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TIL ENVIRO LIMITED

達力環保有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1790)

ANNOUNCEMENT OF UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

FINANCIAL HIGHLIGHTS

- Revenue for the six months ended 30 June 2025 was approximately HK\$105.2 million, representing a decrease of approximately HK\$6.5 million or approximately 5.8%, as compared to HK\$111.7 million in the corresponding period of last year.
- Gross profit for the six months ended 30 June 2025 was approximately HK\$80.0 million, representing a decrease of approximately HK\$2.7 million or approximately 3.3%, as compared to HK\$82.7 million in the corresponding period of last year.
- Profit for the six months ended 30 June 2025 was approximately HK\$50.6 million, representing an increase of approximately HK\$0.7 million or approximately 1.4%, as compared to HK\$49.9 million in the corresponding period of last year.

The board (the “**Board**”) of directors (the “**Directors**” and each a “**Director**”) of TIL Enviro Limited (the “**Company**”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively, “**we**”, “**us**”, “**our**” or the “**Group**”) for the six months ended 30 June 2025 (the “**Reporting Period**”) with the comparative figures for the corresponding period of last year, as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2025

		Six months ended 30 June	
		2025	2024
		(Unaudited)	(Unaudited)
	Note	HK\$'000	HK\$'000
Revenue			
— Wastewater treatment operation services		49,100	53,495
— Finance income from service concession arrangement		56,136	58,176
	3	105,236	111,671
Cost of sales		(25,264)	(28,964)
Gross profit		79,972	82,707
Other income	4	1,193	915
Other losses, net		(1,742)	(259)
General and administrative expenses		(5,953)	(6,404)
Operating profit		73,470	76,959
Finance costs		(11,543)	(14,643)
Profit before income tax		61,927	62,316
Income tax expense	5	(11,369)	(12,397)
Profit for the period		50,558	49,919
Profit for the period attributable to:			
Owners of the Company		50,558	49,919
Earnings per share for profit attributable to owners of the Company			
Basic and diluted (expressed in HK\$ per share)	6	0.05	0.05

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the six months ended 30 June 2025

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Profit for the period	50,558	49,919
Other comprehensive income/(loss)		
<i>Items that may be reclassified to profit or loss:</i>		
Currency translation differences	42,098	(32,479)
Total comprehensive income for the period	92,656	17,440
Total comprehensive income attributable to:		
Owners of the Company	92,656	17,440

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

		As at 30 June 2025 (Unaudited) HK\$'000	As at 31 December 2024 (Audited) HK\$'000
	Note		
ASSETS			
Non-current assets			
Property, plant and equipment		3,312	3,405
Right-of-use-assets		6	315
Receivable under service concession arrangement	8	1,222,497	1,221,653
Intangible assets		2,443	2,435
Restricted bank balances		4,383	4,257
		<u>1,232,641</u>	<u>1,232,065</u>
Current assets			
Inventories		1,299	1,363
Trade and other receivables	9	411,550	343,474
Receivable under service concession arrangement	8	486,360	439,135
Cash and cash equivalents		95,876	133,557
		<u>995,085</u>	<u>917,529</u>
Total assets		<u><u>2,227,726</u></u>	<u><u>2,149,594</u></u>
EQUITY			
Capital and reserves			
Share capital		10,000	10,000
Reserves		582,382	540,284
Retained earnings		879,792	829,234
Total equity		<u><u>1,472,174</u></u>	<u><u>1,379,518</u></u>

		As at 30 June 2025 (Unaudited) HK\$'000	As at 31 December 2024 (Audited) HK\$'000
	<i>Note</i>		
LIABILITIES			
Non-current liabilities			
Long-term borrowings	10	364,667	384,742
Lease liabilities		6	14
Deferred tax liabilities		124,638	116,118
		489,311	500,874
Current liabilities			
Trade and other payables	11	27,608	28,154
Tax payable		2,154	3,352
Current portion of long-term borrowings	10	218,253	218,950
Short-term borrowings	10	18,190	18,411
Lease liabilities		36	335
		266,241	269,202
Total liabilities		755,552	770,076
Total equity and liabilities		2,227,726	2,149,594
Net current assets		728,844	648,327
Total assets less current liabilities		1,961,485	1,880,392

