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

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

(Stock Code: 1527)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2025

FINANCIAL HIGHLIGHTS

- The revenue of Zhejiang Tengy Environmental Technology Co., Ltd (the "**Company**") and its subsidiaries (hereinafter collectively referred to as the "**Group**") for the six months ended 30 June 2025 (the "**Reporting Period**") was approximately RMB224.82 million, representing a decrease of approximately 36.98% when compared with that of the corresponding period of last year.

- The Group's profit attributable to owners of the parent for the Reporting Period was approximately RMB15.84 million, representing an increase of approximately 7.21% when compared with that of the corresponding period of last year.

- The board (the "**Board**") of directors of the Company (the "**Directors**") did not recommend the payment of any dividend for the Reporting Period.

INTERIM RESULTS

The Board is pleased to announce the unaudited consolidated interim results of the Group for the Reporting Period.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Six months ended 30 June	
		2025	2024
	Notes	***RMB'000***	*RMB'000*
		(Unaudited)	(Unaudited)
REVENUE	*4*	**224,821**	356,742
Cost of goods sold		**(139,293)**	(266,127)
GROSS PROFIT		**85,528**	90,615
Other income	*5*	**7,534**	2,408
Distribution and selling expenses		**(7,535)**	(6,715)
Administrative expenses		**(40,926)**	(42,356)
Other expenses		**(7,254)**	(3,544)
Profit from operations		**37,347**	40,408
Finance costs	*7*	**(9,874)**	(4,907)
Share of loss of associates		**(3,760)**	(9,610)
PROFIT BEFORE TAX		**23,713**	25,891
Income tax expense	*8*	**(7,870)**	(11,113)
PROFIT FOR THE PERIOD		**15,843**	14,778
ATTRIBUTABLE TO:			
Owners of the parent		**15,843**	14,778
EARNINGS PER SHARE			
Basic *(RMB)*		**0.12**	0.11
Diluted *(RMB)*		**0.12**	0.11

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	**At 30 June 2025** ***RMB'000*** **(Unaudited)**	At 31 December 2024 *RMB'000* (Audited)
Non-current assets			
Property, plant and equipment		**56,788**	57,495
Right-of-use assets		**14,906**	15,063
Deferred tax assets		**78,467**	59,008
Investment properties		**34,478**	35,175
Investment in associates		**104,601**	108,361
		289,240	275,102
Current assets			
Inventories		**517,654**	366,776
Trade and bills receivables	*9*	**520,960**	586,576
Contract assets		**33,378**	69,698
Prepayments, deposits and other receivables		**96,823**	66,761
Pledged deposits		**11,000**	20,000
Bank and cash balances		**698,569**	660,123
		1,878,384	1,769,934
Current liabilities			
Trade and bills payables	*10*	**212,081**	203,193
Contract liabilities		**766,022**	683,591
Other payables and accruals		**78,410**	88,325
Bank loans	*11*	**114,000**	85,000
Tax payable		**26,453**	30,112
		1,196,966	1,090,221
Net current assets		**681,418**	679,713
Total assets less current liabilities		**970,658**	954,815
NET ASSETS		**970,658**	954,815
Capital and reserves			
Share capital		**135,000**	135,000
Share premium		**239,064**	239,064
Reserves		**596,594**	580,751
TOTAL EQUITY		**970,658**	954,815

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE AND GROUP INFORMATION

Zhejiang Tengy Environmental Technology Co., Ltd (the "**Company**") is a joint stock company with limited liability established in the People's Republic of China (the "**PRC**"). The registered office of the Company is located at TENGY Industrial Park, Paitou Town, Zhuji City, Zhejiang Province, PRC. The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

The Company and its subsidiaries (collectively the "**Group**") are principally engaged in design, development, manufacturing, installation and sale of environmental pollution prevention equipment and electronic products.

2. BASIS OF PREPARATION

These condensed consolidated financial statements have been prepared in accordance with the Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") and the applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**").

These condensed consolidated financial statements should be read in conjunction with the 2024 annual financial statements. The accounting policies and methods of computation used in the preparation of these condensed consolidated financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2024.

