CHINA EVERBRIGHT WATER LIMITED
中國光大水務有限公司

(Incorporated in Bermuda with limited liability)
(SEHK Stock Code: 1857)
(SGX Stock Code: U9E)

ANNOUNCEMENT
INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2026

HIGHLIGHTS

- Revenue decreased by 27% to HK$2,391,656,000 (1HFY2025: HK$3,279,565,000)
- Earnings before interest, taxes, depreciation and amortisation decreased by 10% to HK$1,078,308,000 (1HFY2025: HK$1,194,117,000)
- Profit before tax decreased by 13% to HK$724,630,000 (1HFY2025: HK$832,211,000)
- Profit attributable to equity holders of the Company decreased by 8% to HK$517,558,000 (1HFY2025: HK$563,760,000)
- Interim dividend of HK6.09 cents (equivalent to 1.00 Sing cent) per ordinary share (1HFY2025: HK6.09 cents (equivalent to 0.99 Sing cents) per ordinary share)

INTERIM RESULTS

The board (the "Board") of directors (the "Directors") of China Everbright Water Limited (the "Company") announces the unaudited interim results of the Company and its subsidiaries (collectively, the "Group") for the six months ended 30 June 2026 ("1HFY2026" or the "Review Period"), together with the comparative figures for the six months ended 30 June 2025 ("1HFY2025"). The interim financial results have been reviewed by the audit committee of the Company (the "Audit Committee"). The interim financial report is unaudited, but has been reviewed by KPMG LLP (in Singapore) and KPMG (in Hong Kong Special Administrative Region ("Hong Kong") of the People's Republic of China ("China" or the "PRC")) respectively, in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the International Auditing and Assurance Standards Board.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2026

	Notes	**1HFY2026 (Unaudited) *HK$'000***	1HFY2025 (Unaudited) *HK$'000*	Increase/ (decrease) %
REVENUE	*4*	**2,391,656**	3,279,565	(27%)
Direct costs and operating expenses		**(1,164,651)**	(1,910,330)	(39%)
Gross profit		**1,227,005**	1,369,235	(10%)
Other income and gains, net	*5*	**31,126**	21,622	44%
Administrative and other operating expenses		**(310,063)**	(307,076)	1%
Finance income	*6*	**3,413**	4,651	(27%)
Finance costs	*6*	**(226,730)**	(253,446)	(11%)
Share of losses of associates		**(121)**	(2,775)	(96%)
PROFIT BEFORE TAX	*7*	**724,630**	832,211	(13%)
Income tax expense	*8*	**(163,625)**	(206,887)	(21%)
PROFIT FOR THE PERIOD		**561,005**	625,324	(10%)
OTHER COMPREHENSIVE INCOME				
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:				
Exchange differences arising on translation of functional currency to the presentation currency		**795,686**	408,463	95%
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF INCOME TAX		**795,686**	408,463	95%
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**1,356,691**	1,033,787	31%

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME *(Continued)*
For the six months ended 30 June 2026

	Notes	1HFY2026 (Unaudited) HK$'000	1HFY2025 (Unaudited) HK$'000	Increase/ (decrease) %
PROFIT ATTRIBUTABLE TO:				
Equity holders of the Company		**517,558**	563,760	(8%)
Non-controlling interests		**43,447**	61,564	(29%)
		561,005	625,324	(10%)
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Equity holders of the Company		**1,246,315**	946,220	32%
Non-controlling interests		**110,376**	87,567	26%
		1,356,691	1,033,787	31%
EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY				
– Basic and diluted	*10*	**HK18.09 cents**	HK19.71 cents	(8%)

STATEMENTS OF FINANCIAL POSITION

As at 30 June 2026

		Group		Company	
		30 June 2026 (Unaudited)	31 December 2025 (Audited)	**30 June 2026 (Unaudited)**	31 December 2025 (Audited)
	Notes	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
NON-CURRENT ASSETS					
Property, plant and equipment		**1,046,473**	988,531	**–**	–
Right-of-use assets		**84,167**	84,271	**–**	–
Investment properties		**11,805**	11,219	**–**	–
		1,142,445	1,084,021	**–**	–
Intangible assets		**2,710,685**	2,657,491	**–**	–
Goodwill		**1,450,636**	1,379,160	**–**	–
Interests in subsidiaries		**–**	–	**13,411,463**	12,997,537
Interests in associates		**4,702**	3,448	**–**	–
Interest in a joint venture		**2,325**	2,325	**–**	–
Other receivables	*11*	**333,259**	268,153	**–**	–
Contract assets	*12*	**21,625,326**	21,019,636	**–**	–
Other financial asset		**3,472**	3,300	**3,472**	3,300
Deferred tax assets		**118,179**	89,429	**–**	–
Total non-current assets		**27,391,029**	26,506,963	**13,414,935**	13,000,837
CURRENT ASSETS					
Inventories		**95,395**	97,852	**–**	–
Trade and other receivables	*11*	**8,191,238**	6,945,514	**8,330,466**	7,910,147
Contract assets	*12*	**2,536,451**	2,352,519	**–**	–
Current tax recoverable		**31,414**	–	**–**	–
Cash and cash equivalents	*13*	**1,853,808**	2,315,393	**112,768**	138,737
Total current assets		**12,708,306**	11,711,278	**8,443,234**	8,048,884

STATEMENTS OF FINANCIAL POSITION *(Continued)*
As at 30 June 2026

		Group		Company	
		30 June 2026 (Unaudited)	31 December 2025 (Audited)	**30 June 2026 (Unaudited)**	31 December 2025 (Audited)
	Notes	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
CURRENT LIABILITIES					
Trade and other payables	*14*	**3,276,310**	3,507,746	**129,352**	180,224
Borrowings		**8,761,551**	6,460,611	**6,471,429**	5,694,711
Current tax liabilities		**103,968**	51,500	**–**	–
Lease liabilities		**4,928**	6,305	**–**	–
Total current liabilities		**12,146,757**	10,026,162	**6,600,781**	5,874,935
NET CURRENT ASSETS		**561,549**	1,685,116	**1,842,453**	2,173,949
TOTAL ASSETS LESS CURRENT LIABILITIES		**27,952,578**	28,192,079	**15,257,388**	15,174,786
NON-CURRENT LIABILITIES					
Other payables	*14*	**51,981**	55,046	**–**	–
Borrowings		**9,266,893**	10,863,124	**3,951,329**	4,391,901
Deferred tax liabilities		**2,359,406**	2,238,133	**–**	–
Lease liabilities		**–**	1,385	**–**	–
Total non-current liabilities		**11,678,280**	13,157,688	**3,951,329**	4,391,901
NET ASSETS		**16,274,298**	15,034,391	**11,306,059**	10,782,885
EQUITY					
Equity attributable to equity holders of the Company					
Share capital	*15*	**2,860,877**	2,860,877	**2,860,877**	2,860,877
Reserves		**11,098,559**	9,974,610	**7,689,496**	7,166,322
		13,959,436	12,835,487	**10,550,373**	10,027,199
Perpetual capital instruments		**755,686**	755,686	**755,686**	755,686
Non-controlling interests		**1,559,176**	1,443,218	**–**	–
TOTAL EQUITY		**16,274,298**	15,034,391	**11,306,059**	10,782,885

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2026

	Attributable to equity holders of the Company										
	Share capital (Unaudited) *HK$'000*	Share premium (Unaudited) *HK$'000*	Foreign currency translation reserve (Unaudited) *HK$'000*	Statutory reserve (Unaudited) *HK$'000*	Contributed surplus reserve (Unaudited) *HK$'000*	Other reserves (Unaudited) *HK$'000*	Retained earnings (Unaudited) *HK$'000*	Total (Unaudited) *HK$'000*	Perpetual capital instruments (Unaudited) *HK$'000*	Non-controlling interests (Unaudited) *HK$'000*	Total equity (Unaudited) *HK$'000*
Group											
At 1 January 2026	**2,860,877**	**1,599,765**	**(1,124,220)**	**1,016,731**	**1,229,302**	**8,203**	**7,244,829**	**12,835,487**	**755,686**	**1,443,218**	**15,034,391**
Profit for the period	–	–	–	–	–	–	**517,558**	**517,558**	–	**43,447**	**561,005**
Other comprehensive income for the period:											
Foreign currency translation differences	–	–	**728,757**	–	–	–	–	**728,757**	–	**66,929**	**795,686**
Total comprehensive income for the period	–	–	**728,757**	–	–	–	**517,558**	**1,246,315**	–	**110,376**	**1,356,691**
Transactions with owners in their capacity as owners:											
2025 final dividend declared	–	–	–	–	–	–	**(122,366)**	**(122,366)**	–	–	**(122,366)**
Capital contributions received by non wholly-owned subsidiaries from non-controlling shareholders	–	–	–	–	–	–	–	–	–	**5,582**	**5,582**
At 30 June 2026	**2,860,877**	**1,599,765**	**(395,463)**	**1,016,731**	**1,229,302**	**8,203**	**7,640,021**	**13,959,436**	**755,686**	**1,559,176**	**16,274,298**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY *(Continued)*

For the six months ended 30 June 2026

	Attributable to equity holders of the Company										
	Share capital (Unaudited) *HK$'000*	Share premium (Unaudited) *HK$'000*	Foreign currency translation reserve (Unaudited) *HK$'000*	Statutory reserve (Unaudited) *HK$'000*	Contributed surplus reserve (Unaudited) *HK$'000*	Other reserves (Unaudited) *HK$'000*	Retained earnings (Unaudited) *HK$'000*	Total (Unaudited) *HK$'000*	Perpetual capital instruments (Unaudited) *HK$'000*	Non-controlling interests (Unaudited) *HK$'000*	Total equity (Unaudited) *HK$'000*
Group											
At 1 January 2025	2,860,877	1,599,765	(1,625,513)	899,590	1,229,302	8,203	6,862,896	11,835,120	806,982	1,349,576	13,991,678
Profit for the period	–	–	–	–	–	–	563,760	563,760	–	61,564	625,324
Other comprehensive income for the period:											
Foreign currency translation differences	–	–	382,460	–	–	–	–	382,460	–	26,003	408,463
Total comprehensive income for the period	–	–	382,460	–	–	–	563,760	946,220	–	87,567	1,033,787
Transfer to statutory reserve	–	–	–	920	–	–	(920)	–	–	–	–
Transactions with owners in their capacity as owners:											
2024 final dividend declared	–	–	–	–	–	–	(166,823)	(166,823)	–	–	(166,823)
Issuance of perpetual capital instruments	–	–	–	–	–	–	–	–	755,686	–	755,686
Redemption of perpetual capital instruments	–	–	–	–	–	–	–	–	(806,982)	–	(806,982)
Capital contributions received by non wholly-owned subsidiaries from non-controlling shareholders	–	–	–	–	–	–	–	–	–	14,243	14,243
At 30 June 2025	2,860,877	1,599,765	(1,243,053)	900,510	1,229,302	8,203	7,258,913	12,614,517	755,686	1,451,386	14,821,589

STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2026

	Attributable to equity holders of the Company								
	Share capital (Unaudited) *HK$'000*	Share premium (Unaudited) *HK$'000*	Foreign currency translation reserve (Unaudited) *HK$'000*	Contributed surplus reserve (Unaudited) *HK$'000*	Other reserves (Unaudited) *HK$'000*	Retained earnings (Unaudited) *HK$'000*	Total (Unaudited) *HK$'000*	Perpetual capital instruments (Unaudited) *HK$'000*	Total equity (Unaudited) *HK$'000*
Company									
At 1 January 2026	**2,860,877**	**389,715**	**(1,266,628)**	**7,639,082**	**64,953**	**339,200**	**10,027,199**	**755,686**	**10,782,885**
Profit for the period	**–**	**–**	**–**	**–**	**–**	**81,964**	**81,964**	**–**	**81,964**
Other comprehensive income for the period:									
Foreign currency translation differences	**–**	**–**	**563,576**	**–**	**–**	**–**	**563,576**	**–**	**563,576**
Total comprehensive income for the period	**–**	**–**	**563,576**	**–**	**–**	**81,964**	**645,540**	**–**	**645,540**
Transactions with owners in their capacity as owners:									
2025 final dividend declared	**–**	**–**	**–**	**–**	**–**	**(122,366)**	**(122,366)**	**–**	**(122,366)**
At 30 June 2026	**2,860,877**	**389,715**	**(703,052)**	**7,639,082**	**64,953**	**298,798**	**10,550,373**	**755,686**	**11,306,059**
Company									
At 1 January 2025	2,860,877	389,715	(1,472,613)	7,639,082	64,953	535,805	10,017,819	806,982	10,824,801
Loss for the period	–	–	–	–	–	(80,778)	(80,778)	–	(80,778)
Other comprehensive income for the period:									
Foreign currency translation differences	–	–	129,785	–	–	–	129,785	–	129,785
Total comprehensive income for the period	–	–	129,785	–	–	(80,778)	49,007	–	49,007
Transactions with owners in their capacity as owners:									
2024 final dividend declared	–	–	–	–	–	(166,823)	(166,823)	–	(166,823)
Issuance of perpetual capital instruments	–	–	–	–	–	–	–	755,686	755,686
Redemption of perpetual capital instruments	–	–	–	–	–	–	–	(806,982)	(806,982)
At 30 June 2025	2,860,877	389,715	(1,342,828)	7,639,082	64,953	288,204	9,900,003	755,686	10,655,689

CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2026

	Notes	**1HFY2026 (Unaudited) *HK$'000***	1HFY2025 (Unaudited) *HK$'000*
Cash flows from operating activities			
Profit before tax		**724,630**	832,211
Adjustments for:			
Depreciation of property, plant and equipment	*7*	**29,673**	29,098
Depreciation of right-of-use assets	*7*	**5,517**	5,516
Amortisation of intangible assets	*7*	**91,758**	73,846
Loss on disposals of property, plant and equipment	*7*	**–**	47
Loss on write-off of intangible assets	*7*	**–**	72
Finance costs	*6*	**226,730**	253,446
Finance income	*6*	**(3,413)**	(4,651)
Share of losses of associates		**121**	2,775
Fair value changes of other financial assets, net	*5*	**–**	(455)
Gain from disposal of other financial assets	*5*	**–**	(107)
Allowance for expected credit losses on trade receivables, net	*7*	**92,460**	73,031
Write-back of allowance for expected credit losses on other receivables, net	*7*	**(2,128)**	(21,684)
Allowance/(write-back of allowance) for expected credit losses on contract assets, net	*7*	**1,654**	(1,061)
Effect of foreign exchange rates changes, net		**5,198**	62,550
Operating cash flows before working capital changes		**1,172,200**	1,304,634
Changes in working capital:			
Decrease/(increase) in inventories		**7,346**	(43,087)
Decrease/(increase) in contract assets		**419,665**	(267,970)
Increase in trade and other receivables		**(1,023,852)**	(885,118)
(Decrease)/increase in trade and other payables		**(359,546)**	154,183
Cash generated from operations		**215,813**	262,642
PRC income tax paid		**(164,687)**	(130,932)
Net cash flows generated from operating activities		**51,126**	131,710

CONSOLIDATED STATEMENT OF CASH FLOWS *(Continued)*

For the six months ended 30 June 2026

	Notes	**1HFY2026 (Unaudited) *HK$'000***	1HFY2025 (Unaudited) *HK$'000*
Cash flows from investing activities			
Purchase of property, plant and equipment		**(4,705)**	(15,363)
Proceeds from disposals of property, plant and equipment		**14**	35
Payment for additions of intangible assets		**(26,156)**	(201,942)
Acquisition of an associate		**(1,198)**	–
Decrease in amount due from an associate		**–**	5,405
Proceeds from redemption and disposal of other financial assets		**15,745**	33,668
Interest received		**3,413**	4,651
Net cash flows used in investing activities		**(12,887)**	(173,546)
Cash flows from financing activities			
Capital contributions from non-controlling shareholders of subsidiaries		**5,582**	14,243
Issuance of perpetual capital instruments		**–**	757,960
Proceeds from the issuance of medium-term notes ("MTN")		**–**	2,677,800
New bank loans		**1,080,038**	562,515
Payment for expenses related to issuance of MTN		**–**	(8,045)
Payment for expenses related to issuance of perpetual capital instruments		**–**	(2,274)
Redemption of perpetual capital instruments		**–**	(806,982)
Repayments of MTN		**(92,751)**	(1,072,200)
Repayments of asset-backed securities ("ABS")		**(108,858)**	(99,749)
Repayments of bank loans		**(1,080,022)**	(1,550,291)
Interest paid		**(265,823)**	(253,647)
Principal elements of lease payments		**(4,205)**	(3,956)
Interest elements of lease payments	*6*	**(129)**	(146)
Decrease in restricted bank balances		**19,841**	14,748
Dividend paid to shareholders of the Company (the "Shareholders")		**(122,439)**	(164,310)
Distribution paid to holders of perpetual capital instruments		**(16,432)**	(24,777)
Dividend paid to a non-controlling shareholder of a subsidiary		**(2,521)**	–
Net cash flows (used in)/generated from financing activities		**(587,719)**	40,889
Net decrease in cash and cash equivalents		**(549,480)**	(947)
Cash and cash equivalents at the beginning of the period		**2,241,714**	1,828,428
Effect of exchange rate fluctuations on cash and cash equivalents, net		**104,299**	37,540
Cash and cash equivalents at the end of the period	*13*	**1,796,533**	1,865,021

Notes:

1. BASIS OF PREPARATION

The unaudited interim financial information for the six months ended 30 June 2026 has been prepared in accordance with the International Accounting Standard ("IAS") 34 "*Interim Financial Reporting*" issued by the International Accounting Standards Board ("IASB").

The accounting policies and basis of preparation adopted in the preparation of the unaudited interim financial information are consistent with those adopted in the annual financial statements for the year ended 31 December 2025, except for the changes in accounting policies made thereafter in adopting the new and amended IFRS Accounting Standards ("IFRSs") issued by the IASB, which became effective for the first time for the current period's unaudited interim financial information, as further detailed below. The unaudited interim financial information is presented in Hong Kong dollars ("HK$") and all values are rounded to the nearest thousand except when otherwise indicated.

The financial information herein contains condensed consolidated financial statements and selected explanatory notes. The notes include explanations of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2025 annual financial statements. The condensed consolidated interim financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2025.

The financial information relating to the year ended 31 December 2025 that is included in this unaudited interim financial information as comparative information does not constitute the Company's statutory annual consolidated financial statements for that year but is derived from those financial statements.

The Group has adopted the following amended IFRSs for the first time for the current period's unaudited interim financial information:

Amendments to IFRS 9 and IFRS 7 – *Amendments to the Classification and Measurement of Financial Instruments*

The amendments cover three main aspects:

- The amendments clarify when a financial asset or a financial liability is recognised and derecognised. They also introduce an optional exception that permits an entity to derecognise a financial liability before the settlement date when the financial liability is settled in cash using an electronic payment system, provided that specific criteria are met.

- For the assessment of whether a financial asset has contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, the amendments clarify the assessment of interest and introduce an additional test for the financial assets with contingent features, for example environmental, social or governance ("ESG")-linked features. The amendments also clarify the difference between financial assets with non-recourse features and contractually linked instruments which may then change the applicable assessments.

- The amendments introduce new disclosures for disposals of investments in equity instruments designated at fair value through other comprehensive income ("FVTOCI"), and for financial instruments not measured at fair value through profit or loss ("FVTPL") which contain contractual terms that could change the amount of contractual cash flows based on the occurrence or non-occurrence of a contingent event that does not relate directly to changes in basic lending risks and costs.

1. **BASIS OF PREPARATION** *(Continued)*

Amendments to IFRS 9 and IFRS 7 – *Amendments to the Classification and Measurement of Financial Instruments* *(Continued)*

Upon adoption of the amendments, the Group elected to apply the exception for the derecognition of certain trade payables settled in cash using qualifying electronic payment systems. Under the exception, such trade payables are derecognised when the Group initiates a payment instruction through a qualifying electronic payment system and no longer has the practical ability to withdraw, stop, or cancel the payment instruction, or access the cash to be used for settlement, and the settlement risk associated with the payment system is insignificant. The Group has applied this election consistently to all settlements made through the same qualifying electronic payment system.

The Group has applied the amendments retrospectively. As permitted by the transition requirements, comparative information has not been restated. The adoption of the amendments did not have a material impact on the Group's consolidated financial statements.

The amendments would also affect the disclosures to be included in the Group's annual financial statements for the year ending 31 December 2026 in respect of investments in equity instruments designated at FVTOCI and financial instruments not measured at FVTPL with specified contingent features. No additional disclosure has been included in this interim financial report.

The impacts to this interim financial report are insignificant upon adoption of the following amendments:

Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7	*Annual Improvements to IFRS Accounting Standards – Volume 11*
Amendments to IFRS 9 and IFRS 7	*Contracts Referencing Nature-dependent Electricity*

2. **ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS**

The Group has not applied the following new and amended IFRSs, that have been issued but are not yet effective, in this financial information.

IFRS 18	*Presentation and Disclosure in Financial Statements*[1]
IFRS 19	*Subsidiaries without Public Accountability: Disclosures*[1]
Amendments to IAS 21	*Translation to a Hyperinflationary Presentation Currency*[1]
Amendments to IAS 28	*Amendments to the Fair Value Option for Investments in Associates and Joint Ventures*[1]
Amendments to IFRS 19	*Amendments to Subsidiaries without Public Accountability: Disclosures*[1]
IFRS 20	*Regulatory Assets and Regulatory Liabilities*[2]
Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[3]

1 Effective for annual periods beginning on or after 1 January 2027
2 Effective for annual periods beginning on or after 1 January 2029
3 No mandatory effective date yet but available for adoption

3. OPERATING SEGMENT INFORMATION

Operating segments are identified based on the internal reports about components of the Group that are regularly reviewed by the Company's management (the "Management") and the Board for the purpose of resource allocation and performance assessment.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. The Group operates in a single business segment which is the water environment management business. No operating segments have been aggregated to form the following reportable operating segment.

Business segment

The Group had only one operating segment for the six months ended 30 June 2026 (1HFY2025: one), namely the water environment management business, the details of which are set out below:

- Water environment management – Engagement in municipal waste water treatment, industrial waste water treatment, water supply, raw water protection, reusable water, sludge treatment and disposal, sponge city construction, river-basin ecological restoration, livestock and poultry manure resource utilisation, research and development ("R&D") of water environment technologies and engineering construction.

Geographical information

(a) Revenue from external customers

	1HFY2026	1HFY2025
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Chinese Mainland	**2,390,662**	3,276,626
Germany	**994**	2,939
	2,391,656	3,279,565

The revenue information of continuing operations above is based on the location at which the services were provided.

3. **OPERATING SEGMENT INFORMATION** *(Continued)*

Geographical information *(Continued)*

(b) Non-current assets

	At 30 June 2026 (Unaudited) ***HK$'000***	At 31 December 2025 (Audited) *HK$'000*
Chinese Mainland	**27,266,862**	26,409,571
Hong Kong, the PRC	**1,825**	2,770
Singapore	**1,749**	2,765
Germany	**89**	103
Mauritius	**2,325**	2,325
	27,272,850	26,417,534

The non-current assets of continuing operations are presented based on the geographical location of the assets and exclude deferred tax assets ("specified non-current assets"). For property, plant and equipment, right-of-use assets, and investment properties, the location is determined by the physical location of the asset. For intangible assets, goodwill, contract assets, and other receivables, the location is based on the operations to which they are allocated. For interests in associates, a joint venture and other financial asset, the location is determined by the operations in which the investments are held.

Major customers by revenue

	1HFY2026 (Unaudited) ***HK$'000***	1HFY2025 (Unaudited) *HK$'000*
Customer 1**	**343,720**	391,323
Customer 2**	**N/A***	580,742

* The corresponding revenue from this customer is not disclosed as the revenue individually did not account for 10% or more of the Group's revenue.

** The customers are local government authorities in China.

4. REVENUE

	1HFY2026 (Unaudited) ***HK$'000***	1HFY2025 (Unaudited) *HK$'000*
Revenue from contracts with customers		
Construction service revenue from service concession arrangements	**100,831**	1,164,178
Operation income from service concession arrangements	**1,611,437**	1,476,891
Sales of machineries and technical service income	**115,300**	79,684
	1,827,568	2,720,753
Revenue from other sources		
Finance income from service concession arrangements	**564,088**	558,812
	2,391,656	3,279,565
Timing of revenue recognition:		
At a point in time	**99,916**	71,016
Over time	**1,727,652**	2,649,737
	1,827,568	2,720,753
Finance income from service concession arrangements	**564,088**	558,812
	2,391,656	3,279,565

The aggregated amount of construction service revenue, finance income and operation income from service concession arrangements derived from the local government authorities in the PRC for the six months ended 30 June 2026 amounted to HK$2,144,186,000 (1HFY2025: HK$3,121,222,000).

5. OTHER INCOME AND GAINS, NET

	Notes	**1HFY2026 (Unaudited)** ***HK$'000***	1HFY2025 (Unaudited) *HK$'000*
Government grants	*(a)*	**16,555**	9,640
Value-added tax ("VAT") refunds	*(b)*	**2,911**	4,910
Gain on disposal of other financial assets – unlisted equity investment		**–**	107
Fair value gains, net:			
– Other financial assets – unlisted equity investment		**–**	455
Sundry income		**11,660**	6,510
		31,126	21,622

Notes:

(a) Government grants of HK$16,555,000 (1HFY2025: HK$9,640,000) were granted during the six months ended 30 June 2026 to subsidise certain waste water treatment plants of the Group in the PRC. The receipt of such grants is unconditional. There is no assurance that the Group will continue to receive such grants in the future.