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1. BASIS OF PREPARATION

The unaudited condensed consolidated interim financial information of the Group (the “**Interim Financial Information**”) for the six months ended 30 June 2025 has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), including compliance with Hong Kong Accounting Standard (“**HKAS**”) 34, “Interim Financial Reporting” as issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). It should be read in conjunction with the Group’s consolidated financial statements for the year ended 31 December 2024 (the “**2024 Financial Statements**”), which have been prepared in accordance with the HKFRS Accounting Standards.

The Board of Directors are of the view that the Group will have sufficient working capital to meet its financial obligations as and when they fall due in the next twelve months from 30 June 2025. This is based on the considerations of the Group’s forecasted positive operating cash inflows from its business operations including the settlement of outstanding trade and other receivables and the compensation receivable in respect of Plant 1. The Board of Directors consider these are sufficient to ensure the Group has adequate resources to meet its liabilities as and when they fall due over the next twelve months from 30 June 2025. Accordingly, the Group continues to adopt the going concern basis in preparing the condensed consolidated interim financial information.

The accounting policies applied are consistent with those set out in the 2024 Financial Statements, except for the adoption of new amendments to standards and interpretation as described below.

2. APPLICATION OF NEW STANDARD AND AMENDMENTS TO HKFRS

Amendments to standards and interpretation adopted in the current accounting period

For the six months ended 30 June 2025, the Group has adopted the following amendments to standards and interpretation which are relevant to its operations:

HKAS 21 and HKFRS 1 (Amendments)	Lack of Exchangeability
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The adoption of the above amendments to standards and interpretation have no material effect on the results and financial position of the Group.

New standards and amendments to standards which are not yet effective

The following new standards and amendments to standards have been issued and are mandatory for the Group's accounting periods beginning on or after 1 January 2026 and later periods and have not been early adopted:

		Effective for accounting periods beginning on or after
HKFRS 9 and HKFRS 7 (Amendments)	Classification and Measurement of Financial Instruments	1 January 2026
HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7 (Amendments)	Annual Improvements to HKFRS Accounting Standards — Volume 11	1 January 2026
HKFRS 9 and HKFRS 7 (Amendments)	Contracts Referencing Nature-dependent Electricity	1 January 2026
HKFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
HKFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
HK Int 5	Hong Kong Interpretation 5 Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2027
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

The Group is in the process of making an assessment of the impact of these new standards and amendments to standards in the period of initial application.

3. REVENUE AND SEGMENT INFORMATION

Management has determined the operating segments based on the information reviewed by the chief operating decision-maker (“**CODM**”). The CODM, who is responsible for allocating resources and assessing performance of the operating segment, has been identified as the Board of Directors.

Operating segments are reported in the manner consistent with the internal reporting provided to the CODM. The Group is subject to similar business risk, and resources are allocated based on what is beneficial to the Group in enhancing the value as a whole. The Board of Directors considers the performance assessment of the Group should be based on the profit before income tax of the Group as a whole and regards the Group as a single operating segment and reviews the Interim Financial Information accordingly. Therefore, the Board of Directors considers these to be only one operating segment under the requirements of HKFRS 8 “Operating Segments”.

The Group provides wastewater treatment services in the People's Republic of China (the “**PRC**”).

An analysis of the Group's revenue from contracts with the customer is as follows:

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Wastewater treatment operation services	49,100	53,495
Finance income from service concession arrangement	56,136	58,176
	105,236	111,671

Segment assets and liabilities

No assets and liabilities are included in the Group's segment reporting that are submitted to and reviewed by the CODM internally. Accordingly, no segment assets and liabilities are presented.