3. ADOPTION OF NEW AND REVISED HKFRS ACCOUNTING STANDARDS

In the Reporting Period, the Group has adopted all the new and revised HKFRS Accounting Standards issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 January 2025. HKFRS Accounting Standards comprise Hong Kong Financial Reporting Standards ("**HKFRS**"), Hong Kong Accounting Standards ("**HKAS**") and Interpretations. The adoption of these new and revised HKFRS Accounting Standards did not result in significant changes to the Group's accounting policies, presentation of the Group's financial statements and amounts reported for the current Reporting Period and prior years.

The Group has not applied the new HKFRS Accounting Standards that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new HKFRS Accounting Standards but is not yet in a position to state whether these new HKFRS Accounting Standards will have a material impact on its results of operations and financial position.

4. REVENUE

The Group's revenue consisted of (i) sales of environmental protection equipment for installation and sale of environmental pollution prevention equipment and electronic products; (ii) the invoiced value of materials sold; and (iii) the value of services rendered during the Reporting Period.

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Sales of environmental protection equipment	**222,447**	350,711
Sale of materials	**2,068**	6,031
Rental income	**306**	–
	224,821	356,742

Disaggregation of revenue from sales of environmental protection equipment:

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Geographical markets		
Mainland China	**222,447**	350,711
Total	**222,447**	350,711
Major products		
Electrostatic precipitator	**144,598**	272,518
Electrostatic-bag composite precipitator	**20,531**	–
Bag filter precipitator	**21,192**	45,496
SO_2 and NO_x emission reduction (desulfurisation and denitrification devices)	**33,247**	29,795
Others (e.g. Pneumatic ash conveying system)	**2,879**	2,902
Total	**222,447**	350,711
Timing of revenue recognition		
At a point in time		
– Sales of environmental protection equipment	**222,447**	350,711
– Sale of materials	**2,068**	6,031
– Rental income	**306**	–
Total	**224,821**	356,742

5. OTHER INCOME

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Bank interest income	**2,330**	123
Government grants	**4,959**	1,766
Additional deduction on value-added tax	**201**	–
Written off of amount payable	**–**	442
Others	**44**	77
	7,534	2,408

6. OPERATING SEGMENT INFORMATION

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

Geographical information

(a) Revenue from external customers

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Mainland China	**224,821**	356,742
Consolidated total	**224,821**	356,742

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

(b) Non-current assets

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

7. FINANCE COSTS

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Interest on bank loans	**4,408**	2,311
Charge on letter of guarantee	**5,466**	2,596
	9,874	4,907

8. INCOME TAX EXPENSE

Pursuant to the Corporate Income Tax Law of the PRC and the respective regulations, the Group which operates in Mainland China is subject to Corporate Income Tax ("**CIT**") at a rate of 25% on the taxable income.

The income tax expense/(credit) of the Group is analysed as follows:

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
PRC Enterprise Income Tax for the period	**27,329**	14,166
Deferred tax	**(19,459)**	(3,053)
Income tax expense for the period	**7,870**	11,113

9. TRADE AND BILLS RECEIVABLES

	As at	
	30 June	31 December
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Trade receivables	**634,914**	700,281
Less: provision for loss allowance	**(159,928)**	(156,049)
	474,986	544,232
Bills receivable	**45,974**	42,344
	520,960	586,576

The Group's trading terms with its customers are payment in advance normally required from customers. Trade receivables are non-interest-bearing and the credit period is generally 1 month. The Group seeks to maintain strict control over its outstanding trade receivables. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances.

The Group's bills receivable are all due within one year. As at 30 June 2025, there was no bills receivable pledged to secure the Group's bills payable (note 10) (31 December 2024: RMB14,101,000).

