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New Universe Environmental Group Limited
新宇環保集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 436)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2026

FINANCIAL HIGHLIGHTS

- Revenue for the six months ended 30 June 2026 was approximately HK$181,018,000, representing an increase of 9.6% as compared to approximately HK$165,119,000 for the corresponding period in 2025.

- Net loss for the six months ended 30 June 2026 was approximately HK$14,087,000, as compared to a net loss of approximately HK$13,509,000 for the corresponding period in 2025.

- Loss attributable to owners of the Company for the six months ended 30 June 2026 was approximately HK$11,705,000, as compared to a loss of approximately HK$10,619,000 for the corresponding period in 2025.

- Equity attributable to owners of the Company at 30 June 2026 was approximately HK$900,989,000, representing an increase of 2.2% as compared to approximately HK$881,755,000 at 31 December 2025.

- Cash and cash equivalents of the Group at 30 June 2026 were approximately HK$271,630,000, representing an increase of 0.2% as compared to approximately HK$271,135,000 at 31 December 2025.

- Bank borrowings of the Group at 30 June 2026 were approximately HK$44,826,000, representing a decrease of 9.3% as compared to approximately HK$49,406,000 at 31 December 2025.

- Basic loss per share attributable to owners of the Company for the six months ended 30 June 2026 were HK cents 0.39 as compared to basic loss per share of HK cents 0.35 for the corresponding period in 2025.

- The Board resolved not to declare an interim dividend for the six months ended 30 June 2026.

INTERIM RESULTS

The board of directors (the "**Directors**") of New Universe Environmental Group Limited (the "**Company**") announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively referred to as the "**Group**") for the six months ended 30 June 2026, together with the comparative figures for the corresponding period in 2025.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		Six months ended 30 June	
		2026	2025
		(Unaudited)	(Unaudited)
	Note	***HK$'000***	*HK$'000*
Revenue	4(a)	**181,018**	165,119
Cost of sales		**(143,858)**	(139,075)
Gross profit		**37,160**	26,044
Other revenue	5	**3,925**	3,704
Other income	6	**724**	2,833
Distribution costs		**(8,005)**	(7,663)
Administrative expenses		**(17,658)**	(19,992)
Research and development expenses		**(2,546)**	(2,481)
(Impairment loss)/reversal of impairment loss on trade receivables, net		**(17)**	278
Impairment loss on other receivables		**(14,325)**	–
Other operating expenses	8	**(3,890)**	(2,695)
Operating (loss)/profit		**(4,632)**	28
Finance income	7	**3,508**	1,178
Finance costs	7	**(707)**	(833)
Finance income, net	7	**2,801**	345
Share of results of associates		**(3,905)**	(3,667)
Share of results of a joint venture		**(2,422)**	(4,455)
Loss before taxation	8	**(8,158)**	(7,749)
Income tax	9	**(5,929)**	(5,760)
Loss for the period		**(14,087)**	(13,509)
Attributable to:			
Owners of the Company		**(11,705)**	(10,619)
Non-controlling interests		**(2,382)**	(2,890)
		(14,087)	(13,509)
Loss per share	10		
Basic and diluted		**HK cents (0.39)**	HK cents (0.35)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Loss for the period	**(14,087)**	(13,509)
Other comprehensive income:		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of:		
– overseas subsidiaries	**26,196**	20,233
– overseas associates	**5,010**	3,707
– an overseas joint venture	**48**	599
Items that will not be reclassified subsequently to profit or loss:		
Fair value changes on equity investments at fair value through other comprehensive income (non-recycling)	**9,000**	(13,300)
Deferred tax effect relating to changes in fair value of equity investments	**(690)**	610
Other comprehensive income for the period, net of income tax	**39,564**	11,849
Total comprehensive income/(loss) for the period	**25,477**	(1,660)
Attributable to:		
Owners of the Company	**24,091**	(1,567)
Non-controlling interests	**1,386**	(93)
	25,477	(1,660)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	30 June 2026 (Unaudited) *HK$'000*	31 December 2025 (Audited) *HK$'000*
Non-current assets			
Property, plant and equipment		**488,895**	494,476
Right-of-use assets		**93,113**	92,760
Goodwill		**33,000**	33,000
Interests in associates		**126,613**	125,508
Interest in a joint venture		**–**	2,374
Equity investments at fair value through other comprehensive income		**103,900**	94,900
Deferred tax assets		**2,867**	2,755
		848,388	845,773
Current assets			
Inventories		**4,316**	4,034
Trade and bills receivables	12	**84,942**	63,841
Prepayments, deposits and other receivables	13	**89,427**	60,176
Pledged bank deposits		**1,860**	1,954
Cash and cash equivalents		**271,630**	271,135
		452,175	401,140
Assets classified as held for sale		**15,085**	14,497
		467,260	415,637
Current liabilities			
Bank borrowings		**44,826**	49,406
Trade and bills payables	14	**36,656**	34,704
Accrued liabilities and other payables	15	**195,086**	157,023
Contract liabilities		**2,864**	4,722
Deferred government grants		**1,392**	1,658
Income tax payable		**2,441**	2,429
		283,265	249,942
Net current assets		**183,995**	165,695
Total assets		**1,315,648**	1,261,410
Total assets less current liabilities		**1,032,383**	1,011,468