Information about major customers

External customer, who contributes over 10% of total revenue of the Group are as follows:

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Customer A	105,236	111,671

Geographical information

During the period, all the revenue was from the customer in the PRC.

As at 30 June 2025, all non-current assets held by the Group (*primarily represented by property, plant and equipment, right-of-use-assets and intangible assets*) are located in the PRC.

4. OTHER INCOME

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Interest income	781	616
Others	412	299
	1,193	915

5. INCOME TAX EXPENSE

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Current income tax	6,245	8,777
Deferred income tax	5,124	3,620
	<u>11,369</u>	<u>12,397</u>

6. EARNINGS PER SHARE

a. Basic

The basic earnings per share is calculated by dividing the profit attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares issued during the period.

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
Profit attributable to the ordinary shareholders of the Company (HK\$'000)	50,558	49,919
Weighted average number of ordinary shares in issue (thousand)	1,000,000	1,000,000
Basic earnings per share (HK\$)	<u>0.05</u>	<u>0.05</u>

b. Diluted

Diluted earnings per share is the same as basic earnings per share as there were no potential diluted ordinary shares outstanding as at 30 June 2025 and 2024, respectively.

7. DIVIDENDS

No dividend has been paid or declared by the Company for the six months ended 30 June 2025 (30 June 2024: Nil).

8. RECEIVABLE UNDER SERVICE CONCESSION ARRANGEMENT

	As at 30 June 2025 (Unaudited) HK\$'000	As at 31 December 2024 (Audited) HK\$'000
— Current	489,360	439,135
— Non-current	<u>1,222,497</u>	<u>1,221,653</u>
	<u>1,711,857</u>	<u>1,660,788</u>

9. TRADE AND OTHER RECEIVABLES

	As at 30 June 2025 (Unaudited) HK\$'000	As at 31 December 2024 (Audited) HK\$'000
Trade receivables	394,221	326,658
Other receivables	16,889	16,209
Prepayment	440	607
	<u>411,550</u>	<u>343,474</u>

In general, the Group agreed the credit periods with the customer. Aging analysis of gross trade receivables at the respective reporting dates, based on the invoice dates is as follows:

	As at 30 June 2025 (Unaudited) HK\$'000	As at 31 December 2024 (Audited) HK\$'000
0–30 days	19,417	16,240
31–60 days	21,136	17,302
61–90 days	19,759	17,999
91–180 days	48,247	57,780
181–365 days	112,567	102,373
Over 365 days (<i>note</i>)	173,095	114,964
	<u>394,221</u>	<u>326,658</u>

Note: Municipal Administration of Yinchuan (銀川市城市管理局) (“**Yinchuan Municipal**”) has delayed the settlement process, primarily due to the disruption during the coronavirus pandemic. As a result, there are long outstanding trade receivables aged over 365 days as at 30 June 2025 and 31 December 2024.

10. BORROWINGS

	As at 30 June 2025 (Unaudited) HK\$'000	As at 31 December 2024 (Audited) HK\$'000
Non-current		
Long-term borrowings	364,667	384,742
Current		
Current portion of long-term borrowings	218,253	218,950
Short-term borrowings	18,190	18,411
	<u>601,110</u>	<u>622,103</u>

The Group's borrowings as at 30 June 2025 and 31 December 2024 were secured by contractual rights to receive revenue generated by the Group and the land use right granted by the government in relation to parcels of land of which the wastewater treatment plants are situated.

