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**CHINA ENVIRONMENTAL TECHNOLOGY AND
BIOENERGY HOLDINGS LIMITED**

中科生物控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1237)

ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

The Board announces the audited consolidated annual results of the China Environmental Technology and Bioenergy Holdings Limited (the “**Company**”) and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2024 (“**Year 2024**” or the “**Reporting Year**”), together with the comparative figures for the corresponding period in 2023.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024
(Expressed in Renminbi)

	<i>Notes</i>	2024 RMB'000	2023 <i>RMB'000</i>
Revenue	4	409,620	297,530
Cost of sales		<u>(359,898)</u>	<u>(277,352)</u>
Gross profit		49,722	20,178
Other income	5	30,177	24,775
Other (losses)/gains, net	6	(22,876)	2,168
Selling and distribution expenses		(15,257)	(14,650)
Administrative expenses		(37,558)	(31,836)
Provision for expected credit loss on trade receivables		(4,549)	(1,174)
Finance costs	7	<u>(3,860)</u>	<u>(1,359)</u>
Loss before tax	8	(4,201)	(1,898)
Income tax credit/(expense)	9	<u>7,184</u>	<u>(466)</u>
Profit/(loss) for the year		<u>2,983</u>	<u>(2,364)</u>

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2024

(Expressed in Renminbi)

	<i>Notes</i>	2024 RMB'000	2023 RMB'000
Other comprehensive (expense)/income			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of financial statement of foreign operations		(1,303)	1,843
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Equity investment designated at fair value through other comprehensive income:			
– Changes in fair value		946	(6,817)
– Income tax effect		(142)	1,023
Other comprehensive expense for the year, net of income tax		(499)	(3,951)
Total comprehensive income/(expense) for the year		2,484	(6,315)
		2024 RMB	2023 RMB
Earnings/(loss) per share attributable to owners of the Company			
	10		
Basic			
– Profit/(loss) for the year		0.03	(0.03)
Diluted			
– Profit/(loss) for the year		0.03	(0.03)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2024

(Expressed in Renminbi)

		2024	2023
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
Non-current assets			
Property, plant and equipment		322,941	338,776
Investment properties	11	29,509	31,222
Non-current deposits for acquisitions of property, plant and equipment		649	2,665
Other financial assets at fair value through other comprehensive income	13	4,324	3,378
Pledged deposits		7,476	–
Time deposits		83,928	160,398
Deferred tax assets		3,772	3,193
		<hr/>	<hr/>
Total non-current assets		<u>452,599</u>	<u>539,632</u>
Current assets			
Inventories		123,652	115,940
Trade and other receivables	12	157,009	113,143
Amount due from a related company		72	69
Other financial assets at fair value through profit or loss	13	14,024	15,055
Derivatives financial instruments		–	771
Pledged deposits		168,613	77,051
Time deposits		267,659	160,581
Cash and cash equivalents		27,200	32,499
		<hr/>	<hr/>
Total current assets		<u>758,229</u>	<u>515,109</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2024

(Expressed in Renminbi)

		2024	2023
	<i>Notes</i>	RMB'000	<i>RMB'000</i>
Current liabilities			
Trade and other payables	14	112,779	58,043
Contract liabilities		12,805	7,675
Derivatives financial instruments		–	22
Interest-bearing bank borrowings, secured		66,400	76,900
Amount due to a director		11,614	10,572
Tax payables		3,885	11,987
		<hr/>	<hr/>
Total current liabilities		207,483	165,199
		<hr/> <hr/>	<hr/> <hr/>
Net current assets		550,746	349,910
		<hr/> <hr/>	<hr/> <hr/>
Total assets less current liabilities		1,003,345	889,542
		<hr/> <hr/>	<hr/> <hr/>
Non-current liabilities			
Other payables	14	3,610	3,900
Interest-bearing bank borrowings, secured		120,000	10,000
Deferred tax liabilities		4,879	3,270
		<hr/>	<hr/>
Total non-current liabilities		128,489	17,170
		<hr/> <hr/>	<hr/> <hr/>
Net assets		874,856	872,372
		<hr/> <hr/>	<hr/> <hr/>
Equity			
Share capital	15	38,462	38,462
Reserves		836,394	833,910
		<hr/>	<hr/>
Total equity		874,856	872,372
		<hr/> <hr/>	<hr/> <hr/>

NOTES:

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 17 October 2011 as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and its shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) since 6 July 2012.