(b) VAT refunds of HK$2,911,000 (1HFY2025: HK$4,910,000) were received during the six months ended 30 June 2026 in relation to certain of the Group's waste water treatment and reusable water projects in operation in the PRC. There is no assurance that the Group will continue to receive such tax refunds in the future.

6. NET FINANCE COSTS

	1HFY2026 (Unaudited) *HK$'000*	1HFY2025 (Unaudited) *HK$'000*
Finance income		
Interest income on:		
Bank deposits	**3,287**	4,596
Amount due from an associate	**126**	55
	3,413	4,651
Finance costs		
Interest expense on:		
Bank and other loans	**(93,932)**	(116,541)
ABS and MTN	**(132,669)**	(136,759)
Lease liabilities	**(129)**	(146)
	(226,730)	(253,446)
Net finance costs	**(223,317)**	(248,795)

7. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	Notes	1HFY2026 (Unaudited) *HK$'000*	1HFY2025 (Unaudited) *HK$'000*
Depreciation			
– property, plant and equipment	*(a)*	**29,673**	29,098
– right-of-use assets	*(a)*	**5,517**	5,516
Amortisation			
– intangible assets	*(a)*	**91,758**	73,846
Loss on disposals of property, plant and equipment		**–**	47
Loss on write-off of intangible assets		**–**	72
Cost of construction services under service concession arrangements	*(b)*	**88,410**	963,998
R&D costs	*(c)*	**14,300**	17,300
Rental expense from short-term leases		**944**	424
Allowance for expected credit losses on trade receivables, net		**92,460**	73,031
Write-back of allowance for expected credit losses on other receivables, net		**(2,128)**	(21,684)
Allowance/(write-back of allowance) for expected credit losses on contract assets, net		**1,654**	(1,061)
Foreign exchange losses, net		**5,531**	66,009
Employee benefit expense	*(d)*		
– Wages, salaries, allowances and benefits in kind		**180,893**	176,751
– Retirement scheme contributions		**22,882**	17,746
		203,775	194,497

7. **PROFIT BEFORE TAX** *(Continued)*

Notes:

(a) Amortisation of intangible assets, depreciation of property, plant and equipment and right-of-use assets in a total of HK$121,906,000 (1HFY2025: HK$99,107,000) for the six months ended 30 June 2026 were included in "Direct costs and operating expenses" in the consolidated statement of comprehensive income.

(b) Included in "Direct costs and operating expenses" in the consolidated statement of comprehensive income.

(c) R&D costs included HK$11,218,000 (1HFY2025: HK$14,327,000) related to the cost of inventories consumed, employee benefit expenses, and depreciation expenses. These expenses were either included in the respective expense categories separately disclosed above or in cost of inventories consumed.

(d) Employee benefit expenses included directors' remuneration, employee benefit expenses in cost of construction services and employee benefit expenses in R&D costs.

8. **INCOME TAX EXPENSE**

No provision for Singapore and Hong Kong income tax was made as the Group did not earn any income subject to Singapore or Hong Kong income tax during the six months ended 30 June 2026 (1HFY2025: nil).

The Group is subject to the global minimum top-up tax under Pillar Two tax legislation. The Company is incorporated in Bermuda which has enacted a corporate income tax regime aligned with Pillar Two principles, imposing a 15% tax rate effective from 1 January 2025 for in-scope multinational enterprise groups. In 2024, the Hong Kong SAR Government amended the Inland Revenue Ordinance to introduce a domestic minimum top-up tax which takes effect from 1 January 2025. The Group also operates primarily through subsidiaries in Chinese Mainland, where legislation to implement Pillar Two has not yet been enacted. Management has assessed the impact of the Pillar Two rules based on the Group's current structure and statutory tax rates in its principal jurisdictions. The implementation of Pillar Two had no material effect on the Group's interim financial information.

Tax for the PRC operations is charged at the statutory rate of 25% based on the assessable profits in accordance with the tax rules and regulations in the PRC. Certain PRC subsidiaries of the Group were subject to a preferential tax rate of 15% pursuant to the relevant tax rules and regulations, and certain PRC subsidiaries of the Group were subject to tax at half of the foregoing statutory rate or fully exempted from income tax pursuant to the relevant tax rules and regulations.

	1HFY2026 (Unaudited) *HK$'000*	1HFY2025 (Unaudited) *HK$'000*
Current tax – PRC:		
Charge for the period	**174,190**	134,647
Under-provision in prior years	**8,510**	9,019
Deferred tax	**(19,075)**	63,221
Total tax expense for the period	**163,625**	206,887

9. DIVIDENDS

	1HFY2026 (Unaudited) *HK$'000*	1HFY2025 (Unaudited) *HK$'000*
Dividends attributable to the period:		
Interim – 6.09 Hong Kong cents ("HK cents") (equivalent to 1.00 Singapore cent ("Sing cent(s)")) (1HFY2025: HK6.09 cents (equivalent to 0.99 Sing cents)) per ordinary share	**174,227**	174,344
Dividends paid during the period:		
Final in respect of the previous financial year – HK4.22 cents (equivalent to 0.69 Sing cents) (1HFY2025: HK5.81 cents (equivalent to 1.02 Sing cents)) per ordinary share	**122,366**	166,823

Dividends attributable to the period were approved by the Board post-period end.

10. EARNINGS PER SHARE

The calculation of the basic earnings per share is based on the Group's profit attributable to equity holders of the Company for the period divided by the weighted average number of ordinary shares of the Company in issue during the period.

The Group had no potentially dilutive ordinary shares in issue during the period.

	1HFY2026 (Unaudited) *HK$'000*	1HFY2025 (Unaudited) *HK$'000*
Profit attributable to equity holders of the Company for the period	**517,558**	563,760
	'000	*'000*
Weighted average number of ordinary shares in issue during the period	**2,860,877**	2,860,877
	HK cents	*HK cents*
Basic and diluted earnings per share	**18.09**	19.71

11. TRADE AND OTHER RECEIVABLES

Group

	At 30 June 2026 (Unaudited) *HK$'000*	At 31 December 2025 (Audited) *HK$'000*
Non-current		
Other receivables	**23,146**	21,998
Less: Impairment	**(8,317)**	(8,360)
	14,829	13,638
Recoverable VAT	**172,925**	157,193
Prepayments	**145,505**	97,322
	333,259	268,153
Current		
Trade receivables	**8,742,513**	7,337,281
Less: Impairment	**(1,026,897)**	(886,285)
	7,715,616	6,450,996
Other receivables and sundry deposits	**347,674**	370,446
Less: Impairment	**(43,727)**	(43,166)
	303,947	327,280
Recoverable VAT	**69,561**	84,199
Prepayments	**102,114**	83,039
	475,622	494,518
	8,191,238	6,945,514
Total	**8,524,497**	7,213,667

Notes:

(i) Trade receivables are due within 30 to 90 days from the date of billing.

(ii) All the current portions of the above balances are expected to be recovered or recognised as expenses within one year.

11. TRADE AND OTHER RECEIVABLES *(Continued)*

The movements in allowance for expected credit losses on trade receivables are as follows:

Group

	At 30 June 2026 (Unaudited) ***HK$'000***	At 31 December 2025 (Audited) *HK$'000*
At the beginning of the period/year	**886,285**	778,263
Allowance recognised, net *(note 7)*	**92,460**	85,210
Exchange realignment	**48,152**	22,812
At the end of the period/year	**1,026,897**	886,285

The movements in allowance for expected credit losses on other receivables are as follows:

Group

	At 30 June 2026 (Unaudited) ***HK$'000***	At 31 December 2025 (Audited) *HK$'000*
At the beginning of the period/year	**51,526**	58,606
Write-back of allowance, net *(note 7)*	**(2,128)**	(8,557)
Exchange realignment	**2,646**	1,477
At the end of the period/year	**52,044**	51,526

11. TRADE AND OTHER RECEIVABLES *(Continued)*

The ageing analysis of trade receivables, based on the date of invoice (or date of revenue recognition, if earlier) and net of allowance, as at the end of the reporting period is as follows:

Group

	At 30 June 2026 (Unaudited) ***HK$'000***	At 31 December 2025 (Audited) *HK$'000*
Within 1 month	**589,239**	666,852
More than 1 month but within 2 months	**394,292**	468,594
More than 2 months but within 4 months	**464,453**	668,685
More than 4 months but within 7 months	**1,075,538**	813,374
More than 7 months but within 13 months	**1,894,261**	1,269,152
More than 13 months	**3,297,833**	2,564,339
	7,715,616	6,450,996

12. CONTRACT ASSETS

Group

	Notes	**At 30 June 2026 (Unaudited)** ***HK$'000***	At 31 December 2025 (Audited) *HK$'000*
Non-current			
Service concession assets	*(a)*	**21,640,677**	21,030,064
Less: Impairment	*(c)*	**(15,351)**	(10,428)
		21,625,326	21,019,636
Current			
Service concession assets	*(a)*	**2,357,889**	2,202,277
Less: Impairment	*(c)*	**(1,673)**	(1,092)
		2,356,216	2,201,185
Other contract assets	*(b)*	**189,737**	163,420
Less: Impairment	*(c)*	**(9,502)**	(12,086)
		180,235	151,334
		2,536,451	2,352,519
Total		**24,161,777**	23,372,155

Notes:

(a) Service concession assets of HK$23,998,566,000 as at 30 June 2026 (31 December 2025: HK$23,232,341,000) bear interest at rates ranging from 3.50% to 7.83% (31 December 2025: 3.50% to 7.83%) per annum. As at 30 June 2026, balances totalling HK$21,385,033,000 (31 December 2025: HK$21,753,340,000) are related to the service concession arrangements with operations commenced. The amounts are not yet due for payment and will be settled by revenue generated during the operating periods of the service concession arrangements. Amounts billed will be transferred to trade receivables (note 11).

As at 30 June 2026, service concession assets of HK$1,251,702,000 (31 December 2025: HK$1,210,995,000) were transferred under the Group's asset-backed security program but these service concession assets were not derecognised from the consolidated statement of financial position.

(b) Other contract assets of HK$189,737,000 as at 30 June 2026 (31 December 2025: HK$163,420,000) comprised contract assets arising from the performance of construction management service contracts. Such contracts include payment schedules which require stage payments over the service periods once milestones are reached.

12. CONTRACT ASSETS *(Continued)*

(c) Impairment assessment

As at 30 June 2026, HK$26,526,000 (31 December 2025: HK$23,606,000) was recognised as an allowance for expected credit losses on contract assets. The Group's trading terms and credit policy with customers are disclosed in note 11.

The movements in the allowance for expected credit losses on contract assets are as follows:

Group

	At 30 June 2026 (Unaudited) *HK$'000*	At 31 December 2025 (Audited) *HK$'000*
At the beginning of the period/year	**23,606**	21,729
Allowance recognised, net *(note 7)*	**1,654**	1,258
Exchange realignment	**1,266**	619
At the end of the period/year	**26,526**	23,606

As at 30 June 2026, certain of the Group's concession rights of the water environment management projects (comprising concession rights of intangible assets, contract assets and trade receivables) with an aggregate carrying amount of HK$9,708,852,000 (31 December 2025: HK$9,205,370,000) were pledged to secure bank loan facilities granted to the Group and the issuance of the ABS.

13. CASH AND CASH EQUIVALENTS

Group

	At 30 June 2026 (Unaudited) *HK$'000*	At 31 December 2025 (Audited) *HK$'000*
Cash on hand and bank balances	**1,796,533**	2,241,714
Restricted bank balances	**57,275**	73,679
	1,853,808	2,315,393

As at 30 June 2026 and 31 December 2025, the restricted bank balances represent deposits set aside for construction payments and deposits pledged to banks for the issuance of guarantees by the banks to the grantors in respect of the specific performance duties by the Group under certain service concession agreements.

Included in "Cash and cash equivalents" of the Group as at 30 June 2026 are deposits of HK$59,052,000 (31 December 2025: HK$48,404,000) placed with a related party bank, which is a fellow subsidiary of the Company.

14. TRADE AND OTHER PAYABLES

Group

	At 30 June 2026 (Unaudited) *HK$'000*	At 31 December 2025 (Audited) *HK$'000*
Non-current		
Deferred government grants	**51,981**	55,046
Current		
Trade payables	**2,430,208**	2,600,019
Distribution payable to holders of perpetual capital instruments	**–**	15,938
Dividend payable to non-controlling shareholders of non wholly-owned subsidiaries	**6,207**	8,345
Interest payable	**131,109**	168,748
Other tax payables, other creditors and accrued expenses	**708,786**	714,696
	3,276,310	3,507,746
Total	**3,328,291**	3,562,792

Trade payables of the Group totaling HK$1,839,000,000 as at 30 June 2026 (31 December 2025: HK$2,002,276,000) represent construction payables for the Group's projects under Build-Operate-Transfer and Build-Own-Operate arrangements.