11. TRADE AND OTHER PAYABLES

	As at 30 June 2025 (Unaudited) HK\$'000	As at 31 December 2024 (Audited) HK\$'000
Trade payables	16,278	17,933
Retention payables	469	489
Other payables and accruals	10,861	9,732
	<u>27,608</u>	<u>28,154</u>

The aging analysis of trade payables based on invoice dates is as follows:

	As at 30 June 2025 (Unaudited) HK\$'000	As at 31 December 2024 (Audited) HK\$'000
0–30 days	915	723
31–60 days	679	574
61–90 days	737	657
Over 90 days	13,947	15,979
	<u>16,278</u>	<u>17,933</u>

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

We are a wastewater treatment service provider that operates and manages three wastewater treatment facilities located in Yinchuan, the capital city of Ningxia Hui Autonomous Region (“**Ningxia**”), the PRC, delivering wastewater treatment services to the local government. We operate and manage our wastewater treatment plants on a Transfer — Operate — Transfer (“**TOT**”) basis for 30 years since September 2011. We also undertake the upgrading and expansion of our wastewater treatment facilities to achieve higher wastewater discharge standards and to increase our designed treatment capacities.

As at 30 June 2025, our aggregate daily wastewater treatment capacity was 375,000 cubic metres per day pursuant to the cessation of Plant 1 operations. The discharge standards for all wastewater treatment plants were Class IA (*275,000 cubic metres per day*) and Quasi Surface Water Standard Class IV (準四類水標準) (*100,000 cubic metres per day*).

For the Reporting Period, the total quantity of wastewater treated was approximately 37.8 million cubic metres, representing a decrease of approximately 0.2 million cubic metres or approximately 0.5%, from the period ended 30 June 2024 at approximately 38.0 million cubic metres. This is mainly due to overall lower inflow of wastewater during the Reporting Period.

Our Group has actively adhered to all the prescribed discharge standards/parameters set in the national policies throughout the Reporting Period and had not encountered any material quality problems or disruption with respect to our wastewater treatment services.

During the Reporting Period, the Group recorded revenue and profit after tax (“**PAT**”) of approximately HK\$105.2 million and HK\$50.6 million, respectively. While revenue decreased from approximately HK\$111.7 million in the corresponding period of last year, PAT increased from approximately HK\$49.9 million.

The lower revenue for the Reporting Period was primarily attributable to the lower revenue derived from the wastewater treatment operation services by approximately HK\$4.4 million. Please refer to the section headed “Financial Review — Revenue” in this announcement for further analysis.

The higher PAT for the Reporting Period was primarily attributable to the lower finance costs by approximately HK\$3.1 million. Please refer to the section headed “Financial Review — Finance costs” in this announcement for further analysis.

DEVELOPMENT STRATEGY AND PROSPECTS

For the first half of 2025, China’s economic growth remained resilient as the export-led expansion in late 2024 continued before the implementation of U.S tariff hike. For the entire year of 2025, however, the economic growth is expected to moderate to approximately 4.5%. This is because export growth is expected to take a headwind for the second half of 2025 as the impact of U.S. tariff hike shapes up.¹

Additional to that, the consumption growth is also expected to be impacted by the soft labour market and the subdued property sector. Nonetheless, additional fiscal support announced by the central government of China will help to boost the non-property-related investment, consumption growth, and industrial activities.¹

For the second half of 2025, our Group will remain focused on finalising the new tariff and new basic volume with the local authority for the expansion and/or upgrading works done on Plant 2 Phase 1, Plant 4 Phase 1 (*upgrading works*) and Plant 4 Phase 2 (*expansion works*), respectively. The management will continue to follow up closely with the local authorities on this matter.

Besides that, our Group will remain focused on finalising the compensation agreement with Yinchuan Municipal regarding the closing down of Plant 1. The management will continue to follow up closely with Yinchuan Municipal on this matter.

Operationally, our Group will continue to strengthen our mission of ensuring stable operation, stable outflow of treated wastewater as per required discharge standards (穩定達標排放) under the Concession Agreement entered into with the local government of Yinchuan. Our Group will also continue to focus on cost optimisation and increase efficiency in managing our wastewater treatment plants.

Our Group is also eyeing for potential merger and acquisition opportunities for wastewater treatment assets in Yinchuan, Ningxia and other regions within the PRC with the aim of strengthening our footprint in the PRC and the region.