The consolidated financial statements for the year ended 31 December 2024 comprise the financial statements of the Company and its subsidiaries (together referred to as the “**Group**”). The consolidated financial statements were authorised for issue by the directors (the “**Directors**”) of the Company on 31 March 2025.

2. APPLICATION OF AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRS ACCOUNTING STANDARDS”) AND AGENDA DECISIONS OF THE IFRS INTERPRETATIONS COMMITTEE (THE “COMMITTEE”)

In the current year, the Group has applied the following amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (“**IASB**”) 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 IFRS 16	Lease Liability in a Sale and Leaseback
Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 1	Non-current Liabilities with Covenants
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements

In addition, the Group applied the agenda decision of the Committee, including Disclosure of Revenues and Expenses for Reportable Segments, which is relevant to the Group.

The application of the amendments to IFRS Accounting Standards and the Committee’s agenda decision in the current year had no material impact on the Group’s financial positions and performance for the current year and/or on the disclosures set out in these consolidated financial statements.

3. BASIS OF PREPARATION AND PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

The annual results set out in this announcement do not constitute the Group’s consolidated financial statements for the year ended 31 December 2024 but are extracted from those financial statements.

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards issued by the IASB. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”) and by the Hong Kong Companies Ordinance.

4. REVENUE AND SEGMENT INFORMATION

(a) Revenue from contracts from customers

(i) Disaggregation of revenue from contracts with customers

The principal activities of the Group are (i) the manufacturing and sales of outdoor wooden products; and (ii) manufacturing and sales of renewable energy products.

Revenue from contracts with customers within the scope of IFRS 15 is as follows:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Sales of outdoor wooden products	407,382	295,084
Sales of renewable energy products	2,238	2,446
	<u>409,620</u>	<u>297,530</u>

In the following table, revenue is disaggregated by primary geographical markets.

For the year ended 31 December 2024

	Manufacturing and sales of wooden products <i>RMB'000</i>	Manufacturing and sales of renewable energy products <i>RMB'000</i>	Consolidated <i>RMB'000</i>
Primary geographical markets*			
The PRC (place of domicile)	59,460	2,238	61,698
Australasia	281,188	–	281,188
North America	25,839	–	25,839
Europe	29,103	–	29,103
Asia Pacific (exclusive of the PRC)	11,792	–	11,792
	<u>407,382</u>	<u>2,238</u>	<u>409,620</u>

For the year ended 31 December 2023

	Manufacturing and sales of wooden products <i>RMB'000</i>	Manufacturing and sales of renewable energy products <i>RMB'000</i>	Consolidated <i>RMB'000</i>
Primary geographical markets*			
The PRC (place of domicile)	47,179	2,446	49,625
Australasia	213,193	–	213,193
North America	3,962	–	3,962
Europe	20,908	–	20,908
Asia Pacific (exclusive of the PRC)	9,842	–	9,842
	<u>295,084</u>	<u>2,446</u>	<u>297,530</u>

* The geographical location of customers is based on the location at which the goods were delivered.

(b) Segment reporting

In a manner consistent with how the Group managed its business and the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has identified two reportable segments, namely (i) manufacturing and sales of wooden products, and (ii) manufacturing and sales of renewable energy products:

- Manufacturing and sales of wooden products: manufacturing and sales of outdoor wooden products to both domestic and overseas customers, and trading of timber.
- Manufacturing and sales of renewable energy products: manufacturing and sales of biomass pellet fuel to both domestic and overseas customers.

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results attributable to each reportable segment on the following bases:

Reportable segment revenue represents the revenue derived from the Group's external customers by manufacturing and sales of wooden products and manufacturing and sales of renewable energy products, respectively.

The measure used for reportable segment profit/(loss) is "profit/(loss) for the year (excluding the after tax effect of government subsidies)" of manufacturing and sales of wooden products and manufacturing and sales of renewable energy products, respectively.