The ageing analysis of trade payables based on the date of invoice (or date of recognition, if earlier), as at the end of the reporting period is as follows:

Group

	At 30 June 2026 (Unaudited) *HK$'000*	At 31 December 2025 (Audited) *HK$'000*
Within 6 months	**802,981**	1,834,549
Over 6 months	**1,627,227**	765,470
	2,430,208	2,600,019

15. SHARE CAPITAL

Group and Company

	At 30 June 2026 (Unaudited) *HK$'000*	At 31 December 2025 (Audited) *HK$'000*
Authorised:		
10,000,000,000 ordinary shares of par value of HK$1.00 each	**10,000,000**	10,000,000
Issued and fully paid:		
2,860,876,723 ordinary shares of par value of HK$1.00 each	**2,860,877**	2,860,877

	No. of shares *'000*	Amount *HK$'000*
Issued and fully paid:		
At 31 December 2025 (Audited), 1 January 2026 and 30 June 2026 (Unaudited)	**2,860,877**	2,860,877

The Group and the Company did not have any treasury shares as at 30 June 2026 and 31 December 2025.

16. EVENTS AFTER THE REPORTING PERIOD

On 14 July 2026, the Company announced the completion of issuance of China Everbright Water Limited First Tranche Medium Term Notes 2026 (the "2026 First Tranche MTN") on 10 July 2026, which was fully subscribed for by institutional investors in the national inter-bank bond market of the Chinese Mainland. The 2026 First Tranche MTN has a principal amount of RMB1.5 billion, with a maturity period of 5 years (with an interest rate adjustment option to be exercised by the Company and a resale option to be exercised by the noteholders at the end of the third interest-bearing year) and an interest rate of 1.80%. The proceeds from the issuance of the 2026 First Tranche MTN were used to repay the existing bonds of the Company.

BUSINESS REVIEW AND PROSPECTS

Business Review

In 1HFY2026, notwithstanding an increasingly complex and challenging international environment, the fundamentals underpinning China's long-term economic growth remained unchanged. Driven by the continuous upgrading of environmental protection standards and ongoing improvements in the quality and efficiency of the environmental protection industry in the PRC, the water industry continued to demonstrate steady development potential. During the Review Period, with the implementation of China's "15th Five-Year" Plan and the continuous deepening of the "Peaking Carbon Dioxide Emissions and Achieving Carbon Neutrality" strategy and strengthening of policies for ecological and environmental governance in the PRC, demand for the upgrading of traditional municipal water services remained steady. At the same time, increasingly stringent regulatory requirements for industrial waste water treatment created additional growth opportunities, further expanding the market coverage of the Group's core businesses. During the Review Period, guided by its strategic positioning as "an environmental protection company dedicated to water environment management", the Group achieved a steady growth in both business scale and operational performance by steadily advancing the implementation and operation of projects, and pursuing the industrial deployment of its technological innovation, while balancing the enhancement of operational quality and efficiency with risk prevention. Meanwhile, the Group embedded ESG principles into its daily operations, and continued to deepen its presence in environmental protection areas related to public livelihoods, such as river-basin ecological restoration, synergy in pollution reduction and carbon emission, and recycling and utilisation of resources, continuously built core technologies and comprehensive operational advantages, and seized growth opportunities arising from the high-quality development of the industry.

During the Review Period, the Group remained committed to its long-term development strategy, reinforcing the fundamentals of its asset-heavy business model, and continuously deepened refined operations management. In terms of efficiency improvement, the Group established a "three-in-one" operational diagnostic mechanism integrating performance evaluation, process reliability monitoring, and equipment digitalisation oversight and implemented targeted technological upgrades to address energy and material consumption issues in production and operation of projects, thereby fostering a steady increase in capacity utilisation rate of each project. With respect to cost reduction, through a variety of comprehensive measures such as process optimisation, substitution with low-carbon sources, intelligent project monitoring, and centralised procurement of bulk materials, the Group effectively offset the operational pressure caused by fluctuations in chemical prices, achieving a year-on-year reduction in unit cost of chemicals for waste water treatment. In terms of revenue increase, the Group further obtained various subsidies of approximately RMB12 million in total. Two of the Group's waste water treatment plants were approved to increase the waste water treatment service fees, ranging from 8% to 35%, thereby increasing operating revenue and improving profitability. In terms of safety and environmental management, the Group continuously optimised the dual-prevention mechanism – comprising risk classification control, and hazard investigation and rectification – leveraging digital and intelligent means, thereby advancing the digital and intelligent transformation of safety and environmental management and strictly upholding the bottom line of safe and environmentally compliant operations. During the Review Period, all of the Group's projects under construction and in operation achieved the control targets of "Dual Zero" (zero safety incidents and zero environmental incidents). During the Review Period, the Group treated approximately 888.71 million m^3 of waste water, supplied approximately 46.42 million m^3 of raw water and supplied approximately 19.97 million m^3 of reusable water. In terms of project construction, during the Review Period, 4 projects of the Group commenced construction, with a designed daily water treatment capacity of 30,000 m^3; and 2 projects were completed and commenced operations, contributing a designed daily water treatment capacity of 20,000 m^3.

In terms of market expansion, the Group adhered to the strategy of "synergistic development of asset-light and asset-heavy businesses", seized structural opportunities in the industry, and achieved steady business expansion. In terms of the advantageous core business, the Group secured Huai'an Huaiyin Eastern District Waste Water Treatment Project Phase III in Jiangsu Province, continuously consolidating the foundation of its core business. For emerging businesses, the Group closely tracked policy guidance and market demands, proactively deploying in segments such as electronic industrial waste water advanced treatment and agricultural non-point source pollution. It conducted market research and built technological pipelines, and continuously expanded the market coverage of the Group's business. In terms of asset-light business, the Group conducted technical verification and model refinement leveraging internal project scenarios, gradually developing a full-chain service capability covering technical solutions, core equipment, and operations management, and replicating and promoting the same to external markets. During the Review Period, the Group successively secured and implemented a number of asset-light businesses, including the supply of linear valve equipment for Anyang Municipal Waste Water Treatment Centre Phase I Project in Henan Province. In 1HFY2026, the Group invested in and implemented one new project, with a total investment value of approximately RMB90.40 million. In addition, it undertook various asset-light projects and services with a total contract value of approximately RMB68.50 million. The newly secured projects contributed an additional designed daily water treatment capacity of 20,000 m^3.

In terms of trade receivables and liquidity management, the Group has made the collection of trade receivables as its annual core focus. It systematically deployed and coordinated efforts across three dimensions, namely intensifying collection efforts, optimising financing, and safeguarding liquidity. In terms of trade receivables collection, the Group has seized the opportunity presented by China's debt resolution policies, implemented dynamic ledger management, executed collection plans on a case-by-case basis, and strengthened coordination and liaison with local governments in China to make every effort to secure priority settlement of service fees. For liquidity management, the Group closely monitored interest rate and exchange rate movements, flexibly utilised diversified financing instruments, optimised debt maturity structures, continuously reduced financing costs and maintained ample credit facilities. At the same time, it strengthened the comprehensive coordination of cash flows and scientifically arranged operational and construction expenditures as well as principal and interest repayment schedules for every project. During 1HFY2026, the Group's net cash inflow from operating activities amounted to HK$51.13 million. In terms of new projects, the Group will continue to conduct scientific evaluations in a prudent manner based on local fiscal conditions in China, strengthen full-cycle cash recovery projections, and safeguard the stability of cash recovery at source to ensure the security of the cash flow and the quality of services.

In terms of technological innovation, the Group focused on deploying technologies across the entire "water-related" industry chain, steadily advanced the R&D and industrial application of proprietary technologies, and achieved positive progress during the Review Period. For technological breakthroughs and commercialisation, the Group successfully developed new technologies and equipment, notably the EBDAS™ High-Density Sludge Integrated Technological Processes and the intelligent liquid chemical quality management system, which have already been applied in multiple projects. The 6 self-developed technological achievements, including high-density sedimentation tank, were successfully commercialised, and 8 new intellectual property rights were granted (including 2 invention patents). In terms of digital and intelligent operation demonstrations, the Intelligent Demonstration Centre 2.0 version at the Ji'nan East Station Area Underground Waste Water Treatment Project in Shandong Province was completed, marking the Group's implementation of a new-generation project management model featuring "minimal staffing, high-efficiency operations and intelligent control". Such progresses and achievements have further strengthened the Group's core technical capabilities, laying a solid technological foundation for enhancing the operating efficiency of existing assets and the commercialisation of its asset-light business products.

In terms of social responsibility, the Group remained focused on its main responsibilities and principal businesses while actively fulfilling its responsibilities as a corporate citizen. During the Review Period, the Group engaged extensively in industry exchange activities, bringing together government representatives, industry partners and academic experts to discuss industry development trends, further strengthening its industry influence. At the same time, leveraging its portfolio of operating projects, the Group continued to advance environmental public-welfare and community-building initiatives. For the ninth consecutive year, the Group launched its "World Environment Day" philanthropic campaign, further enhancing the recognition of its public welfare brand. As at 30 June 2026, a total of 49 projects across the Group were opened to the public. During 1HFY2026, its projects welcomed more than 3,000 visitors from various sectors, effectively serving as community platforms for ecological and environmental education and actively promoting the concept of green development.

As of 30 June 2026, the Group invested in and held 173 environmental protection projects, with a total investment of approximately RMB31.94 billion. Additionally, it undertook various asset-light projects and services, such as operation and management ("O&M"), engineering, procurement and construction ("EPC"), EPCO (Engineering Design-Procurement-Construction-Operation), equipment supply, and technical services. The Group has a business presence in more than 60 districts, counties and cities across 13 provinces, autonomous regions and municipalities in the Chinese Mainland, in addition to overseas markets such as Mauritius.

A summary of the number of project(s) and water treatment/supply capacity is set out below:

Project Type[1]	**Number of Projects**	**Water Treatment/ Supply Capacity (m^3/day)**
Municipal waste water treatment projects[2]	140	5,843,000
Industrial waste water treatment projects[2]	29	507,050
Reusable water projects[2]	8	324,600
River-basin ecological restoration projects	6	115,000
Water supply projects	3	250,000
Raw water protection project	1	600,000
Sludge treatment and disposal projects	2	Not applicable
Livestock and poultry manure resource utilisation project	1	Not applicable
Total	**190**	**7,639,650**

Notes:

(1) *EPC project(s) excluded*

(2) *Project(s) with O&M capacity included*

During the Review Period, the Group's ongoing efforts in business development, operations management and social responsibility were recognised by the industry. A summary of the Group's key honours and accolades is set out below:

Award	**Awarding Organisation**
Shortlisted as one of the "Top Ten Influential Enterprises in China's Water Industry" (for the 9th consecutive year)	E20 Environment Platform
Everbright Water (Zibo) Limited was recognised as"2026-2028 Zibo Science Popularisation and Education Base"	Zibo Science and Technology Association in Shandong Province
Nine of the Group's projects were shortlisted as "Excellent Cases", covering water environment management, municipal waste water treatment, industrial waste water treatment, and livestock and poultry manure resource utilisation	E20 Environment Platform

The Company is committed to sharing fruitful operating results with the shareholders of the Company (the "Shareholders") and creating value for them through its sustainable corporate development. The Board has declared an interim dividend of HK6.09 cents (equivalent to 1.00 Sing cent) per ordinary share for 1HFY2026 (1HFY2025: HK6.09 cents (equivalent to 0.99 Sing cents) per ordinary share).

Business Prospects

Looking ahead to the second half of 2026, the implementation of China's "15th Five-Year" Plan is expected to inject strong policy momentum into its environmental protection sector. Market potential in niche areas such as the industrial park waste water categorised treatment and agricultural non-point source pollution control will continue to be unleashed, and the sector's long-term development prospects remain promising. Meanwhile, challenges such as more stringent regulatory standards and intensifying market competition remain, while the trend towards industry consolidation continues. As a long-standing player in the field of water environment management, the Group will actively leverage its existing advantages to capitalise on growth opportunities arising from shifts in the market landscape.

The Group will continue to adhere to its overarching principle of "Making Progress with Stability", remain focused on its strategic priorities, and steadfastly advance its development of an environmental protection company dedicated to water environment management. The Group will continue to drive progress across seven key priorities, including improving operational quality and efficiency, achieving market breakthroughs, enhancing technology-driven capabilities, strengthening procurement governance, reinforcing safety and environmental frameworks, securing capital support, and strengthening its talent pipeline. The Group will increase its efforts in specialised areas such as industrial waste water treatment and agricultural non-point source pollution control. Leveraging its robust foundation in asset-heavy businesses, the Group will steadily drive the productisation and brand development of its asset-light businesses, while accelerating the large-scale expansion of its technological achievements and service models into external markets. At the same time, the Group will closely monitor industry trends and changes in market demand, and fully advance its operational priorities for the entire year, so as to continue delivering long-term value to all stakeholders.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

In 1HFY2026, the revenue of the Group decreased by 27% to HK$2,391.66 million compared with that of HK$3,279.57 million in 1HFY2025, among which the construction service revenue decreased to HK$100.83 million (1HFY2025: HK$1,164.18 million), the operation income increased to HK$1,611.44 million (1HFY2025: HK$1,476.89 million) and the finance income increased to HK$564.09 million (1HFY2025: HK$558.81 million). Gross profit of the Group decreased by 10% from HK$1,369.24 million in 1HFY2025 to HK$1,227.01 million in 1HFY2026. The profit of the Group decreased by 10% from HK$625.32 million in 1HFY2025 to HK$561.01 million in 1HFY2026. The profit attributable to equity holders of the Company amounted to HK$517.56 million in 1HFY2026, indicating a decrease of 8% compared to that in 1HFY2025.

