美丽家园
MERRY GARDEN

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 2025

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 2025 ("**Year 2025**" or the "**Reporting Year**"), together with the comparative figures for the corresponding period in 2024.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2025

(Expressed in Renminbi)

	Notes	2025 RMB'000	2024 RMB'000
Revenue	4	**479,549**	409,620
Cost of sales		**(444,541)**	(359,898)
Gross profit		**35,008**	49,722
Other income	5	**58,692**	30,177
Other gains/(losses), net	6	**10,832**	(22,876)
Selling and distribution expenses		**(19,407)**	(15,257)
Administrative expenses		**(39,505)**	(37,558)
Reversal of/(provision for) expected credit loss on trade receivables and other receivables, net		**12,313**	(4,549)
Finance costs	7	**(6,843)**	(3,860)
Profit/(loss) before tax	8	**51,090**	(4,201)
Income tax (expense)/credit	9	**(6,389)**	7,184
Profit for the year		**44,701**	2,983

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2025

(Expressed in Renminbi)

	Notes	2025 RMB'000	2024 RMB'000
Other comprehensive (expense)/income			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of financial statement of foreign operations		**(5,066)**	(1,303)
Items that will not be reclassified subsequently to profit or loss:			
Equity investment designated at fair value through other comprehensive income:			
– Changes in fair value		**616**	946
– Income tax effect		**(93)**	(142)
Other comprehensive expense for the year, net of income tax		**(4,543)**	(499)
Total comprehensive income for the year		**40,158**	2,484

	Notes	2025 RMB	2024 RMB
Earnings per share attributable to owners of the Company	10		
– Basic		**0.48**	0.03
– Diluted		**0.48**	0.03

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2025
(Expressed in Renminbi)

	Notes	2025 RMB'000	2024 RMB'000
Non-current assets			
Property, plant and equipment		**299,371**	322,941
Investment properties	11	**27,827**	29,509
Non-current deposits for acquisitions of property, plant and equipment		**2,496**	649
Other financial assets at fair value through other comprehensive income	13	**4,940**	4,324
Pledged deposits		**94,518**	7,476
Time deposits		**115,667**	83,928
Deferred tax assets		**2,243**	3,772
Total non-current assets		**547,062**	452,599
Current assets			
Inventories		**116,122**	123,652
Trade and other receivables	12	**219,547**	157,009
Amount due from a related company		**70**	72
Other financial assets at fair value through profit or loss	13	**16,571**	14,024
Pledged deposits		**273,100**	168,613
Time deposits		**138,828**	267,659
Cash and cash equivalents		**49,236**	27,200
Total current assets		**813,474**	758,229

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2025
(Expressed in Renminbi)

	Notes	**2025** **RMB'000**	2024 RMB'000
Current liabilities			
Trade and other payables	14	**113,440**	112,779
Contract liabilities		**20,075**	12,805
Interest-bearing bank borrowings, secured	15	**122,660**	66,400
Amount due to a director		**22,350**	11,614
Tax payables		**3,504**	3,885
Total current liabilities		**282,029**	207,483
Net current assets		**531,445**	550,746
Total assets less current liabilities		**1,078,507**	1,003,345
Non-current liabilities			
Other payables	14	**3,280**	3,610
Interest-bearing bank borrowings, secured	15	**149,150**	120,000
Deferred tax liabilities		**9,370**	4,879
Total non-current liabilities		**161,800**	128,489
Net assets		**916,707**	874,856
Equity			
Share capital	16	**40,239**	38,462
Reserves		**876,468**	836,394
Total equity		**916,707**	874,856

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 2025 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 2026.