Segment assets exclude other financial assets, deferred tax assets, derivative financial instruments, pledged deposits, time deposits, cash and cash equivalents, and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude derivative financial instruments, interest-bearing bank borrowings, tax payables, deferred tax liabilities and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

The following is an analysis of the Group's revenue and results by reportable segments:

(i) Segment revenue and results

For the year ended 31 December 2024

	Manufacturing and sales of wooden products RMB'000	Manufacturing and sales of renewable energy products RMB'000	Total RMB'000
Revenue derived from the Group's external customers	407,382	2,238	409,620
Inter – segment revenue	2,623	1,465	4,088
Reportable segment revenue	410,005	3,703	413,708
Reportable segment profit for the year excluding government subsidies, net of tax	4,132	174	4,306
Government subsidies, net of tax			423
Unallocated other income			2,933
Unallocated corporate expenses			(4,679)
Profit for the year			2,983

For the year ended 31 December 2023

	Manufacturing and sales of wooden products <i>RMB'000</i>	Manufacturing and sales of renewable energy products <i>RMB'000</i>	Total <i>RMB'000</i>
Revenue derived from the Group's external customers	295,084	2,446	297,530
Inter – segment revenue	<u>3,826</u>	<u>2,857</u>	<u>6,683</u>
Reportable segment revenue	<u><u>298,910</u></u>	<u><u>5,303</u></u>	<u><u>304,213</u></u>
Reportable segment (loss)/profit for the year excluding government subsidies, net of tax	<u>(6,120)</u>	<u>1,066</u>	(5,054)
Government subsidies, net of tax			3,966
Depreciation charge on leased properties			(61)
Unallocated other income			487
Unallocated finance cost			(28)
Unallocated corporate expenses			<u>(1,674)</u>
Loss for the year			<u><u>(2,364)</u></u>

(ii) *Segment assets and liabilities*

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Segment assets		
Manufacturing and sales of wooden products	642,359	613,084
Manufacturing and sales of renewable energy products	220	838
Total reportable segment assets	642,579	613,922
Corporate and other unallocated assets	568,249	440,819
Total assets	1,210,828	1,054,741
Segment liabilities		
Manufacturing and sales of wooden products	139,480	78,879
Manufacturing and sales of renewable energy products	352	338
Total reportable segment liabilities	139,832	79,217
Corporate and other unallocated assets	196,140	103,152
Total liabilities	335,972	182,369

(iii) *Geographical information*

Non-current assets

Over 90% of non-current assets are located in the PRC. Accordingly, no further geographical information of non-current assets were disclosed.

5. **OTHER INCOME**

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Interest income on bank deposits	22,524	16,194
Government subsidies	423	3,966
Dividend income from equity investment designated as fair value through other comprehensive income	709	727
Rental income	1,970	2,057
Receipt of liquidated damages (<i>Note</i>)	2,528	–
Others	2,023	1,831
	30,177	24,775

Note: During the year ended 31 December 2024, liquidated damages amounted to RMB2,528,000 as a result of breach of rental agreement by a leasee was received.

6. OTHER (LOSSES)/GAINS, NET

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Net foreign exchange (loss)/gain	(21,822)	10,296
Fair value loss on derivative financial instruments	(1,084)	(8,932)
Fair value gain on other financial assets	164	548
Gain/(loss) on disposal of property, plant and equipment	4	(30)
Gain on disposal of a subsidiary (<i>Note</i>)	–	838
Others	(138)	(552)
	<u>(22,876)</u>	<u>2,168</u>

Note: During the year ended 31 December 2022, the Group entered into a disposal agreement to close the business of Zhangzhou Xingruixiang Supply Chain Management Co., Ltd. (“**Xingruixiang**”), a non-wholly owned subsidiary of the Company. On 3 November 2023, the disposal has been completed with a gain on disposal of approximately RMB838,000.