Consolidated Statement of Comprehensive Income

Revenue

Overall, the Group's revenue decreased by HK$887.91 million or 27%, from HK$3,279.57 million in 1HFY2025 to HK$2,391.66 million in 1HFY2026.

Construction service revenue decreased to HK$100.83 million in 1HFY2026 from HK$1,164.18 million in 1HFY2025, representing a decline of HK$1,063.35 million or 91%. This decrease was mainly due to a reduction in construction activities in 1HFY2026 compared to 1HFY2025.

Operation income in 1HFY2026 increased by HK$134.55 million or 9% compared to that in 1HFY2025. This increase was primarily attributable to (i) the commencement of operations of new projects during the remaining period of the financial year ended 31 December 2025 ("FY2025") and 1HFY2026; and (ii) tariff hikes for several projects effected during 1HFY2026.

Direct costs and operating expenses

Direct costs and operating expenses decreased by HK$745.68 million or 39% from HK$1,910.33 million in 1HFY2025 to HK$1,164.65 million in 1HFY2026. This decrease was primarily driven by a reduction in cost of construction services, which fell by HK$875.59 million or 91% from HK$964.00 million in 1HFY2025 to HK$88.41 million in 1HFY2026. The decrease in cost of construction services is in line with the corresponding decline in construction service revenue.

Gross profit margin

Overall gross profit margin in 1HFY2026 increased to 51% (1HFY2025: 42%). Such increase was primarily due to the decrease in the proportion of the construction service revenue recognised to the total revenue in 1HFY2026 in comparison to 1HFY2025. In general, construction services carry a lower gross profit margin than operation services, and thus a smaller (larger) proportion of construction service revenue will raise (reduce) the overall gross margin. In 1HFY2026, construction service revenue accounted for about 4% (1HFY2025: 35%) of total revenue. Therefore, the overall gross profit margin increased by about 9 percentage points ("ppt") compared to that of 1HFY2025.

Other income and gains, net

Other income and gains, net primarily comprised government grants, VAT refunds, fair value changes on financial assets at fair value through profit or loss, and other sundry income. Other income and gains, net increased by HK$9.50 million from HK$21.62 million in 1HFY2025 to HK$31.13 million in 1HFY2026. This increase was mainly due to an increase in government grants and sundry income. The breakdown of other income and gains, net is set out below.

	1HFY2026 (Unaudited) ***HK$'000***	1HFY2025 (Unaudited) *HK$'000*
Government grants	**16,555**	9,640
VAT refunds	**2,911**	4,910
Gain on disposal of other financial assets – unlisted equity investment	**–**	107
Fair value gain, net:		
Other financial assets – unlisted equity investment	**–**	455
Sundry income	**11,660**	6,510
	31,126	21,622

Administrative and other operating expenses

Administrative and other operating expenses mainly consisted of staff costs, business development expenses, net foreign exchange differences, legal and professional fees, R&D expenses, other taxes, as well as allowances for expected credit losses on trade receivables, other receivables and contract assets.

Other operating expenses for 1HFY2026 included (a) allowance for expected credit losses on trade receivables amounting to HK$92.46 million (1HFY2025: HK$73.03 million); (b) write-back of allowance for expected credit losses on other receivables amounting to HK$2.13 million (1HFY2025: HK$21.68 million); and (c) allowance for expected credit losses on contract assets amounting to HK$1.65 million (1HFY2025: write-back of allowance of HK$1.06 million). The allowance for expected credit losses on trade receivables in 1HFY2026 was mainly due to the increase in the gross carrying amount of trade receivables as at 30 June 2026.

Aside from the other operating expenses mentioned above, administrative expenses decreased by HK$38.71 million from HK$256.79 million in 1HFY2025 to HK$218.08 million in 1HFY2026. This decrease was mainly due to decrease in net foreign exchange losses in 1HFY2026.

No gain or loss on disposals of property, plant and equipment is included in administrative expenses in 1HFY2026 (1HFY2025: loss of HK$0.05 million).

Finance costs

Finance costs decreased to HK$226.73 million in 1HFY2026 from HK$253.45 million in 1HFY2025. This decrease was primarily due to a lower average lending rate in 1HFY2026 compared to 1HFY2025, which outweighed the impact of the increase in the average balance of borrowings in 1HFY2026 compared to 1HFY2025. The decrease in average lending rate resulted from the Group's effective refinancing strategy, which involved in refinancing of existing borrowings with bank loans and MTN bearing lower interest rates.

Income tax expense

Income tax expense decreased by 21% from HK$206.89 million in 1HFY2025 to HK$163.63 million in 1HFY2026, reflecting the decrease in profits before tax.

Income tax expense for 1HFY2026 included, *inter alia*, under-provision of income tax in respect of prior years amounting to HK$8.51 million (1HFY2025: HK$9.02 million).

Consolidated Statement of Financial Position

As at 30 June 2026, the Group's total assets amounted to approximately HK$40.10 billion with net assets amounting to HK$16.27 billion. Net asset value per share attributable to equity holders of the Company was HK$4.88 per share, representing an increase of 9% as compared to HK$4.49 per share as at the end of FY2025. As at 30 June 2026, the gearing ratio (total liabilities over total assets) of the Group was 59.4%, which decreased by 1.30 ppt from 60.7% at the end of FY2025.

Assets

Total assets of the Group increased by HK$1.88 billion from HK$38.22 billion as at 31 December 2025 to HK$40.10 billion as at 30 June 2026. This increase in total assets was primarily the net result of (i) increases in contract assets and trade and other receivables; and (ii) decrease in cash and cash equivalents.

Investment properties amounted to HK$11.81 million as at 30 June 2026. Investment properties are stated at fair value, which reflects market conditions at the end of the Review Period. There was no change in fair value during 1HFY2026.

Contract assets (including both current and non-current portions) increased by HK$789.62 million from HK$23.37 billion as at 31 December 2025 to HK$24.16 billion as at 30 June 2026. The increase in contract assets was mainly attributable to appreciation of RMB against HK$ as well as the recognition of construction service revenue of expansion and upgrading projects for several existing waste water treatment plants during 1HFY2026.

Trade and other receivables (including both current and non-current portions) of the Group increased from HK$7.21 billion as at 31 December 2025 to HK$8.52 billion as at 30 June 2026. Among them, trade receivables increased by HK$1.26 billion from HK$6.45 billion as at 31 December 2025 to HK$7.72 billion as at 30 June 2026, which was mainly due to (i) the seasonal settlement pattern, with customers normally settling a greater portion of trade receivables towards the end of the financial year; (ii) the slowdown in payment of waste water treatment service fees by local governments in China in 1HFY2026; and (iii) appreciation of RMB against HK$ during 1HFY2026. As at 30 June 2026, other receivables increased from HK$762.67 million as at 31 December 2025 to HK$808.88 million as at 30 June 2026. The increase was due to increase in prepayments.

Liabilities

Total borrowings (including both current and non-current portions) increased by HK$704.71 million. This increase was mainly due to the net impact of (i) appreciation of RMB against HK$; and (ii) net repayment of borrowings of HK$201.59 million resulted from new bank loans amounting to HK$1,080.04 million, repayments of MTN of HK$92.75 million, repayments of ABS of HK$108.86 million, and repayments of bank loans amounting to HK$1,080.02 million in 1HFY2026.

The Group was in a net current asset position of HK$561.55 million as at 30 June 2026, representing a decrease of HK$1,123.57 million from HK$1,685.12 million as at 31 December 2025. The drop was primarily due to increase in borrowings due within one year by HK$2,300.94 million, which was mainly the result of reclassification of MTN of HK$1,735.81 million due within one year from non-current liabilities to current liabilities on the reporting date.

Equity

The Group's total equity amounted to HK$16.27 billion as at 30 June 2026 (31 December 2025: HK$15.03 billion). This increase was mainly due to the (i) recognition of profit amounting to HK$561.01 million in 1HFY2026; (ii) recognition of foreign currency translation gain of HK$795.69 million arising from appreciation of RMB against HK$; (iii) decrease of HK$122.37 million in equity due to declaration and payment of FY2025 final dividend; and (iv) capital contributions of HK$5.58 million by non-controlling shareholders of subsidiaries during 1HFY2026.

Consolidated Statement of Cash Flows

Cash and cash equivalents as stated in the consolidated statement of cash flows decreased from HK$2.24 billion as at 31 December 2025 to HK$1.80 billion as at 30 June 2026. Cash and cash equivalents included in the consolidated statement of cash flows are reconciled as follows:

	At 30 June 2026 (Unaudited) ***HK$'000***	At 31 December 2025 (Audited) *HK$'000*
Cash and cash equivalents as stated in the consolidated statement of financial position	**1,853,808**	2,315,393
Less: Restricted bank balances	**(57,275)**	(73,679)
Cash and cash equivalents as stated in the consolidated statement of cash flows	**1,796,533**	2,241,714

Cash flows from operating activities

The Group had cash inflow of HK$1,172.20 million before the changes in working capital during 1HFY2026. The changes in working capital resulted in cash outflow of HK$956.39 million in 1HFY2026, and payment of income tax resulted in cash outflow of HK$164.69 million in 1HFY2026. As a result, the Group recorded a net cash inflow of HK$51.13 million from operating activities in 1HFY2026. The changes in working capital in 1HFY2026 arose mainly from:

(i) the decrease in inventories by HK$7.35 million;

(ii) the decrease in contract assets by HK$419.67 million;

(iii) the increase in trade and other receivables by HK$1,023.85 million; and

(iv) the decrease in trade and other payables by HK$359.55 million.

Cash flows from investing activities

In 1HFY2026, the Group recorded a net cash outflow of HK$12.89 million from investing activities. The net cash outflow mainly arose from:

(i) the payment of HK$4.71 million for the purchase of property, plant and equipment;

(ii) the payment of HK$26.16 million for the additions of intangible assets;

(iii) the acquisition of an associate by HK$1.20 million;

(iv) the receipt of proceeds from redemption of other financial assets amounted to HK$15.75 million; and

(v) the receipt of interest of HK$3.41 million.

Cash flows from financing activities

The Group recorded a net cash outflow of HK$587.72 million from financing activities in 1HFY2026. The net cash outflow was mainly caused by:

(i) the capital contributions of HK$5.58 million from non-controlling shareholders of subsidiaries;

(ii) the repayments of MTN of HK$92.75 million;

(iii) the repayments of ABS of HK$108.86 million;

(iv) the receipt of net proceeds from bank loans of HK$0.02 million;

(v) the payment of principal and interest elements of lease payments of HK$4.33 million;

(vi) the decrease in restricted bank balances by HK$19.84 million;

(vii) the payment of interest of HK$265.82 million;

(viii) the payment of dividend of HK$122.44 million to the Shareholders;

(ix) the payment of distribution of HK$16.43 million to the holders of perpetual capital instruments; and

(x) the payment of dividend of HK$2.52 million to a non-controlling shareholder of a subsidiary.

Earnings Per Share

The calculation of the basic earnings per share is based on the Group's profit attributable to equity holders of the Company for the period divided by the weighted average number of ordinary shares of the Company in issue during the period.

The Group had no potentially dilutive ordinary shares in issue during the period.

	1HFY2026 (Unaudited)	1HFY2025 (Unaudited)
	HK$'000	*HK$'000*
Profit attributable to equity holders of the Company for the period	**517,558**	563,760
	'000	*'000*
Weighted average number of ordinary shares in issue during the period	**2,860,877**	2,860,877
	HK cents	*HK cents*
Basic and diluted earnings per share	**18.09**	19.71

Net Asset Value Per Share

	Group		**Company**	
	At 30 June 2026 (Unaudited)	At 31 December 2025 (Audited)	**At 30 June 2026 (Unaudited)**	At 31 December 2025 (Audited)
	HK$	*HK$*	***HK$***	*HK$*
Net asset value per ordinary share based on the issued share capital as at the end of the respective period	**4.88**	4.49	**3.69**	3.50

Net asset value per ordinary share was calculated by dividing the net asset value attributable to equity holders of the Company by the number of ordinary shares outstanding, excluding treasury shares, as at the end of the respective financial period.

Financial Resources

The Group adopts a prudent approach to cash and financial management to ensure proper risk control and minimise cost of funds. Its primary sources of financing for operations include internally-generated cash flows, loan facilities from banks, and proceeds raised from issuance of corporate bonds, ABS, MTN, super and short-term commercial papers and perpetual capital instruments. As at 30 June 2026, the Group had cash and bank balances of approximately HK$1.85 billion, representing a decrease of HK$461.59 million as compared to HK$2.32 billion at the end of FY2025. Most of the Group's cash and bank balances, representing approximately 98%, were denominated in HK$ and RMB.