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

	As at	
	30 June 2025	31 December 2024
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Within 1 year	**172,260**	301,171
1 to 2 years	**108,545**	94,442
2 to 3 years	**66,932**	46,236
3 to 4 years	**127,249**	102,383
	474,986	544,232

10. TRADE AND BILLS PAYABLES

	As at	
	30 June 2025	31 December 2024
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Trade payables	**201,088**	184,900
Bills payable	**10,993**	18,293
	212,081	203,193

Bills payable were secured by the pledged bank deposit of RMB11,000,000 (31 December 2024: RMB20,000,000) as at 30 June 2025. There was no bills payable secured by the Group's bills receivable as at 30 June 2025 (31 December 2024: RMB14,101,000).

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

	As at	
	30 June	31 December
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Within 1 year	**140,481**	129,603
1 to 2 years	**41,989**	35,111
2 to 3 years	**8,147**	11,855
Over 3 years	**10,471**	8,331
	201,088	184,900

11. BANK LOANS

	As at	
	30 June	31 December
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Bank loan – secured	**114,000**	85,000

As at 30 June 2025, the secured bank loan of the Group amounting to RMB55,000,000 (31 December 2024: RMB55,000,000) were secured by equity interest in 內蒙古國電和潔風能有限公司, the associate of the Group which had an aggregate net carrying value of RMB81,428,000 (31 December 2024: RMB79,069,000).

As at 30 June 2025, the secured bank loan of the Group amounting to RMB59,000,000 (31 December 2024: RMB30,000,000) were secured by (i) the Group's building situated in the Mainland China, which had an aggregate net carrying value of RMB36,326,000 (31 December 2024: RMB28,992,000); and (ii) the Group's land use rights situated in Mainland China, which had an aggregate carrying amount of RMB13,945,000 (31 December 2024: RMB14,090,000); and (iii) the Group's investment property situated in Mainland China, which had an aggregate carrying amount of RMB27,970,000 (31 December 2024: RMBnil).

The effective interest rates per annum at the end of the Reporting Period were as follows:

	As at	
	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Fixed-rate	**2.60% – 6.50%**	3.00% – 4.50%

12. DIVIDENDS

The Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2025 and 2024.

13. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share is based on the profit attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares in issue during the Reporting Period.

The calculations of basic earnings per share are based on:

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Earnings		
Profit attributable to ordinary equity holders of the parent used in the basic earnings per share calculation	**15,843**	14,778

	Number of shares	
	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation	**135,000,000**	135,000,000

MANAGEMENT DISCUSSION AND ANALYSIS

INTRODUCTION

Our Group

The Group has over 27 years of industry experience and continues to innovate in industrial technologies.

The Group is a well-established integrated atmospheric pollution control solution provider, with a primary focus on particulate emission control by offering mega-sized precipitators to customers in various industries.

Our Products

The Group's main products are electrostatic precipitator, electrostatic-bag composite precipitator, bag filter precipitator and Sulphur Dioxide (SO_2) and Nitrogen Oxide (NO_x) emission reduction products. During the Reporting Period, the Group's revenue was mainly derived from electrostatic precipitator and SO_2 and NOx emission reduction (desulfurisation and denitrification devices), which accounted for approximately 64.32% and approximately 14.79% respectively of the total revenue. The Group's products and equipment are involved in the flue gas treatment projects distributed in various provinces, municipalities and autonomous regions and overseas markets. Key customers include large state-owned enterprises and private leading enterprises.

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

Domestic Market

The Group's major products are mainly applied in core industries such as electricity, metallurgy, steel, building materials, and electrolytic aluminum, etc. The equipment are operated for a long time in harsh conditions such as high temperature, high pressure, high concentration and corrosive flue gas. Manufacturers of precipitators must pursue continuous enhancement of product performance, technological innovation and improvement of production process to gain a competitive advantage and profit. With more than 27 years of experience in the domestic industry and continuous technology innovation, the Group has more advantages in the domestic market.

International Markets

Leveraging on its extensive experience in the PRC market, the Group has been in the continuing expansion into international markets since 2005. This allows the Group to apply its atmospheric pollution control solutions in foreign countries.

OVERVIEW

The Group is a well-established integrated atmospheric pollution control solution provider, with a primary focus on particulate emission control by offering mega-sized precipitators to customers in various industries. The Group leverages years of industry experience and continual innovation in industrial technologies.