7. FINANCE COSTS

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Interest expense on bank borrowings	3,860	1,331
Interest expense on lease liabilities	–	28
	<u>3,860</u>	<u>1,359</u>

8. LOSS BEFORE TAX

Loss before taxation has been arrived at after charging:

Staff costs (exclude directors' remuneration)

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Salaries, wages and other benefits	26,212	17,979
Contributions to defined contribution retirement schemes	3,193	1,713
	<u>29,405</u>	<u>19,692</u>

Pursuant to the relevant labour rules and regulations in the PRC, the Group's entities in the PRC participate in defined contribution retirement benefit schemes (the “**Schemes**”) organised by the local authorities whereby the entities are required to make contributions to the Schemes based on a percentage of the eligible employees' salaries during the years ended 31 December 2024 and 2023. Contributions to the Schemes vest immediately. Under the Schemes, retirement benefits of existing and retired employees are payable by the relevant scheme administrators and the Group has no further obligations beyond the annual contributions.

During the years ended 31 December 2024 and 2023, the Group had no forfeited contributions under its retirement benefit scheme in the PRC and under the MPF Scheme in Hong Kong which may be used to reduce the existing level of contributions as described in paragraph 26(2) of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange.

9. INCOME TAX (CREDIT)/EXPENSE

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Current tax		
Hong Kong Profits Tax	–	361
PRC Corporate Income Tax (“ PRC CIT ”)	2	31
Australian Corporate Income Tax	773	–
Over-provision in respect of prior years		
PRC CIT	(8,847)	–
Deferred tax	888	74
Income tax (credit)/expense	(7,184)	466

Notes:

- (i) No provision was made for Hong Kong Profits Tax as the Group did not generate any assessable profits arising in Hong Kong during the year ended 31 December 2024. Provision for Hong Kong Profits Tax has been made for the year ended 31 December 2023 under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%.
- (ii) The Group’s PRC subsidiaries are subject to PRC CIT at the statutory rate of 25% unless otherwise specified.
- (iii) One of the Company’s subsidiaries applied and was approved for the High and New Technology Entities (“**HNTE**”) qualification under the PRC Corporate Income Tax Law and its relevant regulations during 2019, and therefore is entitled to the preferential income tax rate of 15% for a period of six years from 2019 to 2024.
- (iv) According to the announcement of the State Administration of Taxation on Issues Relating to Implementation of Inclusive Income Tax Relief Policy for Small Low-profit Enterprises, the PRC CIT rate applicable to small-scale enterprises with law profitability that meet certain conditions including the assessable profits not more than RMB3,000,000, shall be reduced to 20%. Certain of the Company’s subsidiaries have been designated as small-scale enterprises, pursuant to which, the first RMB3,000,000 of assessable profits (the “**1st Assessable Profits**”) of these subsidiaries is effectively taxable at 5% (i.e. 20% on 25% of the 1st Assessable Profits).
- (v) The Group’s Australian subsidiary is subject to Australian Corporate Income Tax at the statutory rate of 30%.

10. EARNINGS/(LOSS) PER SHARE

The calculation of the basic and diluted earnings/(loss) per share attributable to owners of the Company is based on the following data:

Earnings/(loss) figures are calculated as follows:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Profit/(loss) for the year attributable to owners of the Company for the purpose of basic earnings/(loss) per share	<u>2,983</u>	<u>(2,364)</u>
	Number of shares	
	2024	2023
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings/(loss) per share (<i>Note</i>)	<u>92,137,051</u>	<u>92,137,051</u>

Note: The weighted average number of ordinary shares in issue and basic and diluted earnings/(loss) per share were stated after taking into account the effect of the share consolidation on 2 January 2024, whereby every 10 existing ordinary shares in the issued and unissued share capital of the Company were consolidated into 1 consolidated share.

The basic and diluted earnings/(loss) per share are the same as the Group had no potentially dilutive ordinary shares in issue during the years ended 31 December 2024 and 2023.

The denominators used are the same as those detailed above for both basic and diluted earnings/(loss) per share.

11. INVESTMENT PROPERTIES

The Group's investment properties were stated at cost less accumulated depreciation and impairment, if any.