Borrowings and Debt Securities of the Group

Amounts payable within one year or less, or on demand

At 30 June 2026		At 31 December 2025	
Secured	**Unsecured**	Secured	Unsecured
(Unaudited)	**(Unaudited)**	(Audited)	(Audited)
HK$'000	***HK$'000***	*HK$'000*	*HK$'000*
2,021,764	**6,739,787**	518,270	5,942,341

Amounts payable after one year

At 30 June 2026		At 31 December 2025	
Secured	**Unsecured**	Secured	Unsecured
(Unaudited)	**(Unaudited)**	(Audited)	(Audited)
HK$'000	***HK$'000***	*HK$'000*	*HK$'000*
2,613,187	**6,653,706**	4,152,658	6,710,466

The Group is dedicated to diversifying its financing channels and increasing bank loan facility limits to reserve funding for developing the water environment management business. As at 30 June 2026, the Group had outstanding borrowings of HK$18.03 billion, representing an increase of HK$704.71 million compared to HK$17.32 billion as at the end of FY2025. The borrowings comprised secured interest-bearing borrowings of HK$4.63 billion and unsecured interest-bearing borrowings of HK$13.39 billion. The borrowings were all denominated in RMB. Borrowings at fixed rates and at floating rates accounted for 59% and 41% of the total borrowings, respectively. As at 30 June 2026, the Group had bank loan facilities of HK$13.81 billion, of which HK$6.07 billion remained unutilised. The remaining terms of the bank loan facilities range from 1 to 17 years. During 1HFY2026, while paying vigilant attention to and monitoring interest rate risks continuously and cautiously, the Group did not adopt any interest rate hedging policy.

Foreign Exchange Risks

The Group mainly operates in the PRC. Currency exposure arises within entities of the Group when transactions are mainly denominated in foreign currencies such as United States dollars ("USD"), Euro, Singapore dollars, Korean won, HK$ and RMB. In addition, the Group is exposed to currency translation risk upon translation of net assets of foreign operations into the Group's reporting currency of HK$. During 1HFY2026, the Group was affected by fluctuations in the exchange rates and did not adopt any formal hedging policies nor use any financial instrument for hedging purposes. Although the Group was exposed to foreign currency exchange risks, the Board believes that future currency fluctuations will not have any material impact on the Group's operations.

Pledge of Assets

Certain bank loan facilities and ABS of the Group as at 30 June 2026 were secured by certain intangible assets, contract assets and trade receivables in connection with the Group's service concession arrangements. As at 30 June 2026, the aggregate net book value of pledged assets amounted to HK$9.71 billion.

Commitments

As at 30 June 2026, the Group had outstanding purchase commitments of HK$105.21 million in connection with construction contracts and an outstanding capital commitment of HK$2.32 million in connection with capital contribution to an unlisted equity investment. The Group intends to finance the above commitments using internal resources of funds, external borrowings, or a combination of both.

Contingent Liabilities

As at 30 June 2026, the Company provided financial guarantees to two subsidiaries. The Board does not consider it probable that a claim will be made against the Company under the guarantees. The maximum liability of the Company as at 30 June 2026 for the provision of the guarantees was HK$1.71 billion. Notwithstanding the above, the Group did not recognise any contingent liabilities at the consolidated level as at 30 June 2026.

Interested Person Transactions Mandate and Aggregate Value of such Transactions

The Company obtained approval from the Shareholders on the renewal of a general mandate (the "IPT Mandate") for interested person transactions (the "IPTs") in its annual general meeting held on 22 April 2026 pursuant to Rule 920 of the listing manual (the "SGX Listing Manual") of Singapore Exchange Securities Trading Limited ("SGX"). The aggregate value of the IPTs in excess of SGD100,000 during 1HFY2026 is set out as follows:

Name of interested person	Nature of relationship	Aggregate value of all IPTs during 1HFY2026 (excluding transactions less than SGD100,000 and transactions conducted under the IPT Mandate)	Aggregate value of all IPTs conducted under the IPT Mandate during 1HFY2026 (excluding transactions less than SGD100,000)
China Everbright Environment Group Limited	Controlling shareholder	Nil	HK$80,897,000 (equivalent to SGD13,265,000)
Everbright Securities Company Limited	Associate of the controlling shareholder	Nil	HK$2,087,000 (equivalent to SGD342,000)
Sun Life Everbright Life Insurance Co., Ltd.	Associate of the controlling shareholder	Nil	HK$1,641,000 (equivalent to SGD269,000)

INTERNAL MANAGEMENT

Corporate management and risk control are essential for ensuring the Group's efficient, sound and sustainable development. During the Review Period, the Group has further streamlined its organisational structure and refined the division of responsibilities among the management team. Key initiatives included the establishment of a dedicated International Business Department, with each region setting up its own business development team with the corresponding staffing levels and personnel in place, as well as the merger or reorganisation of certain existing departments, with the aim of shortening management chains, promoting resource integration, improving the standardisation of regional management.

Underpinned by these efforts, the Group maintains a comprehensive corporate governance framework, under which the Board has established five committees (the "Board Committees"), namely the Audit Committee, the Remuneration Committee, the Nominating Committee, the Strategy Committee (which will be dissolved with effect from 11 August 2026) and the Sustainability Committee. The Chief Executive Officer's Office serves as the Group's principal executive body responsible for overseeing day-to-day operational and managerial functions. It holds regular meetings to review the current operational and management matters, coordinates the implementation of strategic initiatives, and ensures efficient and orderly business operations.

The Group's functional departments comprise the Strategy and Investment Management Department, the Operations and Technology Management Department, the Asset Preservation Management Department, the Safety & Environmental Management Department, the Budget Management Department, the Procurement Management Department, the Finance Management Department, the Human Resources Department, the Supervision Department, the Internal Audit Department, the Legal & Risk Management Department, the General Management Department, the Legal and Company Secretarial Department, and International Business Department. Moreover, to meet business needs, the Group has six regional management centres and two business management centres in place, strengthening regional project management and fostering beneficial synergies.

The Group maintains a comprehensive management framework and emergency response system. In addition, it has fully implemented the Quality, Environmental, Occupational Health and Safety Management System (the "QEHS Management System") and the Risk Management System across all levels of operations. These systems standardise management processes throughout project investment, construction and operations, thereby enabling effective risk identification and control while improving overall operational efficiency and effectiveness.

HUMAN RESOURCE MANAGEMENT

Talent is the most valuable asset of an enterprise and the primary driving force behind its development. The Group regards its employees as one of its most valuable resources, consistently upholding a "people-oriented" philosophy that safeguards employee interests, enriches their lifestyles, and helps them realise their full potential.

During the Review Period, the Group deepened the implementation of its talent-driven strategy, continuing to advance the development of its various talent teams. By combining both online and offline methods, the Group organised specialised trainings on various topics, such as "Cloud-like Sailing Project", "Sail Plan" and "Empowering Management Talent". These efforts aimed to empower managers and employees through continuous learning, preparing them to embrace new opportunities and challenges. The Group also established and enhanced a diversified job-grade system to provide employees with clear and accessible career development pathways, thereby promoting talent pipeline development and enhancing organisational performance. In addition, the Group introduced a dynamic personnel selection and appointment mechanism, along with smooth career progression channels for employees, and vigorously implemented talent exchange programmes to break down hierarchical and regional barriers. Outstanding employees were seconded to the functional departments at headquarters, core business units and key project companies for dual-role placements, thereby fostering professional development across multiple roles and scenarios. The Group continued to optimise its remuneration system by prioritising front-line production staff, key positions, urgently needed talent, and departments and individuals with outstanding performance in evaluations, thereby further enhancing the incentive effect of remuneration.

As at 30 June 2026, the Group had a total of approximately 1,930 employees. Their remunerations are determined based on qualifications, experience, job nature, performance and market conditions. In addition to discretionary bonuses, the Group offers the employees other benefits such as pension schemes, medical insurance as well as other protection schemes in accordance with the local laws and regulations. In addition, the Group is committed to providing equal opportunities for all employees in every aspect and supporting their continuous professional development to enhance their knowledge, skills and professionalism.

PRINCIPAL RISKS AND UNCERTAINTIES

During the Review Period, the Group continued to strengthen its risk management initiatives. Based on the requirements set out in its *Risk Management Policy* and *Risk Management Manual*, the Group thoroughly identified and assessed the principal risks faced during the Review Period, and formulated and implemented targeted control measures, which were generally effective. During the Review Period, the Group's principal risks were as follows:

1. Trade Receivables Collection Risk

Description: The Group's core customers are the PRC local governments in the regions where its projects are located. Due to factors such as macroeconomic cycles, changes in the international economic and trade environment, adjustments to local fiscal and tax revenue structures in China, and the transition from old to new growth drivers in industries, the settlement and collection period for service fees relating to certain of the Group's projects have been extended, affecting the collection efficiency of trade receivables and its cash flow management. The Group places significant emphasis on the collection of trade receivables and has implemented systematic measures for this purpose. However, given the complexity of the external environment, the progress of collection of trade receivables remains subject to uncertainties.

Responsive measures: (1) Seizing policy opportunities and intensifying efforts on the collection of receivables. The year 2026 has been designated by the Group as a crucial year for making significant progress in trade receivables collection. The relevant departments and commissions of the PRC government, together with local governments in the PRC, have coordinated efforts to roll out and implement debt resolution policies, embedding their effectiveness into performance evaluation mechanisms. This demonstrates the strong commitment of both central and local authorities to debt resolution, while creating significant policy opportunities for public utility sectors such as water services. The Group actively aligns its receivables collection efforts with local government debt resolution plans, by closely matching collection efforts with the timing of government funding allocations, strengthening communication and coordination with relevant government authorities, and actively facilitating the timely and orderly disbursement of government debt funds, so as to make significant progress in trade receivables collection. **(2) Improving the long-term mechanism and strengthening closed-loop management.** The Group has identified the collection of trade receivables as one of the key performance indicators of its operations. It has implemented comprehensive and dynamic management of receivables registers, regularly convened dedicated meetings to analyse collection progress, and formulated collection plans for each customer and transaction. At the same time, the Group has established and improved a four-in-one working mechanism comprising "dedicated teams, detailed accounts, performance incentives, and systematic assessments". The performance of receivables collection is closely linked to the performance evaluation of project companies and the relevant personnel, thereby ensuring that accountability is clearly assigned and effectively implemented. **(3) Categorising trade receivables precisely and implementing targeted measures to maximise collections.** The Group adopted differentiated strategies tailored to different categories of receivables. For undisputed receivables, project companies assigned designated personnel to conduct on-site coordination, enhanced their oversight and follow-up efforts, and maintained close communication with local governments in China regarding funding requirements, thereby creating effective communication channels to expedite payment. For receivables where the amounts have not been determined due to unsettlement of projects or pending approval for water fees, the Group expedited the preparation of relevant pricing documentation and approval procedures to facilitate the finalisation of the amount of water fees and expedite subsequent collection. For partially disputed receivables, the Group has adopted a proactive approach to resolving disputes through senior-level engagement and dedicated meetings, and has initiated legal proceedings, including litigation and arbitration, where necessary. For receivables from corporate customers, the Group strengthened credit assessment and collection management. **(4) Strengthening liquidity management and enhancing capital efficiency.** The Group continued to enhance dynamic monitoring and forecasting of cash flows throughout the entire operating cycle, optimise the allocation of funds in a coordinated manner, and enhance the efficiency of capital utilisation. Simultaneously, it also evaluated and explored diversified financial instruments as additional channels for cash inflows. These initiatives further improved the Group's operating cash flow position and strengthened its financial resilience. **(5) Adopting multiple measures to broaden collection channels and establishing long-term mechanisms by combining short-term and long-term initiatives.** The Group will comprehensively employ diversified approaches such as debt restructuring, asset-for-debt settlements, and debt-to-equity swaps to flexibly resolve existing receivables and broaden collection channels. Meanwhile, the Group will pursue an integrated approach combining short-term focused initiatives with long-term mechanisms, continuously refining its trade receivables management system to achieve a dual focus on resolving existing backlogs and preventing incremental risks. **(6) Pursuing prudent expansion of new projects while strictly adhering to risk boundaries.** In terms of investment in and expansion of new projects, the Group will adhere to the principles of prudence and caution, further strengthen its assessments of the PRC local governments' financial positions and payment capacity, stringently control project selection criteria, and optimise contract settlement terms, in an effort to enhance the stability and predictability of future cash recovery at source.

2. Safety and Environmental Compliance Risks

Description: During the Review Period, regulatory requirements on safety and environmental compliance became increasingly stringent, and given the large number of the Group's projects under construction and in operation and with project locations widely dispersed, the Group faced significant pressure in terms of safety and environmental compliance.