During the Reporting Period, the Group generated its revenue primarily from (i) sales of environmental protection equipment; (ii) sale of materials; and (iii) rental income.

Sales of environmental protection equipment represented tailor-made and integrated atmospheric pollution control solutions offered by the Group to its customers, comprising equipment procurement and manufacturing, supervision of installation and commissioning, customer training, and repair and maintenance to its customers on a project basis. During the Year, the Group mainly offered four types of precipitators including electrostatic precipitators, electrostatic-bag composite precipitators, bag filter precipitators and SO_2 and NO_x emission reduction products.

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

The Group's rental income represented the rental income derived from its investment properties.

BUSINESS REVIEW

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

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

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

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

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

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

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

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

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

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

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

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

Considering the drastic economic fluctuations across the globe as a result of, among other things, the on-going Sino-US tensions, the Russo-Ukrainian war and the tension in the Middle East, various uncertainties may affect the prospects of the Group's business. However, the Group will continue to work together and seek business opportunities to expand revenue streams, enhance the Group's value and maximize the returns of the Shareholders.

For the Reporting Period, the revenue and the profit and total comprehensive income of the Group amounted to approximately RMB224.82 million and approximately RMB15.84 million respectively. Likewise, the Group's gross profit amounted to approximately RMB85.53 million, representing a decrease of approximately 5.61% as compared with approximately RMB90.62 million for the corresponding period of 2024; while the gross profit margin increased by approximately 12.64% to approximately 38.04% as compared with the corresponding period of 2024. The decrease in revenue was primarily due to several ongoing precipitators projects that were still under construction as at 30 June 2025, and had not yet reached the revenue recognition stage. The main reason for the increase in gross profit margin for the Reporting Period compared to the corresponding period in 2024 was that the total contract price recognised for revenue for the Reporting Period was based on steel prices at the time the contracts were signed. Subsequently, the steel prices decreased, resulting in a significant increase in gross profit margin.

As of 30 June 2025, the Group had 64 registered patents (including 7 invention patents and 57 utility model patents) in the PRC. Based on its strong design and manufacturing capabilities, the Group primarily provides comprehensive atmospheric pollution control solutions to its customers. The Group offers a wide range of models of electrostatic precipitators which support electricity generators with capacity spanning from 6.25MW to over 1,000MW. The Group is one of the few manufacturers in the PRC which provides electrostatic precipitators for single generator unit with capacity of 1,000MW or above.

As at 30 June 2025, the Group maintained a total of 449 full-time employees (As at 31 December 2024: 434). The remuneration payable to the Group's employees includes basic salaries, bonuses and other staff benefit. The Group conducts periodic performance reviews for the employees and determine their remuneration based on factors including qualifications, contributions, years of experience and performance.

FINANCIAL REVIEW

The accounting information contained in this interim report has not been audited by the Company's auditor.

Revenue

The revenue of the Group amounted to approximately RMB224.82 million for the Reporting Period, representing a decrease of approximately 36.98% as compared with the corresponding period of 2024. The revenue for the Reporting Period was primarily attributable to the completion of two mega-sized precipitators projects. The decrease in revenue for the Reporting Period was primarily due to several ongoing precipitators projects that were still under construction as at 30 June 2025, and had not yet reached the revenue recognition stage.

Revenue generated from environmental protection equipment products of the Group amounted to approximately 98.94% of its total revenue. Depending on the specifications and requirements of its customers, the Group may provide an integrated set of atmospheric pollution control devices comprising precipitators, desulfurisation system and/or denitrification system, or only provide one type of the said atmospheric pollution control devices on a stand-alone basis towards new installation projects or upgrading or modification projects. A majority of the Group's environmental protection equipment contracts are related to the manufacture, installation and sale of electrostatic precipitators.

Cost of Sales

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

The cost of sales of the Group amounted to approximately RMB139.29 million for the Reporting Period, representing a decrease of approximately 47.66% from approximately RMB266.13 million as compared with the corresponding period of 2024.