12. TRADE AND OTHER RECEIVABLES

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Trade receivables	95,303	62,181
Less: allowance for credit losses	<u>(17,909)</u>	<u>(13,360)</u>
	<u>77,394</u>	<u>48,821</u>
Trade deposit for raw materials	44,068	50,094
Interest receivables	15,367	10,103
Prepayments and other receivables	21,428	5,373
Less: allowance for credit losses	<u>(1,248)</u>	<u>(1,248)</u>
	<u>79,615</u>	<u>64,322</u>
Total trade and other receivables	<u><u>157,009</u></u>	<u><u>113,143</u></u>

The ageing analysis of trade receivables (net of allowance for credit losses) as of the end of reporting period, based on invoice date, is as follows:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Within 1 month	25,036	8,406
1 to 2 months	20,556	17,334
2 to 3 months	20,650	5,959
Over 3 months	<u>11,152</u>	<u>17,122</u>
	<u><u>77,394</u></u>	<u><u>48,821</u></u>

13. OTHER FINANCIAL ASSETS

As at 31 December 2024, other financial assets at fair value through profit or loss (“FVTPL”) represent Australian Dollar denominated structured products of a Hong Kong investment bank of RMB14,024,000.

As at 31 December 2023, other financial assets at FVTPL represent investment product of a PRC bank of RMB5,216,000 and Australian Dollar denominated structured product of a Hong Kong investment bank of RMB9,839,000.

As at 31 December 2024 and 2023, other financial assets at fair value through other comprehensive income represent unlisted investments in 5% and 1.3% equity interests of two PRC local banks in Zhangping City, Fujian Province, the PRC.

14. TRADE AND OTHER PAYABLES

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Trade and bills payables	85,309	32,505
Accrued staff costs	11,152	9,138
Payables for acquisition of property, plant and equipment	2,104	1,223
Payables for transportation fee	565	287
Other payables and accruals	13,259	14,500
Provision for medical compensation	4,000	4,290
	<hr/>	<hr/>
	116,389	61,943
Less: Provision for medical compensation classified as non-current portion	(3,610)	(3,900)
	<hr/>	<hr/>
Current portion	<u>112,779</u>	<u>58,043</u>

The maturity analysis of trade and bills payables as at the end of the reporting period, based on the invoice date, is as follows:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Within 1 month	27,330	9,810
1 to 2 months	12,969	5,109
2 to 3 months	13,963	249
Over 3 months	31,047	17,337
	<hr/>	<hr/>
	<u>85,309</u>	<u>32,505</u>

15. SHARE CAPITAL

Authorised and issued share capital

	2024			2023		
	Par value	Number of	Amount	Par value	Number of	Amount
	<i>HK\$</i>	shares	<i>HK\$'000</i>	<i>HK\$</i>	shares	<i>HK\$'000</i>
		<i>'000</i>			<i>'000</i>	
Authorised:						
Ordinary shares (<i>Note</i>)	0.5	200,000	100,000	0.05	2,000,000	100,000

	2024		2023	
	Number of	Amount	Number of	Amount
	shares	<i>RMB'000</i>	shares	<i>RMB'000</i>
	<i>'000</i>		<i>'000</i>	
Ordinary shares, issued and fully paid:				
At 1 January	921,370	38,462	921,370	38,462
Effect on share consolidation (<i>Note</i>)	(829,233)	–	–	–
At 31 December	92,137	38,462	921,370	38,462

Note: On 2 January 2024, the share consolidation was effective which is on the basis that every 10 existing ordinary shares in the issued and unissued share capital of the Company be consolidated into 1 consolidated share, the existing ordinary shares in the issued and unissued share capital of the Company of 2,000,000,000 have been consolidated into 200,000,000 consolidated shares.

16. BANKING FACILITIES AND PLEDGED ASSETS

The Group entered into certain banking facilities with certain PRC banks with an aggregate amount of RMB241,400,000 (2023: RMB111,900,000), of which, as to RMB186,400,000 (2023: RMB86,900,000) (including the bank borrowings of RMB186,400,000 (2023: RMB86,900,000)) have been utilised at the end of reporting date.

The banking facilities are secured by certain of the Group's land use rights, buildings and pledged deposits amounting to approximately RMB24,882,000 (2023: RMB34,156,000), RMB20,451,000 (2023: RMB103,788,000) and RMB176,089,000 (2023: RMB77,051,000), respectively.

