts the disposal processes including landfill, incineration and physicochemical treatment and is the only hazardous waste treatment project of the Company. Affected by factors such as overcapacity in the hazardous waste treatment industry and the fact that the landfill site of the project has not yet obtained the operating license, the project has a low capacity utilization rate and has not yet recorded profit, and its impairment accumulated in previous years amounts to RMB69.49 million.

(III) Impairment test

As at the end of 2024, the book value of the entire asset group of Huludao Hazardous Waste Project was RMB378.01 million. The Company conducted an impairment test on Huludao Hazardous Waste Project. The results showed that, as at the end of 2024, the recoverable amount of Huludao Hazardous Waste Project of RMB248.66 million was RMB129.35 million lower than the book value, and it was required to make provision for impairment of assets. According to the impairment test, in 2024, provision was made for impairment of assets for Huludao Hazardous Waste Project in an amount of RMB129.35 million.

II. IMPACT OF THE PROVISION FOR IMPAIRMENT ON THE FINANCIAL POSITION OF THE COMPANY

During the year, the Company made provision for impairment of assets for Huludao Hazardous Waste Project in a total amount of RMB129.35 million, and the provision for impairment was fully included in the profit or loss of the Company for 2024. The provision does not have a significant impact on the normal operation and cash flow of the Company, and will not affect the development of the Company's principal business of waste incineration.

III. DECISION-MAKING PROCEDURES IMPLEMENTED BY THE COMPANY

(I) Consideration by the Board

On 28 March 2025, the Company held the seventh meeting of the fifth session of the Board, at which the Proposal on Provision for Impairment of Assets for Huludao Hazardous Waste Project was considered and approved, pursuant to which it was agreed to make provision for impairment of assets for Huludao Hazardous Waste Project in a total amount of RMB129.35 million, which was fully included in the profit or loss of the Company for 2024.

(II) Opinions of the audit and risk management committee

The audit and risk management committee (the “**Audit and Risk Management Committee**”) of the Company is of the view that: the provision for impairment of assets complies with relevant provisions of the Accounting Standards for Business Enterprises and the Company’s financial management system, and the provision for impairment of assets is based on sufficient grounds. After the provision for impairment of assets, the financial statements of the Company can reflect the financial position and operating results of the Company in a more fair way, which will make the Company’s accounting information more reasonable, and there is no damage to the interests of the Company and all shareholders. Therefore, the Audit and Risk Management Committee approves the provision for impairment of assets and will submit the proposal to the Board for consideration.

(III) Opinions of the supervisory committee

On 28 March 2025, the Company held the fourth meeting of the fifth session of the supervisory committee (the “**Supervisory Committee**”), at which the Proposal on Provision for Impairment of Assets for Huludao Hazardous Waste Project was considered and approved. The supervisors attending the meeting were of the view that the provision for impairment was in line with the relevant provisions of the Accounting Standards for Business Enterprises and the actual situation of the Company, the contents and procedures were in line with the relevant provisions of the Company, and could fairly reflect the status of the Company’s assets, without harming the interests of the Company and shareholders, especially the interests of minority shareholders. The Supervisory Committee unanimously agreed to make provision for impairment of assets for Huludao Hazardous Waste Project in an amount of RMB129.35 million, which was fully included in the profit or loss of the Company for 2024.

By Order of the Board
Dynagreen Environmental Protection Group Co., Ltd.*
Qiao Dewei
Chairman

Shenzhen, the PRC
28 March 2025

As of the date of this announcement, the executive directors of the Company are Mr. Qiao Dewei and Mr. Hu Shengyong; the non-executive directors of the Company are Mr. Liu Shuguang, Mr. Zhao Zhixiong, Mr. Hu Tianhe and Mr. Yan Chunxu; and the independent non-executive directors of the Company are Ms. Ouyang Jiejiao, Mr. Zheng Zhiming and Mr. Zhou Beihai.

* For identification purposes only