2. APPLICATION OF AMENDMENTS TO IFRS ACCOUNTING STANDARDS

In the current year, the Group has applied the following amendments to an IFRS Accounting Standard 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 2025 for the preparation of the consolidated financial statements:

Amendments to IAS 21	Lack of Exchangeability

The application of the amendments to IFRS Accounting Standard 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 2025 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:

	2025	2024
	RMB'000	*RMB'000*
Sales of outdoor wooden products	**476,386**	407,382
Sales of renewable energy products	**3,163**	2,238
	479,549	409,620

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

For the year ended 31 December 2025

	Manufacturing and sales of wooden products	**Manufacturing and sales of renewable energy products**	**Consolidated**
	RMB'000	***RMB'000***	***RMB'000***
Primary geographical markets*			
The PRC (place of domicile)	**63,469**	**3,163**	**66,632**
Australasia	**369,611**	**–**	**369,611**
North America	**13,256**	**–**	**13,256**
Europe	**26,621**	**–**	**26,621**
Asia Pacific (exclusive of the PRC)	**3,429**	**–**	**3,429**
	476,386	**3,163**	**479,549**

For the year ended 31 December 2024

	Manufacturing and sales of wooden products *RMB'000*	Manufacturing and sales of renewable energy products *RMB'000*	Consolidated *RMB'000*
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
	407,382	2,238	409,620

* 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 is "profit 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, 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 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 2025

	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	**476,386**	**3,163**	**479,549**
Inter – segment revenue	**2,039**	**253**	**2,292**
Reportable segment revenue	**478,425**	**3,416**	**481,841**
Reportable segment profit for the year excluding government subsidies, net of tax	**47,415**	**183**	**47,598**
Government subsidies, net of tax			**1,546**
Unallocated other income			**439**
Unallocated corporate expenses			**(4,882)**
Profit for the year			**44,701**

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

(ii) ***Segment assets and liabilities***

	2025 ***RMB'000***	2024 *RMB'000*
Segment assets		
Manufacturing and sales of wooden products	**784,626**	642,359
Manufacturing and sales of renewable energy products	**132**	220
Total reportable segment assets	**784,758**	642,579
Corporate and other unallocated assets	**575,778**	568,249
Total assets	**1,360,536**	1,210,828
Segment liabilities		
Manufacturing and sales of wooden products	**171,105**	139,480
Manufacturing and sales of renewable energy products	**336**	352
Total reportable segment liabilities	**171,441**	139,832
Corporate and other unallocated assets	**272,388**	196,140
Total liabilities	**443,829**	335,972

(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

	2025	2024
	RMB'000	*RMB'000*
Interest income on bank deposits	**46,193**	22,524
Interest income on other receivables	**5,412**	–
Government subsidies	**1,546**	423
Dividend income from equity investment designated as fair value through other comprehensive income	**385**	709
Rental income	**2,313**	1,970
Receipt of liquidated damages *(Note)*	**–**	2,528
Others	**2,843**	2,023
	58,692	30,177

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 GAINS/(LOSSES), NET

	2025	2024
	RMB'000	*RMB'000*
Net foreign exchange gain/(loss)	**12,721**	(21,822)
Fair value loss on derivative financial instruments	**–**	(1,084)
Fair value gain on other financial assets	**51**	164
(Loss)/gain on disposal of property, plant and equipment	**(633)**	4
Written off of other receivable	**(320)**	–
Others	**(987)**	(138)
	10,832	(22,876)

7. FINANCE COSTS

	2025	2024
	RMB'000	*RMB'000*
Interest expense on bank borrowings	**6,843**	3,860

8. PROFIT/(LOSS) BEFORE TAX

Profit/(loss) before taxation has been arrived at after charging:

Staff costs (exclude directors' remuneration)

	2025	2024
	RMB'000	*RMB'000*
Salaries, wages and other benefits	**33,236**	26,212
Contributions to defined contribution retirement schemes	**2,164**	3,193
Equity-settled share award scheme expenses	**1,704**	–
	37,104	29,405

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 2025 and 2024. 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 2025 and 2024, 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 EXPENSE/(CREDIT)

	2025	2024
	RMB'000	*RMB'000*
Current tax		
PRC Corporate Income Tax ("**PRC CIT**")	**–**	2
Australian Corporate Income Tax	**693**	773
Over-provision in respect of prior years		
PRC CIT	**(231)**	(8,847)
Deferred tax	**5,927**	888
Income tax expense/(credit)	**6,389**	(7,184)

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 years ended 31 December 2025 and 2024.