17. COMMITMENTS

(a) Capital commitments

There is no capital commitment outstanding as at 31 December 2024 and 2023 not provided for in these consolidated financial statements.

Operating lease arrangements

The Group leases, as lessor, certain investment properties in the PRC were leased out under operating lease arrangements. The terms of the leases generally require the tenants to pay security deposits. Rental income recognised by the Group during the year was RMB1,970,000 (2023: RMB2,057,000).

As lessor

At 31 December 2024, the undiscounted lease rental receivable by the Group in future periods under non-cancellable operating leases with its tenants are as follows:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Within one year	2,466	1,635
After one year but within two years	1,803	1,268
After two years but within three years	1,108	845
	<u>5,377</u>	<u>3,748</u>

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Segment review

The Group's core business segments are comprised of manufacturing and sales of wooden products and manufacturing and sales of renewable energy products. The performance of our business segments are as follows:

	Segment revenue derived from external customers		Change %	% to total segment revenue derived from external customers		Reportable segment profit/(loss)	
	2024	2023		2024	2023	2024	2023
	RMB'000	RMB'000		%	%	RMB'000	RMB'000
Manufacturing and sales of wooden products	407,382	295,084	38.1	99.5	99.2	4,132	(6,120)
Manufacturing and sales of renewable energy products	2,238	2,446	-8.5	0.5	0.8	174	1,066
	409,620	297,530	37.7	100.0	100.0	4,306	(5,054)

During the Reporting Year, the distribution of revenue from our global markets are as follows:

	Revenue		Change %	% to total Revenue	
	2024	2023		2024	2023
	RMB'000	RMB'000		%	%
The PRC	61,698	49,625	24.3	15%	17%
Australasia	281,188	213,193	31.9	69%	72%
North America	25,839	3,962	552.2	6%	1%
Europe	29,103	20,908	39.2	7%	7%
Asia Pacific (exclusive of the PRC)	11,792	9,842	19.8	3%	3%
	409,620	297,530	37.7	100%	100%

Manufacturing and sales of wooden products remains to be the Group's largest business segment, contributing 99.5% of the Group's revenue. The revenue derived from such business increased by 38.1%.

Manufacturing and sales of wooden products is the principal segment of the Group. Market demand from the all markets for the Group's products has shown improvement in 2024. As a result, revenue from manufacturing and sales of wooden products during the Reporting year increased by 38.1% to RMB407.4 million (2023: RMB295.1 million), and recorded a reportable segment profit of RMB4.1 million (2023: a reportable segment loss of RMB6.1 million).

The Group's renewable energy business focuses on the recycling of leftover sawdust from the production of our wooden products into biomass pellet fuel. Revenue from the renewable energy business decreased by 8.5% to RMB2.2 million during the reporting year, with a profit of approximately RMB0.2 million (2023: revenue of RMB2.4 million and profit of RMB1.0 million).

FINANCIAL REVIEW

Revenue by product category

	2024	2023
	RMB'000	RMB'000
Wooden products	407,382	295,084
Renewable energy products	2,238	2,446
	<hr/>	<hr/>
Total	409,620	297,530
	<hr/> <hr/>	<hr/> <hr/>

Revenue from wooden products remained the largest income stream of the Group during the Reporting Year. Revenue from such category increased by 38.1% to RMB407.4 million (2023: RMB295.1 million), representing 99.5% of total sales for the Reporting Year (2023: 99.2%), mainly attributable to the increase in sales to the Australasian markets.

During the Reporting Year, the Group's revenue from the renewable energy business decreased by 8.5% to approximately RMB2.2 million (2023: RMB2.4 million), due to the decrease in demand from the domestic renewable energy market.

Gross profit and gross margin

Gross profit increase to approximately RMB49.7 million (2023: RMB20.2 million) as a result of the increase of gross profit margin in the reporting year to 12.1% (2023: 6.8%), mainly because of the improved pricing condition of construction materials.

Other income

During the Reporting Year, other income was RMB30.2 million (2023: RMB24.8 million) mainly represented by bank interest income and government subsidies received during the Reporting Year.