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

	30 June 2026 (Unaudited) *HK$'000*	31 December 2025 (Audited) *HK$'000*
Non-current liabilities		
Deferred government grants	**5,201**	5,348
Deferred tax liabilities	**30,238**	29,796
	35,439	35,144
Total liabilities	**318,704**	285,086
Net assets	**996,944**	976,324
Capital and reserves		
Share capital	**30,357**	30,357
Reserves	**870,632**	851,398
Equity attributable to owners of the Company	**900,989**	881,755
Non-controlling interests	**95,955**	94,569
Total equity	**996,944**	976,324

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2026

1. GENERAL INFORMATION

(a) The Company, New Universe Environmental Group Limited, was incorporated on 12 November 1999 in the Cayman Islands under the Companies Act, Cap. 22 of the Cayman Islands as an exempted company with limited liability.

(b) The registered office of the Company is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The principal place of business of the Company is located at Rooms 2110-2112, 21/F, Telford House, 16 Wang Hoi Road, Kowloon Bay, Kowloon, Hong Kong.

(c) These unaudited condensed consolidated interim financial statements are presented in Hong Kong dollars ("**HK$**") that is also the functional currency of the Company while the functional currency of the subsidiaries in the mainland of The People's Republic of China ("**China**" or the "**PRC**") is Renminbi ("**RMB**"). As the Company's issued Shares are listed in Hong Kong where most of its investors are located, the Directors of the Company consider that it is more appropriate to present the financial statements in HK$. All values presented in these unaudited condensed consolidated interim financial statements are rounded to the nearest thousand ("**HK$'000**") unless otherwise stated.

2. BASIS OF PREPARATION

These unaudited condensed consolidated interim financial statements of the Company for the six months ended 30 June 2026 has been prepared in accordance with the applicable requirements of Appendix D2 "Disclosure of Financial information" to The Rules Governing the Listing of Securities on the Stock Exchange, including compliance with Hong Kong Accounting Standard ("**HKAS**") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**").

The unaudited condensed consolidated interim financial statements of the Company were approved by the Board on 14 August 2026.

3. CHANGES IN ACCOUNTING POLICIES

The Group has applied the following amendments to HKFRSs issued by the HKICPA to this interim financial report for the current accounting period:

- Amendments to HKFRS 9 and HKFRS 7, Amendments to the Classification and Measurement of Financial Instruments

- Annual Improvements to HKFRS Accounting Standards Volume 11, Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7

- Amendments to HKFRS 9 and HKFRS 7, Contracts Referencing Nature-dependent Electricity

None of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

4. REVENUE AND SEGMENT INFORMATION

(a) Revenue

Revenue of the Group represents the revenue generated from hazardous waste incineration and landfill services, industrial sewage treatment services and providing related utilities and management services, and providing factory facilities.

Disaggregation of revenue from contracts with customers by service lines is as follows:

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Revenue from contracts with customers		
Disaggregation by service lines		
– Revenue from hazardous waste incineration and landfill services	**119,718**	108,444
– Revenue from industrial sewage treatment services and providing related utilities and management services	**47,520**	43,596
	167,238	152,040
Revenue from other sources		
– Leasing income from providing factory facilities	**13,780**	13,079
	181,018	165,119
Timing of revenue recognition in respect of contracts with customers		
– At a point in time	**119,718**	108,444
– Over time	**47,520**	43,596
	167,238	152,040

For the six months ended 30 June 2026, there was no customer with whom transactions have exceeded 10% of the Group's revenue (2025: Nil).

The Group has applied practical expedient of HKFRS 15, Revenue from Contracts with Customers to exempt the disclosure of revenue expected to be recognised in the future arising from contracts with customers in existence at the end of the reporting period as the performance obligation is part of a contract that has an original expected duration of one year or less.