(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 seven years from 2019 to 2025.

(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 PER SHARE

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

Earnings figures are calculated as follows:

	2025	2024
	RMB'000	*RMB'000*
Profit for the year attributable to owners of the Company for the purpose of basic earnings per share	**44,701**	2,983

	Number of shares	
	2025	2024
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share *(Note)*	**93,782,530**	92,137,051

Note: The weighted average number of ordinary shares in issue and basic and diluted earnings 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 weighted average of 93,782,530 shares for the year ended 31 December 2025 are derived from 92,137,051 ordinary shares in issue as at 1 January 2025 after taking into account the effect of the issuance of 3,900,000 award shares under the share award scheme.

The basic and diluted earnings per share are the same as the Group had no potentially dilutive ordinary shares in issue during the years ended 31 December 2025 and 2024.

The denominators used are the same as those detailed above for both basic and diluted earnings 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

	2025	2024
	RMB'000	*RMB'000*
Trade receivables	**109,162**	95,303
Less: allowance for credit losses	**(6,749)**	(17,909)
	102,413	77,394
Trade deposit for raw materials	**54,311**	44,068
Interest receivables	**42,488**	15,367
Prepayments and other receivables	**20,430**	21,428
Less: allowance for credit losses	**(95)**	(1,248)
	117,134	79,615
Total trade and other receivables	**219,547**	157,009

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:

	2025	2024
	RMB'000	*RMB'000*
Within 1 month	**23,538**	25,036
1 to 2 months	**30,402**	20,556
2 to 3 months	**13,328**	20,650
Over 3 months	**35,145**	11,152
	102,413	77,394

13. OTHER FINANCIAL ASSETS

As at 31 December 2025, other financial assets at fair value through profit or loss represent Australian Dollar denominated structured products of a Hong Kong investment bank of RMB16,571,000 (2024: RMB14,024,000).

As at 31 December 2025 and 2024, 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

	2025 *RMB'000*	2024 *RMB'000*
Trade and bills payables	**81,353**	85,309
Accrued staff costs	**13,661**	11,152
Payables for acquisition of property, plant and equipment	**1,344**	2,104
Payables for transportation fee	**540**	565
Other payables and accruals	**16,182**	13,259
Provision for medical compensation	**3,640**	4,000
	116,720	116,389
Less: Provision for medical compensation classified as non-current portion	**(3,280)**	(3,610)
Current portion	**113,440**	112,779

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

	2025 *RMB'000*	2024 *RMB'000*
Within 1 month	**30,457**	27,330
1 to 2 months	**8,693**	12,969
2 to 3 months	**8,454**	13,963
Over 3 months	**33,749**	31,047
	81,353	85,309

15. INTEREST-BEARING BANK BORROWINGS, SECURED

	2025 *RMB'000*	2024 *RMB'000*
Fixed-rate bank borrowings, secured	**271,810**	186,400
The carrying amounts of the above borrowings are repayable:		
Within one year	**122,660**	66,400
Within a period of more than one year but not exceeding two years	**120,000**	120,000
Within a period of more than two years but not exceeding five years	**29,150**	–
Carrying amounts of total bank borrowings	**271,810**	186,400
Less: Amount due within one year shown under current liabilities	**(122,660)**	(66,400)
Amount shown under non-current liabilities	**149,150**	120,000

The Group entered into certain banking facilities with certain PRC banks with an aggregate amount of RMB271,810,000 (2024: RMB241,400,000), of which, as to RMB271,810,000 (2024: RMB186,400,000) (including the bank borrowings of RMB271,810,000 (2024: RMB186,400,000)) 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 RMB18,973,000 (2024: RMB24,882,000), RMB58,829,000 (2024: RMB20,451,000) and RMB367,618,000 (2024: RMB176,089,000), respectively.