Other losses, net

The Group recorded other losses, net of RMB22.9 million for the Reporting Year (2023: gains of RMB2.2 million), which was mainly derived from net foreign exchange loss during the Reporting Year.

Selling and distribution expenses

Our selling and distribution expenses incurred during the Reporting Year were RMB15.3 million (2023: RMB14.7 million) which was a result of the increase in turnover and number of shipments during the Reporting Year.

Administrative expenses

Our administrative expenses incurred during the Reporting Year amounted to RMB37.6 million (2023: RMB31.8 million). The increase was mainly due to the increase in research and development costs during the Reporting Year.

Finance costs

Our finance costs was approximately RMB3.9 million (2023: RMB1.4 million), which mainly represented by interest on bank borrowings during the Reporting Year.

Income tax credit/(expense)

The Group recorded an income tax credit of RMB7.2 million (2023: income tax expense of RMB0.5 million), mainly attributable to the reversal of income tax expenses over provided in prior years.

Liquidity and capital resources

The Group principally meets its working capital and other liquidity requirements through operating cash flows and proceeds from bank borrowings. The Group anticipates that it can sufficiently meet funding needs for working capital and capital expenditure. As at 31 December 2024, the Group had current assets of RMB758.2 million (31 December 2023: RMB515.1 million), of which cash and cash equivalents were RMB27.2 million (31 December 2023: RMB32.5 million).

The Group's cash is generally deposited with banks and denominated mostly in RMB, USD and AUD. As at 31 December 2024, total banking facilities utilised amounted to RMB186.4 million (31 December 2023: RMB86.9 million) and these were mainly denominated in RMB. All of the Group's banking facilities were subject to the fulfilment of certain covenants, as are commonly found in lending arrangements with financial institutions.

As at 31 December 2024, the current ratio and quick ratio were 3.7:1 and 3.1:1 respectively (31 December 2023: 3.1:1 and 2.4:1 respectively).

Pledge of assets

As detailed in note 16 to this announcement, the Group pledged its land use rights, buildings and pledged deposits to secure for certain banking facilities.

Capital expenditure

During the Reporting Year, the Group's total expenditure in respect of property, plant and equipment and non-current deposit for acquisitions of property, plant and equipment amounted to RMB11.1 million (2023: RMB4.1 million).

FOREIGN CURRENCY RISKS

The Group's sales are mainly denominated in AUD, USD and RMB while our cost of sales and operating expenses are mainly denominated in RMB. Therefore, the Group's profit margin would be affected if RMB appreciates against AUD and USD as the Group may not be able to reflect the appreciation in selling prices to overseas customers that were determined in AUD and USD. In response to this, the Group manages fluctuations in the exchange rate of RMB against AUD and USD by entering into foreign currency forward contracts mainly denominated in AUD, USD and RMB with banks when sales contracts were entered with overseas customers.

At 31 December 2024, the Group had foreign currency forward contracts with their fair values recognised as derivative financial instruments (assets) of RMB Nil (2023: RMB771,000) and derivative financial instruments (liabilities) of RMB Nil (2023: RMB22,000). The changes in fair value of the foreign currency forward contracts were recognised in the consolidated statement of profit or loss. All of the foreign currency forward contracts are to be settled within one year.

HUMAN RESOURCES

As at 31 December 2024, we employed a total of 252 (2023: 144) full-time employees, mainly in the PRC and Hong Kong which included management staff, product designers, technicians, salespersons and workers. The Group has been consistently increasing production process automation, strengthening the training of staff with an emphasis on high-technique processing with a mission on the continuous development and enhancing of competitiveness. The Group offered highly competitive salary packages, as well as discretionary bonuses and contribution to social insurance to its employees.

The Group's emolument policies are formulated based on the performance of individual employee which will be reviewed periodically. Apart from the provident fund scheme (operation in accordance with the provisions of the Mandatory Provident Fund Schemes Ordinance for Hong Kong employees) or social insurance (including retirement pension insurance, medical insurance, unemployment insurance, injury insurance and maternity insurance for the PRC employees), discretionary bonuses are also awarded to employees and directors according to the assessment of individual performance. Since the adoption of the share option scheme on 15 June 2012 and up to 31 December 2024, no options have been granted.