¹ Source: *Global Economic Prospects — June 2025, World Bank Group*

FINANCIAL REVIEW

Revenue

Our Group's revenue is derived from (i) wastewater treatment operation services; and (ii) finance income from service concession arrangement.

Our revenue decreased from approximately HK\$111.7 million for the six months ended 30 June 2024 to approximately HK\$105.2 million for the Reporting Period, representing a decrease of approximately HK\$6.5 million or approximately 5.8%.

Further analysis on the revenue is set out below:

- revenue derived from the wastewater treatment operation services decreased from approximately HK\$53.5 million for the six months ended 30 June 2024 to approximately HK\$49.1 million for the Reporting Period, representing a decrease of approximately HK\$4.4 million or approximately 8.2%.

The decrease was primarily attributable to lower operation revenue caused by the lower costs of wastewater treatment operation incurred during the Reporting Period especially chemical costs, as the operation revenue is recognised on the basis of actual cost with reasonable profit margin. Please refer to the section headed "Financial Review — Cost of sales" in this announcement for further analysis;

- revenue derived from the finance income from service concession arrangement decreased from approximately HK\$58.2 million for the six months ended 30 June 2024 to approximately HK\$56.1 million for the Reporting Period, representing a decrease of approximately HK\$2.1 million or approximately 3.6%, which was primarily attributable to lower opening balance of receivable under the concession arrangement.

Cost of sales

Our cost of sales decreased from approximately HK\$29.0 million for the six months ended 30 June 2024 to approximately HK\$25.3 million for the Reporting Period, representing a decrease of approximately HK\$3.7 million or approximately 12.8%.

Further analysis of which is set out below:

- costs of wastewater treatment operation decreased from approximately HK\$20.0 million for the six months ended 30 June 2024 to approximately HK\$16.4 million for the Reporting Period, representing a decrease of approximately HK\$3.6 million or approximately 18.0%. The decrease was mainly attributable to lower chemical costs by approximately HK\$2.0 million; and

- the remaining cost of sales, which consisted primarily of employee benefit expenses, depreciation and amortisation expenses, repair and maintenance costs and other costs, recorded a decrease from approximately HK\$9.0 million for the six months ended 30 June 2024 to approximately HK\$8.9 million for the Reporting Period, representing a decrease of approximately HK\$0.1 million or approximately 1.1%. The decrease was mainly attributable to lower repair and maintenance costs by approximately HK\$0.5 million.

Gross profit and gross profit margin

Our gross profit decreased from approximately HK\$82.7 million for the six months ended 30 June 2024 to approximately HK\$80.0 million for the Reporting Period, representing a decrease of approximately HK\$2.7 million or approximately 3.3%, which was primarily attributable to the decrease in revenue derived from the wastewater treatment operation services during the Reporting Period.

However, our gross profit margin increased from 74.1% for the six months ended 30 June 2024 to 76.0% for the Reporting Period.

Other income

Other income increased from approximately HK\$0.9 million for the six months ended 30 June 2024 to approximately HK\$1.2 million for the Reporting Period, representing an increase of approximately HK\$0.3 million, or approximately 33.3%. The increase was mainly attributable to the higher interest income by approximately HK\$0.2 million, resulted from higher cash and bank balances.

Other losses, net

Our Group recorded other losses, net of approximately HK\$1.7 million for the Reporting Period, representing an increase of approximately HK\$1.4 million or approximately 466.7%, from approximately HK\$0.3 million for the six months ended 30 June 2024. The increase was mainly attributable to the court order payment of approximately HK\$1.6 million to our contractor.

General and administrative expenses

General and administrative expenses decreased from approximately HK\$6.4 million for the six months ended 30 June 2024 to approximately HK\$6.0 million for the Reporting Period, representing a decrease of approximately HK\$0.4 million or approximately 6.3%. Such decrease was primarily due to lower employee benefit expenses by approximately HK\$0.3 million during the Reporting Period.