Responsive measures: (1) Adhering to systematic approach and controlling at source. The Group has strengthened its risk control across all key stages, including business development, design, engineering construction and operation, identified and mitigated potential risks at the early stage of the projects and promptly addressed any adverse factors. **(2) Strengthening the safety and environmental management system to reinforce the safety production safeguard.** By focusing on the "Dual Zero Targets" (zero safety incidents and zero environmental incidents), the Group has reinforced safety management to ensure the comprehensive implementation of the safety and environmental management system, fully advanced the implementation of the safety and environmental accountability system for all personnel, strengthened supervision and assessment, and ensured that safety and environmental requirements were effectively enforced. At the same time, the Group implemented a registration management system for safety and environmental personnel, strengthening the training and evaluation of registered personnel. Through the safety and environmental management qualification examinations, it further enhanced the awareness of environmental risk prevention among the safety and environmental management personnel. During the Review Period, the Group continued to carry out company-wide special inspections and rectification campaigns on major accident hazards in projects both under construction and in operation, and organised a series of annual "Safety Production Month" activities in June 2026 to increase employees' awareness of safety production. **(3) Strengthening monitoring and early warnings.** The Group fully utilised the information-sharing platform, environmental protection monitoring platform and inspection platform. These platforms are designed to closely track precautionary warnings of project operation indicators, provide early warnings and preventive measures, and implement precautionary controls. Regular emergency drills were conducted to continuously improve the Group's preparedness and response to production safety incidents. **(4) Enhancing the empowerment of technology to support safety production and environmental compliance.** The Group actively explored the deployment of Internet of Things (IoT) sensors and artificial intelligence-powered video surveillance systems in key high-risk areas (such as confined spaces, hazardous chemical storage areas and sludge drying workshops) to enable real-time monitoring and intelligent early warning of gas concentrations, equipment conditions and personnel behaviour. It also promoted the establishment of a safety and environmental data centre to integrate data on equipment operation, work permits and hazard identification, thereby achieving risk visualisation and intelligent analysis.

3. **Business Development and Market Competition Risks**

Description: The Group actively pursues its "technology-driven, globally-connected, and eco-oriented" strategy. However, competition in the traditional water services market in the Chinese Mainland remains intense, while the development of emerging businesses and the realisation of their benefits will take time. Markets outside the Chinese Mainland are affected by geopolitical tensions, regulatory differences, and commercial and cultural disparities. Accordingly, the Group requires rigorous assessments of relevant projects and their implementation in a prudent and disciplined manner.

Responsive measures: (1) Strengthening strategic guidance to lay a solid foundation for development. The year 2026 marks the first year of China's "15^{th} Five-Year Plan" and is also a crucial year for the Company to achieve high-quality development under the guidance of its "dual transformations and one upgrade" strategy (technology-driven, globally-connected, and eco-oriented). The Company has formulated its "15^{th} Five-Year" strategic plan and will steadily advance its business development in line with the established objectives. **(2) Concentrating resources on key challenges to drive market breakthroughs.** The Company will concentrate its strengths and resources to achieve breakthroughs in key regions and new business areas: in terms of regional expansion, it will focus on key markets such as Hong Kong of the PRC, Macao of the PRC and Southeast Asia (Thailand, Vietnam and Indonesia); in terms of mergers and acquisitions, it will actively seek opportunities to acquire high-quality assets in the Chinese Mainland and is currently in discussions with government departments in several key cities; in terms of new business development, it will concentrate on Beijing, Shanghai, Guangzhou and Shenzhen, with a particular focus on industrial waste water treatment in high-end industrial parks, while also expanding its presence in emerging fields such as agricultural non-point source pollution control and resource recycling to open up new chapter for growth. **(3) Improving business development system and empowering talent development.** During the Review Period, the Group completed the reorganisation of its business development structure. In addition to the existing Strategy and Investment Management Department at headquarters, the Group has established a dedicated International Business Department, and each region has established its own business development team with corresponding staffing levels and personnel in place. Meanwhile, the Group has clearly delineated the responsibilities between the headquarters and the regions, and refined its management systems.

4. **Technological Innovation and Application Risks**

Description: As competition in the environmental water sector in which the Group operates has intensified, and policies relating to environmental protection and ecological governance have continued to be introduced, the Group's need to drive business development through technological innovation has become increasingly pressing.

Response measures: (1) Focusing on technological empowerment and technology commercialisation. The Group has launched a series of technological processes and gradually achieved commercialisation for wider market application. While enhancing the performance of existing projects, the Group also actively explores external markets to strengthen its market competitiveness. **(2) Core technology drives new momentum.** In response to the diversified needs of "To G" (business-to-government) and "To B" (business-to-business) customers, the Group fully leverages its integration advantages and provides integrated solutions on the basis of building upon core technologies, to enhance customer trust and create new growth drivers. **(3) Intelligent equipment and the application of new technologies.** The Company will focus on promoting technological empowerment and improving the level of refined operations management in the future. The "integrated intelligent oxygen supply equipment" has been appraised as having reached an international leading level and has been commercialised for both internal and external sales; new technologies such as sulfur-based autotrophic denitrification and high-density sludge treatment have been applied in multiple projects and supported the ongoing development of "dark factory".

5. Cost Control Risk

Description: International geopolitical conflicts, fluctuations in global commodity prices, and changes in cross-border trade policies may result in higher procurement costs and extended lead times for key production materials, such as chemicals, equipment and spare parts. This, in turn, could increase the Group's operating costs at its waste water treatment plants and potentially increase the difficulties in securing material supply.

Responsive measures: (1) Keeping abreast of market developments and prudently optimising procurement strategies. The Group closely monitors trends in international commodity prices and changes in the supply environment. While ensuring the stability of existing supply channels, the Group regularly assesses the capacity of its suppliers in China and continues to develop its diversified, multi-source supply system. By appropriately managing its reliance on imported materials, the Group enhances its ability to mitigate uncertainties arising from fluctuations in the international supply chain. **(2) Continuously facilitating energy conservation and consumption reduction, and steadily improving operating efficiency.** Considering the actual operating conditions and needs of every project site, the Group continues to push forward the process optimisation and energy consumption management. Through technological upgrades, it reasonably reduces operating costs, such as electricity and chemical consumption, thereby alleviating the pressure of cost increases caused by external factors. **(3) Dynamically assessing technological approaches and coordinating resource reserves by selecting the best option.** The Group closely monitors technological advancements and changes in market supply in areas such as core chemicals and key equipment. Based on actual needs, it compares and selects high-quality solutions within and outside the Chinese Mainland in a comprehensive manner and flexibly optimises procurement arrangements while ensuring quality and cost control. At the same time, the Group is strengthening its R&D capabilities in areas such as smart operation and maintenance and low-carbon processes, constantly improving supply chain resilience and operating efficiency to provide stronger support for long-term cost control.

6. **Fund and Financing Management Risks**

Description: The projects of the Group are mostly implemented under asset-heavy models such as Build-Operate-Transfer (BOT). The Group is required to make substantial capital investment during the construction phase of a project, whereas investment returns are realised gradually through phased collection of waste water treatment service fees over the operation period, resulting in a lengthy capital recovery cycle. There exists an inherent time-lag between the cash inflows from fee collection and the pace of investment. Any temporary funding mismatch or ineffective management of financing costs may adversely affect the Group's financial position and the normal operation of its projects.

Responsive measures: (1) Co-ordinating financing plans through scientific methods and dynamically managing funding costs. The Group continuously monitored the changes in the money and capital markets both within and outside the Chinese Mainland and closely tracked Renminbi exchange rate and interest rate trends. Additionally, the Group made prudent forecasts of its capital needs based on the actual progress of each project, coordinated the allocation of funds within and outside the Chinese Mainland, and formulated the financing plans in accordance with financial ratio indicators, thereby effectively managing overall financing costs and mitigating the risks arising from fluctuations in exchange rates and interest rates while ensuring adequate funding. **(2) Maintaining reasonable financial resilience through flexible adjustment of financing structure.** The Group proactively broadened and diversified its financing channels by leveraging both direct and indirect financing instruments. By timely adjusting the mix of long-term and short-term debt maturity profile, the Group optimised its financing structure while maintaining stringent control over its gearing ratio and capital utilisation efficiency. By maintaining sufficient bank credit lines and diversified funding sources, the Group has strengthened its financial resilience against market volatility and kept its overall financing costs at a reasonable and manageable level. **(3) Strengthening full-cycle liquidity management to reinforce the safeguard for fund security.** The Group continued to enhance its operating cash flow forecast and real-time monitoring mechanisms, coordinating fund deployment across all project companies and optimising the timing of operating expenditures. While accelerating trade receivables collection, the Group strengthened its fund reserve management, appropriately managed the pace of financing activities, and aligned principal and interest repayment schedules. By maintaining reasonably sufficient cash reserves, the Group effectively mitigated liquidity risks and safeguarded the stable operation of its businesses.

7. Talent Development Risk

Description: The cultivation of key management and technical personnel in the water services industry requires a relatively long lead time. At the same time, the complex and rapidly changing external environment places higher demands on the Group's workforce, creating a need for versatile leaders with both business acumen and management expertise.

Responsive measures: (1) Cultivating corporate culture. During the Review Period, the Group remained committed to fostering a positive corporate culture to promote a conducive working environment and ensure the overall stability of its workforce, and nurtured a high-quality team through systematic team building and talent cultivation, laying a solid foundation for the Group's sustained, high-quality development. **(2) Establishing a talent reserve pool and conducting regular employee training.** The Group placed great emphasis on talent development and employee training, regularly engaging external experts to provide professional training, with particular focus on enhancing the capabilities of reserve cadres and young employees in areas such as risk management and compliance, leadership, strategic thinking, and innovation. **(3) Optimising the selection, promotion, ranking and remuneration systems, and streamlining the promotion paths for employees.** The Group identified outstanding talents through internal competitions, and provided targeted training to the next generation of the Group's workforce. This approach effectively addressed key vacancies and dual-role issues in certain projects, opened development channels for cadres in critical management positions, and enhanced the utilisation of both internal and external talent resources. During the Review Period, the Company further refined its diversified talent ranking system, enhanced team vitality through rank and salary reforms, and remained committed to building a talent culture where "those who are capable have their place, and those who are diligent are rewarded" – encouraging diligence and responsibility, and rewarding achievement and contribution.

8. Regulatory and Policy Risks

Description: The Group's core businesses cover municipal infrastructure concessions and the operation of waste water treatment plants in the PRC. These sectors are subject to stringent regulation under relevant laws, regulations and policies. As macro-level environmental protection policies continue to be refined, and regulatory standards become increasingly stringent, the Group may face risks such as rising compliance costs.

Responsive measures: (1) Closely monitoring legal and policy developments. The Group has assigned dedicated personnel to regularly update and summarise the national laws and policies in China, and keep a close watch on major legal and policy developments within the industry. **(2) Engaging external expert advisers.** The Group engages external expert advisers on an annual basis to conduct specialised training, disseminate and interpret the material adjustments and refinements in laws, regulations and industry policies during the year, share relevant compliance experience and market practices, and provide appropriate recommendations on the Group's response measures, so as to ensure continued compliance. **(3) Promptly adjusting strategies and business models.** The Group will make timely adjustments to its business development strategies and related systems in line with the legal and policy developments while safeguarding the Group's interests, so as to ensure that the Group's business and working procedures remain in compliance with the latest laws and adapt to the latest policies at all times.

ENVIRONMENTAL AND SOCIAL MANAGEMENT

As a leading integrated water environment management service provider in China, the Group remains committed to fulfilling its environmental and social responsibilities by embedding environmental and social management principles throughout its day-to-day operations across the entire operational cycle, with the aim of driving the diversified enhancement, technological optimisation and promotion of integrated water environment management solutions. All of the Group's projects in operation have obtained, or are planning to obtain, various internationally recognised management system certifications, including ISO 9001 Quality Management System, ISO 14001 Environmental Management System and ISO 45001 Occupational Health and Safety Management System.

Prior to project implementation, the Group conducts comprehensive environmental and social risk identification, assessment, and risk classification and control, and ensures that all statutory permits and approvals, including environmental impact assessment approvals, planning permits and construction permits, are fully obtained before the commencement of construction. Upon completion of project construction and commissioning, the Group promptly carries out environmental protection inspections, completes the environmental protection acceptance filings, and timely handles project completion acceptance along with other compliance formalities.

The Group strictly complies with all applicable laws and regulations relating to environmental protection, production safety, occupational health, employment, and social responsibility, including the *Anti-Unfair Competition Law of the PRC, Law of the PRC on Product Quality, Water Pollution Prevention and Control Law of the PRC, Labour Law of the PRC, Work Safety Law of the PRC, Social Insurance Law of the PRC, Environmental Protection Law of the PRC, Law of the PRC on Environmental Impact Assessment, Law of the PRC on the Prevention and Control of Environmental Pollution by Solid Waste, Ecological and Environmental Code of the PRC, Regulations on the Administration of Pollutant Discharge Permits, Regulations on Urban Drainage and Sewage Treatment, and Regulations on Environmental Management of Construction Projects*, as well as relevant pollutant discharge standards issued by national and local authorities in China . The Group continues to improve the water environment and aquatic ecosystem quality in the locations where its projects operate. The effluent quality of its projects consistently complies with, and in most cases exceeds, the Grade 1A standard under the *Discharge Standard of Pollutants for Municipal Wastewater Treatment Plant* (GB18918-2002). The Group also strictly complies with more stringent local discharge limits in China where applicable, thereby minimising the environmental impacts of waste water discharge and safeguarding public health and ecological well-being. During 1HFY2026, the Group recorded no environmental incidents or work safety accidents, and was not subject to any administrative penalties for non-compliance with environmental or work safety laws and regulations, nor did it incur any related financial or reputational losses.