EVENTS AFTER THE REPORTING PERIOD

The Group has no other material events after the Reporting Year.

OUTLOOK

The global wooden products industry is experiencing transformative growth, driven by increasing demand for sustainable construction materials and eco-conscious consumer goods. With climate action accelerating, engineered wood products are gaining prominence in green building projects, supported by their carbon sequestration benefits. Concurrently, the wooden garden products sector is expanding as urbanization and outdoor living trends fuel demand for decking, planters, and landscaping solutions. The industry's shift toward circular economy practices – emphasizing recycling, waste-to-energy solutions, and certified sustainable sourcing – aligns with global decarbonization goals, presenting opportunities for the Group.

As global and Australian markets increasingly prioritize sustainability, the Group is strategically positioned to leverage its integrated bioenergy and wooden products expertise. By aligning innovation with regulatory and consumer trends, the Group anticipates strengthened revenue streams and long-term stakeholder value in the years beyond.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchase, sold or redeemed any of the Company's listed securities during the Reporting Year.

CORPORATE GOVERNANCE CODE

During the Reporting Year, the Company was in full compliance with the code provisions set out in the Corporate Governance Code, except for the deviations from the code provisions C.5.1 and D.1.2.

Pursuant to code provision C.5.1 of the Code, the Board meetings should be held at least four times a year at approximately quarterly intervals. The Board only held two regular meetings during the Year to approve the interim results of 2024 and annual results of 2023 whilst other matters of the Board were dealt with by written resolutions or ad hoc Board meetings.

Pursuant to code provision D.1.2, the Management should provide all members of the Board with monthly updates giving a balanced and understandable assessment of the issuer's performance, position and prospects in sufficient detail to enable the Board as a whole and each Director to discharge their duties under Rule 3.08 and Chapter 13 of the Listing Rules.

The Company has deviated from D.1.2 in that while the management has updated most of the Directors on a monthly basis about the business operation and performance of the Company, not all the Directors received such updates as the monthly updates were conducted on-site at the Group's factory in China. Members of the Board who did not attend such on-site meetings did not receive the updates. However, the management would provide detailed updates to all the Directors on a half-yearly and yearly basis. In the event there are any significant updates to be provided, the management will update all the Directors as early as practicable for discussion and resolution. The Company also has in place a system for every Director to make enquiries with the senior management about the business operation of the Group and to give suggestions or feedback in the event such Director is not able attend the monthly on-site updates session.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its own code of conduct for dealing in securities of the Company by the Directors.

Specific enquiries have been made with the Directors, and all Directors confirmed in writing that they have complied with the required standards set out in the Model Code regarding their securities transactions for the Reporting Year.

REVIEW OF ANNUAL RESULTS BY THE AUDIT COMMITTEE

The Group's annual results for the Reporting Year have been reviewed by the audit committee of the Company.

SCOPE OF WORK OF OOP CPA & CO.

The figures in respect of the preliminary announcement of the Group's results for the Reporting Year have been compared by the Company's auditors, OOP CPA & CO., Certified Public Accountants, to the amounts set out in the Group's consolidated financial statements for the Reporting Year and the amounts were found to be in agreement. The work performed by OOP CPA & CO. in this respect was limited and did not constitute an audit, review or other assurance engagement and consequently no assurance has been expressed by the auditors on this announcement.

DIVIDEND

The Board did not recommend the payment of a final dividend for the year ended 31 December 2024 to the shareholders.

PUBLICATION OF ANNUAL RESULTS ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This announcement is published on the Company's and the Stock Exchange's websites. The Company's annual report for the Reporting Year in accordance with the relevant requirements of the Listing Rules will be dispatched to the Shareholders and published on the Company's and the Stock Exchange's websites in due course.

By order of the Board
China Environmental Technology and Bioenergy Holdings Limited
Xie Qingmei
Chairlady

Hong Kong, 31 March 2025

As at the date of this announcement, the executive Directors are Ms. Xie Qingmei and Mr. Wu Zheyang, and the independent non-executive Directors are Mr. Tse Kwok Hing, Henry, Ms. Wu Liping and Ms. Zheng Bingqian.