Gross Profit Margin

The unaudited gross profit margin for the Reporting Period was approximately 38.04%, representing an increase of approximately 12.64% from approximately 25.40% as compared with the corresponding period of 2024.

Profit attributable to owners of the parent

The unaudited profit attributable to the owners of the parent for the Reporting Period was approximately RMB15.84 million, representing an increase of approximately 7.21% from approximately RMB14.78 million as compared with the corresponding period of 2024. Weighted average earnings per share amounted to approximately RMB0.12 cents for the Reporting Period.

WORKING CAPITAL

As at 30 June 2025, the Group's working capital (current assets less current liabilities) amounted to approximately RMB681.42 million (31 December 2024: approximately RMB679.71 million).

Gearing Ratio

As of 30 June 2025, the Group's gearing ratio *(Note)* was approximately 11.74% (31 December 2024: approximately 8.90%).

Note: **Gearing ratio = total bank loan/total equity x 100%**

Foreign currency risk

The Group was not exposed to any transactional currency risk for the periods ended 30 June 2025 and 30 June 2024. However, the management of the Group constantly monitors the economic situation and its foreign exchange risk profile, and will consider appropriate hedging measures in the future should the need arise.

INTERIM DIVIDEND

The Directors did not propose to declare an interim dividend for the Reporting Period (six months ended 30 June 2024: Nil).

CONTINGENT LIABILITIES

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

As at 30 June 2025, the Group did not have any material contingent liabilities or guarantees.

EVENTS AFTER THE REPORTING DATE

Save as disclosed elsewhere in this announcement, no significant events took place subsequent to the Reporting Period.

MATERIAL ACQUISITION AND DISPOSAL

The Group did not have any material investment and material acquisition or disposal of subsidiaries, associates or joint ventures during the Reporting Period.

PROSPECT

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

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

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

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

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

There was no purchase, sale or redemption of the Company's listed securities by any members of the Group during the Reporting Period.

COMPLIANCE WITH THE MODEL CODE

The Company has adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issues (the "**Model Code**"), as set out in Appendix C3 of the Listing Rules throughout the Reporting Period. Having made all reasonable enquiries from all Directors, each of them has complied with the required standard set out in the Model Code.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

In the opinion of the Directors, the Company has complied with the code provisions listed in Part 2 of the Corporate Governance Code (the "**Corporate Governance Code**") as set out in Appendix C1 of the Listing Rules throughout the Reporting Period.

AUDIT COMMITTEE

The Company established an audit committee (the "**Audit Committee**") pursuant to a resolution of the Director passed on 10 November 2014 and its written terms of reference were last amended on 14 February 2019 and are in compliance with Rules 3.21 and 3.22 of the Listing Rules. The written terms of reference of the Audit Committee were adopted in compliance with paragraphs D.3.3 and D.3.7 of the Corporate Governance Code. Its terms of reference are available on the websites of the Company and the Stock Exchange. The Audit Committee comprises three independent non-executive Directors, namely Dr. Zheng Jian Peng (Chairman), Mr. Xia Jiebin and Mr. Wang Feng.

APPROVAL OF FINANCIAL STATEMENTS

The unaudited financial statements of the Group for the Reporting Period were reviewed by the Audit Committee and approved by the Board on 29 August 2025.

PUBLICATION OF RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.tengy.com). The interim report of the Company for the Reporting Period containing all the information required by the Listing Rules will be despatched to the shareholders of the Company and available on the aforesaid websites in due course.

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

Zhuji City, Zhejiang Province, the PRC
29 August 2025

As at the date of this announcement, the executive directors of the Company are Mr. BIAN Yu, Mr. ZHANG Yuan Yuan and Ms. BIAN Shu; the non-executive directors of the Company are Mr. ZHU Xian Bo, Ms. YU Ji and Mr. CHEN Jiancheng; and the independent non-executive directors of the Company are Dr. Zheng Jian Peng, Mr. XIA Jiebin and Mr. WANG Feng.