To foster sustainable development and create long-term value for stakeholders, the Group fully implements the QEHS Management System and Risk Management System, establishing a timely and comprehensive ESG information disclosure mechanism. During 1HFY2026, the Group further enhanced the implementation of the QEHS Management System across different business levels, with its management scope covering employees, on-site third-party contractors and subcontractors, outsourced operation and maintenance personnel, and other relevant parties, thereby continuously improving internal control and risk response processes. The Group will continue to optimise the QEHS Management System, strengthen emergency response capabilities for environmental and safety incidents, promote all-rounded sustainable operations, and minimise potential negative environmental, safety, health and social impacts of its projects on surrounding communities.

To further strengthen environmental and social accountability and enhance operational transparency, the Group continues to proactively disclose project operation information through its corporate website, and public disclosure channels of ecological and environmental authorities and housing and urban-rural development authorities, while actively welcoming public oversight. Information made available to the public includes environmental impact assessment approval documents, pollutant discharge permits, annual environmental monitoring plans, environmental emergency preparedness and response plans, and monitoring reports relating to waste water discharge, odour emissions and noise.

Meanwhile, in response to China's national policies on public access to environmental protection facilities, the Group continues to open its waste water treatment facilities to the public. By organising public site visits, environmental science seminars and interactive experience activities, the Group leverages its operational waste water treatment facilities to establish regular environmental education bases, enabling the public to deepen their understanding of water resource conservation and waste water pollution treatment, while promoting the Group's achievements in ecological protection.

As at 30 June 2026, a total of 49 waste water treatment projects of the Group had been officially opened to the public. During 1HFY2026, the Group's projects received 68 batches of public visitors, totalling more than 3,288 visitors. The Group also continued to collaborate with local ecological and environmental organisations, technology associations and government authorities to organise online and offline environmental science activities and conduct regular environmental education and publicity initiatives. A total of 28 waste water treatment plants of the Group have been recognised with national, provincial and municipal-level honorary titles in China, including "Publicly Open Environmental Protection Facility", "Environmental Education Hub" and "Science Popularisation and Education Hub".

CORPORATE GOVERNANCE

The Board and Management firmly believe that high standards of corporate governance form the cornerstone of the Group. Accordingly, they will continue to uphold robust corporate governance practices to enhance the long-term value of the Company and returns to the Shareholders, and to safeguard the Shareholders' interests.

The Company's corporate governance practices are in line with the (i) principles and provisions under Singapore's Code of Corporate Governance 2018 (the "SGX CG Code"); and (ii) principles and code provisions of the Corporate Governance Code (the "SEHK CG Code") as set out in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "SEHK Listing Rules"). In the event of any conflicts between the SGX CG Code and the SEHK CG Code, the Company will comply with the more stringent requirements.

Throughout 1HFY2026, the Company has complied with all applicable principles and provisions under the SGX CG Code and the SEHK CG Code except for the following deviation with the reason explained below:

(i) Code Provision F.1.3 of the SEHK CG Code stipulates that the chairman of the board should attend the annual general meeting, while Provision 11.3 of the SGX CG Code stipulates that all directors shall attend general meetings of shareholders. At the Company's annual general meeting held on 22 April 2026 (the "AGM"), Mr. Luan Zusheng, the then Chairman of the Board (the "Chairman"), was unable to attend due to his other important business commitments. Mr. Ng Joo Hee Peter was elected as the chairman of the AGM, and all the other Directors were present and available to answer all the questions raised by the Shareholders. The Company will encourage and support all Directors to attend the general meetings by all means whenever necessary, and the Directors will make every effort to attend the general meetings.

(ii) Pursuant to Code Provision C.2.1 of the SEHK CG Code and Provision 3.1 of the SGX CG Code, the roles of the chairman and the chief executive should be separate and should not be performed by the same individual.

    Following the resignation of Mr. Luan Zusheng as the non-executive Director and the Chairman with effect from 17 July 2026, Mr. Xiong Jianping ("Mr. Xiong"), the Chief Executive Officer of the Company (the "CEO"), has assumed the role of acting Chairman.

    In relation to the deviation from the relevant provisions of the SEHK CG Code and the SGX CG Code, the Company has clearly set out in writing the respective roles and responsibilities of the Chairman and the CEO. Mr. Xiong is familiar with the business of the Group and possesses extensive management experience and exceptional professional expertise. The assuming of the role of acting Chairman by the CEO will maintain the efficiency of the Group's decision making and operations, thereby ensuring the continued implementation of the Group's overall strategies. A majority of the Board comprises independent non-executive Directors (four out of five members), providing a strong degree of independence in its composition and decision-making. As all major decisions are made in consultation with the members of the Board, the Board is therefore of the view that the balance of responsibilities and authority under the current arrangement will not be impaired and the Company will continue to make and implement decisions in a timely and effective manner. In addition, the current arrangement under which Mr. Xiong assumes the role of acting Chairman is temporary. The Company is making effort to appoint a new Chairman, and will endeavour to complete the appointment and make the relevant announcement as soon as possible. The Company will ensure that the roles of the Chairman and the CEO are held by separate individuals, thereby complying with the relevant provisions of the SEHK CG Code and the SGX CG Code.

The Company will remain committed to enhancing its corporate governance appropriate to the conduct and growth of its business, and to continuously reviewing, monitoring and assessing from time to time its corporate governance practices to ensure the same comply with the SEHK CG Code and the SGX CG Code, and align with the latest developments.

Details of the Company's corporate governance practices are set out in its FY2025 annual report published in March 2026.

DEALINGS IN THE SECURITIES

The Company has adopted an internal code (the "Internal Code") governing dealings in securities by Directors, officers and relevant employees of the Group who are likely to be in possession of unpublished price sensitive information of the Group. The Internal Code is in line with the requirements of the SEHK Listing Rules and the SEHK CG Code on terms no less exacting than the *Model Code for Securities Transactions by Directors of Listed Issuers* (the "Model Code") as set out in Appendix C3 to the SEHK Listing Rules, in addition to the requirements of the SGX Listing Manual and the SGX CG Code. The Internal Code has been disseminated to all the Directors, officers and relevant employees of the Group.

The Directors, officers and relevant employees of the Group have been informed not to deal in the Company's securities at all times whilst in possession of unpublished price-sensitive information and during the periods commencing:

(a) 30 days immediately preceding the publication date of the announcement of the Company's interim results (and quarterly results, if any) or, if shorter, the period from the end of the relevant half-year (and the relevant quarter, if applicable) up to the publication date of the results; and

(b) 60 days immediately preceding the publication date of the announcement of the Company's full-year results or, if shorter, the period from the end of financial year and up to the publication date of the results.

The Directors, officers and relevant employees of the Group are also expected to observe relevant insider trading laws at all times, even when dealing in securities within permitted trading periods or while they are in possession of unpublished inside information or price-sensitive information of the Company and they are not to deal in the Company's securities on short-term considerations.

Having made specific enquiries to the Directors, all Directors confirmed that they had complied with the required standard as set out in the Model Code and the Internal Code throughout 1HFY2026.

Interim Dividend

(a) Current financial period reported on

Any dividend declared for the current financial period reported on? Yes

As part of the Directors' continuing efforts to enhance the Shareholders' return, when they deem appropriate for the Company to do so, the Directors will recommend or declare a dividend. The Directors have declared an interim dividend of HK6.09 cents (equivalent to 1.00 Sing cent) per ordinary share for 1HFY2026 ("1HFY2026 Interim Dividend").

Name of Dividend	1HFY2026 Interim Dividend
Dividend Type	Cash
Dividend Amount	HK6.09 cents (equivalent to 1.00 Sing cent) per ordinary share
Tax Rate	One-Tier Tax Exempt

(b) Corresponding period of the immediately preceding financial year

Name of Dividend	1HFY2025 Interim Dividend
Dividend Type	Cash
Dividend Amount	HK6.09 cents (equivalent to 0.99 Sing cents) per ordinary share
Tax Rate	One-Tier Tax Exempt

(c) Date payable

The 1HFY2026 Interim Dividend will be paid on or around 14 September 2026 (Monday).

(d) Books closure date(s)

For Singapore Shareholders

The Register of Transfer and Register of Members of the Company will be closed at 5:00 p.m. (Singapore time) on 28 August 2026 (Friday), being the Singapore Books Closure Date for the purpose of determining the entitlement of the Singapore Shareholders to the 1HFY2026 Interim Dividend.

Duly completed registrable transfers of shares received by the Company's Singapore Share Transfer Agent, Boardroom Corporate & Advisory Services Pte. Ltd., 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632 up to 5:00 p.m. (Singapore time) on 28 August 2026 (Friday) will be registered before entitlements to the 1HFY2026 Interim Dividend are determined. Members whose securities accounts with The Central Depository (Pte) Limited are credited with shares as at 5:00 p.m. (Singapore time) on 28 August 2026 (Friday) will rank for the 1HFY2026 Interim Dividend.

For Hong Kong Shareholders

The Hong Kong branch register of members of the Company will be closed from 31 August 2026 (Monday) to 1 September 2026 (Tuesday), both days inclusive, and during this period no transfer of shares will be registered. Shareholders whose names appear on the Hong Kong branch register of members of the Company as at 4:30 p.m. (Hong Kong time) on 28 August 2026 (Friday) (being the record date for the purpose of determining the entitlement of the Hong Kong Shareholders to the 1HFY2026 Interim Dividend) will be entitled to the 1HFY2026 Interim Dividend.

Duly completed registrable transfers of shares received by the Company's Hong Kong Share Registrar and Transfer Office, Boardroom Share Registrars (HK) Limited, 2103B, 21/F., 148 Electric Road, North Point, Hong Kong, up to 4:30 p.m. (Hong Kong time) on 28 August 2026 (Friday), will be registered before entitlements to the 1HFY2026 Interim Dividend are determined.

Purchase, Sale or Redemption of Listed Securities

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of its listed securities for the six months ended 30 June 2026. As at 30 June 2026, the Company did not have any subsidiary holdings.

Convertibles, Preference Shares and Treasury Shares

The Company did not have any outstanding convertibles, preference shares and treasury shares as at 30 June 2026 and 30 June 2025. During the six months ended 30 June 2026, there were no sales, transfers, disposals, cancellation and/or use of treasury shares.

Disclosure on acquisition or sale of shares in companies pursuant to Rule 706A of the SGX Listing Manual

Zibo Everbright Water Energy Development Company Limited, Everbright Water (Xinyi) Limited, EW Environmental Protection (Changzhou) Co., Ltd. and Risheng New Energy Technology (Juxian) Co., Ltd., all being indirect wholly-owned subsidiaries of the Company incorporated in the PRC, were struck off the register on 30 March 2026, 3 April 2026, 8 April 2026 and 27 May 2026 respectively.

Save for the above, during 1HFY2026, there were no acquisitions or sales of shares resulting in any entity becoming or ceasing to be a subsidiary or associated company of the Company, as required by Rule 706A of the SGX Listing Manual.

Where a forecast, or a prospect statement, has been previously disclosed to Shareholders, any variance between it and the actual results.

None.

Publication of Interim Results and Interim Report

The interim results announcement for 1HFY2026 is published on (i) the SGXNet at *https://www.sgx.com*; (ii) the website of HKEx at *https://www.hkexnews.hk*; and (iii) the Company's website at *https://www.ebwater.com* by going to "Investor Relations" and clicking on the hyperlink "Announcements & Circulars – SGX" or "Announcements & Circulars – HKEX". The FY2026 interim report of the Company containing, among others, all the information required by the SEHK Listing Rules, will be published on the SGXNet and the websites of HKEx and the Company in due course.

Confirmation that the issuer has procured undertakings from all its Directors and executive officers under Rule 720(1) of the SGX Listing Manual

Pursuant to Rule 720(1) of the SGX Listing Manual, the Company has procured undertakings from all its Directors and executive officers.

Confirmation by the Board pursuant to Rule 705(5) of the SGX Listing Manual

The Board confirms that to the best of its knowledge, nothing has come to the attention of the Board which may render the unaudited interim financial results for 1HFY2026 to be false or misleading in any material aspect.

On behalf of the Board
China Everbright Water Limited
Xiong Jianping
Executive Director

Hong Kong SAR of China and Singapore, 11 August 2026

As at the date of this announcement, the Board comprises: (i) an executive Director, namely Mr. Xiong Jianping; and (ii) four independent non-executive Directors, namely Ms. Hao Gang, Mr. Ng Joo Hee Peter, Mr. Soh Kok Leong and Ms. Chan Pui Shan Sandy.