16. SHARE CAPITAL

Authorised and issued share capital

	2025 Par value	**2025** Number of shares	**2025** Amount	2024 Par value	2024 Number of shares	2024 Amount
	HK$	***'000***	***HK$'000***	*HK$*	*'000*	*HK$'000*
Authorised:						
Ordinary shares *(Note)*	**0.5**	**200,000**	**100,000**	0.5	200,000	100,000

	2025 Number of shares	**2025** Amount	2024 Number of shares	2024 Amount
	'000	***RMB'000***	*'000*	*RMB'000*
Ordinary shares, issued and fully paid:				
At 1 January	**92,137**	**38,462**	921,370	38,462
Effect on share consolidation *(Note (i))*	**–**	**–**	(829,233)	–
Issue of new shares under share award scheme *(Note (ii))*	**3,900**	**1,777**	–	–
At 31 December	**96,037**	**40,239**	92,137	38,462

Notes:

(i) 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.

(ii) On 30 July 2025, 3,900,000 Award Shares are allotted and issued to 7 employees of the Group, in relation to the shares award granted on 15 April 2024.

17. COMMITMENTS

(a) Capital commitments

There is no capital commitment outstanding as at 31 December 2025 and 2024 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 RMB2,313,000 (2024: RMB1,970,000).

As lessor

At 31 December 2025, the undiscounted lease rental receivable by the Group in future periods under non-cancellable operating leases with its tenants are as follows:

	2025	2024
	RMB'000	*RMB'000*
Within one year	**731**	2,466
After one year but within two years	**576**	1,803
After two years but within three years	**576**	1,108
	1,883	5,377

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)	
	2025	2024		**2025**	2024	**2025**	2024
	RMB'000	*RMB'000*	*%*	***%***	*%*	***RMB'000***	*RMB'000*
Manufacturing and sales of wooden products	**476,386**	407,382	16.9	**99.3**	99.5	**47,415**	4,132
Manufacturing and sales of renewable energy products	**3,163**	2,238	41.3	**0.7**	0.5	**183**	174
	479,549	409,620	17.1	**100.0**	100.0	**47,598**	4,306

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

	Revenue		Change	% to total Revenue	
	2025	2024		**2025**	2024
	RMB'000	*RMB'000*	*%*	***%***	*%*
The PRC	**66,632**	61,698	8.0	**13.9**	15.1
Australasia	**369,611**	281,188	31.4	**77.1**	68.6
North America	**13,256**	25,839	-48.7	**2.8**	6.3
Europe	**26,621**	29,103	-8.5	**5.6**	7.1
Asia Pacific (exclusive of the PRC)	**3,429**	11,792	-70.9	**0.7**	2.9
	479,549	409,620	17.1	**100.0**	100.0

Manufacturing and sales of wooden products remains to be the Group's largest business segment, contributing 99.3% of the Group's revenue. The revenue derived from such business increased by 16.9%.

Manufacturing and sales of wooden products is the principal segment of the Group. Strong demand from the Australasian market for the Group's products continued in 2025. As a result, revenue from manufacturing and sales of wooden products during the Reporting Year increased by 16.9% to RMB476.4 million (2024: RMB407.4 million), and recorded a reportable segment profit of RMB47.4 million (2024: RMB4.1 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 increased by 41.3% to RMB3.2 million during the Reporting Year, with a profit of approximately RMB0.2 million (2024: revenue of RMB2.2 million and profit of RMB0.2 million).

FINANCIAL REVIEW

Revenue by product category

	2025	2024
	RMB'000	*RMB'000*
Wooden products	**476,386**	407,382
Renewable energy products	**3,163**	2,238
Total	**479,549**	409,620

Revenue from wooden products remained the largest income stream of the Group during the Reporting Year. Revenue from such category increased by 16.9% to RMB476.4 million (2024: RMB407.4 million), representing 99.3% of total sales for the Reporting Year (2024: 99.5%), mainly attributable to the increase in sales to the Australasian markets, offset by the decrease in sales to the North American and Asia Pacific markets.