Finance costs

Finance costs decreased by approximately HK\$3.1 million, or approximately 21.2%, to approximately HK\$11.5 million for the Reporting Period from approximately HK\$14.6 million for the six months ended 30 June 2024. Such decrease was primarily attributable to lower interest expenses on borrowings by approximately HK\$3.1 million during the Reporting Period, resulted from: (i) downward revision of the 5-year People's Bank of China loan prime rate; and (ii) the repayment of bank borrowings of approximately HK\$48.4 million during the Reporting Period.

Income tax expense

We incurred income tax expense of approximately HK\$12.4 million for the six months ended 30 June 2024 and approximately HK\$11.4 million for the Reporting Period, representing a decrease of approximately HK\$1.0 million or approximately 8.1%, at effective tax rates of approximately 19.9% and 18.4%, respectively.

The low effective tax rate was mainly attributable to the reduced corporate income tax rate from 25.0% to 15.0%, announced by the China tax administration in April 2019. The new tax incentive policy is applicable to corporates involved in environment protection industry for tax assessment years from 2019 to 2021. In January 2022, this new tax incentive policy was extended for additional 2 years to 2023. In August 2023, this new tax incentive policy was extended again for additional 4 years to 2027.

Profit and total comprehensive income for the period

As a result of the foregoing factors, our profit for the period increased from approximately HK\$49.9 million for the six months ended 30 June 2024 to approximately HK\$50.6 million for the Reporting Period, representing an increase of approximately HK\$0.7 million, or approximately 1.4%.

The total comprehensive income for the Reporting Period amounted to approximately HK\$92.7 million as compared to approximately HK\$17.4 million for the six months ended 30 June 2024. The difference between the profit for the period and the total comprehensive income for the period was due to the currency translation differences from the translation of RMB, being the functional currency of the operating entities in the PRC to HK\$, being the reporting currency (30 June 2025 RMB/HK\$ closing rate: 1.0958; 30 June 2024 RMB/HK\$ closing rate: 1.0744).

Earnings per share

For the Reporting Period, the earnings per share for profit attributable to owners of the Company (*basic and diluted*) was HK\$0.05 per share (30 June 2024: HK\$0.05 per share).

Receivable under service concession arrangement

Our receivable under service concession arrangement that were classified as (i) current assets were approximately HK\$439.1 million and HK\$486.4 million as at 31 December 2024 and 30 June 2025, respectively; and (ii) non-current assets were approximately HK\$1,221.7 million and HK\$1,222.5 million as at 31 December 2024 and 30 June 2025, respectively.

Our total receivable under service concession arrangement amounted to approximately HK\$1,660.8 million and HK\$1,708.9 million as at 31 December 2024 and 30 June 2025, respectively. This represented an increase of approximately HK\$48.1 million or approximately 2.9%, primarily due to the appreciation of the functional currency, RMB against the reporting currency, HK\$ during the Reporting Period (30 June 2025 RMB/HK\$ closing rate: 1.0958; 31 December 2024 RMB/HK\$ closing rate: 1.0642).

Trade and other receivables

Our Group's trade and other receivables increased by approximately HK\$68.1 million, or approximately 19.8%, to approximately HK\$411.6 million for the Reporting Period from approximately HK\$343.5 million for the year ended 31 December 2024. The increase was primarily attributable to the increase of trade receivables by approximately HK\$67.6 million.

Cash and bank balances

Our Group's cash and bank balances decreased by approximately HK\$37.7 million, or approximately 28.2%, to approximately HK\$95.9 million for the Reporting Period as compared to approximately HK\$133.6 million for the year ended 31 December 2024. The decrease in cash on bank balances was mainly due to the repayment of bank borrowings of approximately HK\$48.4 million during the Reporting Period. The cash and bank balances were denominated in HK\$, RMB, SG\$ and US\$.

Borrowings

As at 30 June 2025, our Group had bank borrowings, which were denominated in RMB, of approximately HK\$601.1 million (31 December 2024: HK\$622.1 million), represented by short-term working capital loans of approximately HK\$18.2 million (31 December 2024: HK\$18.4 million) and long-term loans of approximately HK\$582.9 million (31 December 2024: HK\$603.7 million), which were denominated in RMB. This represented a decrease of approximately HK\$21.0 million or approximately 3.4%

The decrease in borrowings was primarily due to the repayment of long-term loans of approximately HK\$38.7 million during the Reporting Period.

Liquidity and Capital Resources

Our principal liquidity and capital requirements are primarily related to costs and expenses from business operations, as well as purchase of equipment, if any. As at 30 June 2025, the net current assets and net assets of our Group amounted to approximately HK\$728.8 million and HK\$1,472.2 million, respectively (31 December 2024: net current assets and net assets of approximately HK\$648.3 million and HK\$1,379.5 million, respectively).

Gearing Ratio

As at 30 June 2025, the gearing ratio (*calculated by net debts divided by total equity; net debts include total borrowings minus cash and bank balances*) was approximately 34.3% (31 December 2024: approximately 35.4%).

Contingent Liabilities

Our Group did not have any material contingent liabilities or outstanding litigation as at 30 June 2025.

Interim dividends

No interim dividend has been recommended by the Board for the six months ended 30 June 2025 and 2024, respectively.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

Our Company has applied the principles and complied with all the applicable code provisions as set out in the Corporate Governance Code (the “**CG Code**”) contained in Part 2 of Appendix C1 to the Listing Rules throughout the Reporting Period.

AUDIT COMMITTEE

Our Company has established an audit committee (the “**Audit Committee**”) in compliance with Rule 3.21 of the Listing Rules and paragraph D.3 of the CG Code for the purpose of reviewing and providing supervision over our Group’s financial reporting process, risk management and internal controls.

The Audit Committee comprises of two independent non-executive Directors, Mr. Hew Lee Lam Sang (*being the chairman of the Audit Committee who has a professional qualification in accountancy*) and Mr. Tam Ka Hei Raymond, and one non-executive Director, Mr. Lim Chin Sean.

The Audit Committee has reviewed the unaudited interim results of our Group for the Reporting Period. The Audit Committee has also discussed matters with respect to the accounting policies adopted with the senior management and the external auditors of our Company.

REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

The unaudited condensed consolidated interim financial information have been reviewed by the Company’s independent auditor, PricewaterhouseCoopers, in accordance with the Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. The review report of the independent auditor will be included in the interim report of our Company.

EVENTS AFTER THE REPORTING PERIOD

Our Group has no material subsequent event after the Reporting Period and up to the date of this announcement.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

Our Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in the Appendix C3 to the Listing Rules as the code of conduct regarding securities transactions by the Directors. Our Company has made specific enquiries with all of our Directors, and all of the Directors have confirmed that they have fully complied with the required standard set out in the Model Code during the Reporting Period.

PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY

During the Reporting Period, neither our Company nor any of its subsidiaries purchased, sold or redeemed any listed securities of our Company. As at 30 June 2025, no treasury shares (*as defined under the Listing Rules*) were held by our Company.

PUBLICATION OF THE INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

The interim results announcement has been published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.tilenviro.com). The interim report of our Company for the six months ended 30 June 2025 will be published on the aforesaid websites in due course.

APPRECIATION

The Board would like to take this opportunity to express its sincere gratitude to our Company's shareholders for their support and to our Group's staff for their hard work and contribution during the Reporting Period.

By order of the Board
TIL Enviro Limited
Lim Chin Sean
Chairman

Hong Kong, 28 August 2025

As at the date of this announcement, the non-executive Directors are Mr. Lim Chin Sean and Ms. Lim Siew Ling; the executive Director is Mr. Wong Kok Sun; and the independent non-executive Directors are Mr. Tan Yee Boon, Mr. Hew Lee Lam Sang and Mr. Tam Ka Hei Raymond.