During the Reporting Year, the Group's revenue from the renewable energy business increased by 41.3% to approximately RMB3.2 million (2024: RMB2.2 million), due to the increase in demand from the domestic renewable energy market.

Gross profit and gross margin

Gross profit decrease to approximately RMB35.0 million (2024: RMB49.7 million) as a result of the decrease of gross profit margin in the Reporting Year to 7.3% (2024: 12.1%), mainly attributable to our flexible pricing strategy and price our products commensurately with our customers to increase our competitiveness.

Other income

During the Reporting Year, other income was RMB58.7 million (2024: RMB30.2 million) mainly attributable to the increase in bank interest income as we pledged more of our cash to banks to secured banking facilities which enjoyed higher deposit rates during the Reporting Year.

Other gains/(losses), net

The Group recorded other gains, net of RMB10.8 million for the Reporting Year (2024: losses of RMB22.9 million), which was mainly derived from net foreign exchange gain as a result of the appreciation of Australian Dollar during the Reporting Year.

Selling and distribution expenses

Our selling and distribution expenses incurred during the Reporting Year were RMB19.4 million (2024: RMB15.3 million) which was a result of the increase in our sales and marketing effort in overseas markets during the Reporting Year.

Administrative expenses

Our administrative expenses incurred during the Reporting Year amounted to RMB39.5 million (2024: RMB37.6 million). The increase was mainly due to the increase in staff costs during the Reporting Year.

Finance costs

Our finance costs was approximately RMB6.8 million (2024: RMB3.9 million), which mainly represented by interest on bank borrowings during the Reporting Year.

Income tax (expense)/credit

The Group recorded an income tax expense of RMB6.4 million (2024: income tax credit of RMB7.2 million), mainly attributable to the deferred tax expenses recognised during the Reporting Year.

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 2025, the Group had current assets of RMB813.5 million (31 December 2024: RMB758.2 million), of which cash and cash equivalents were RMB49.2 million (31 December 2024: RMB27.2 million).

The Group's cash is generally deposited with banks and denominated mostly in RMB, USD and AUD. As at 31 December 2025, total banking facilities utilised amounted to RMB271.8 million (31 December 2024: RMB186.4 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 2025, the current ratio and quick ratio were 2.9:1 and 2.5:1 respectively (31 December 2024: 3.7:1 and 3.1:1 respectively).

Pledge of assets

As detailed in note 15 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 RMB5.7 million (2024: RMB11.1 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.

HUMAN RESOURCES

As at 31 December 2025, we employed a total of 378 (2024: 252) 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.

EVENTS AFTER THE REPORTING PERIOD

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

OUTLOOK

The global wooden products industry continues its strategic pivot towards sustainability and value-added innovation, albeit amid a more complex operating landscape marked by trade realignment and heightened regulatory scrutiny. In 2025, the core growth drivers of sustainable construction and eco-conscious consumption remain potent. This trend is amplified by stricter global decarbonization targets, where wood's carbon sequestration properties and bio-based circularity offer a critical competitive edge.

The wooden garden and outdoor living segment persists as a key growth pillar, fueled by enduring consumer demand for decking, planters, and landscaping solutions that blend natural aesthetics with durability. However, the industry is increasingly defined by its response to new challenges: supply chain regionalization, the implementation of deforestation regulations, and the need for greater traceability. The circular economy model, integrating recycling and waste-to-energy, is no longer just a differentiator but a baseline requirement for market leadership.

Against this backdrop, the Group is strategically positioned to leverage its wood modification capabilities and certified sourcing networks. By focusing on stable markets and high-margin products, the Group is well-placed to navigate market volatility, strengthen revenue resilience, and deliver long-term stakeholder value in the evolving global and Australasian markets.

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 2025 and annual results of 2024 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 2025 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 2026

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