(b) Segment reporting

The Group manages its business by segments, which are organised by business lines. In a manner consistent with the way in which information is reported internally to the Company's executive Directors, being the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following three reportable segments. No operating segments have been aggregated to form the following reportable segments:

(i) provision of environmental treatment and disposal services for industrial and medical wastes;

(ii) provision of environmental plating sewage treatment services and provision of management services, utilities and leasing out certain factory buildings under operating leases in an eco-plating specialised zone; and

(iii) investments in plastic materials dyeing business.

(c) **Segment results, assets and liabilities**

For the purpose of assessing segment performance and allocating resources between segments, the Group's most senior executive management monitors the results, assets and liabilities of the Group attributable to each reportable segment for the period under review as follows:

For the six months ended 30 June 2026 (Unaudited)

	Operating segments					
	Environmental waste treatment and disposal *HK$'000*	**Environmental sewage treatment, management services, utilities and facilities** *HK$'000*	**Plastic dyeing investments** *HK$'000*	**Segment sub-total** *HK$'000*	**Unallocated head office and corporate** *HK$'000*	**Total** *HK$'000*
Revenue from external customers	119,718	61,300	–	181,018	–	181,018
Other revenue	–	–	3,925	3,925	–	3,925
Reportable segment revenue	119,718	61,300	3,925	184,943	–	184,943
Reportable segment results	(21,503)	17,289	3,602	(612)	(7,546)	(8,158)
Other income	253	471	–	724	–	724
Finance income	2,669	753	–	3,422	86	3,508
Finance costs	(707)	–	–	(707)	–	(707)
Depreciation of property, plant and equipment	(22,943)	(8,992)	–	(31,935)	(195)	(32,130)
Depreciation of right-of-use assets	(535)	(955)	–	(1,490)	–	(1,490)
Impairment loss on trade receivables, net	(17)	–	–	(17)	–	(17)
Impairment loss on other receivables	(14,325)	–	–	(14,325)	–	(14,325)
Reportable segment assets at end of reporting period	832,640	332,160	107,764	1,272,564	43,084	1,315,648
Additions to non-current segment assets	473	6,627	–	7,100	–	7,100
Reportable segment liabilities at end of reporting period	243,880	58,004	8,931	310,815	7,889	318,704

For the six months ended 30 June 2025 (Unaudited)

	Operating segments					
	Environmental waste treatment and disposal *HK$'000*	Environmental sewage treatment, management services, utilities and facilities *HK$'000*	Plastic dyeing investments *HK$'000*	Segment sub-total *HK$'000*	Unallocated head office and corporate *HK$'000*	Total *HK$'000*
Revenue from external customers	108,444	56,675	–	165,119	–	165,119
Other revenue	–	–	3,704	3,704	–	3,704
Reportable segment revenue	108,444	56,675	3,704	168,823	–	168,823
Reportable segment results	(17,156)	13,732	3,393	(31)	(7,718)	(7,749)
Other income	1,282	1,542	–	2,824	9	2,833
Finance income	902	208	–	1,110	68	1,178
Finance costs	(833)	–	–	(833)	–	(833)
Depreciation of property, plant and equipment	(25,321)	(9,152)	–	(34,473)	(281)	(34,754)
Depreciation of right-of-use assets	(515)	(945)	–	(1,460)	–	(1,460)
Reversal of impairment loss on trade receivables, net	278	=	–	278	–	278
Reportable segment assets at 31 December 2025	821,518	318,602	95,161	1,235,281	26,129	1,261,410
Additions to non-current segment assets for 12 months ended 31 December 2025	4,175	26,905	–	31,080	6	31,086
Reportable segment liabilities at 31 December 2025	208,470	65,048	8,241	281,759	3,327	285,086

(d) Reconciliation of reportable segment revenue, profit or loss, assets and liabilities

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Revenue		
Consolidated revenue	**181,018**	165,119
Elimination of inter-segment revenue	**–**	–
Other revenue	**3,925**	3,704
Reportable segment revenue	**184,943**	168,823
Loss before taxation		
Reportable segment loss	**(612)**	(31)
Unallocated head office and corporate expenses, net	**(7,546)**	(7,718)
Consolidated loss before taxation	**(8,158)**	(7,749)

	30 June	31 December
	2026	2025
	(Unaudited)	(Audited)
	HK$'000	*HK$'000*
Assets		
Reportable segment assets	**1,272,564**	1,235,281
Unallocated head office and corporate assets	**43,084**	26,129
Consolidated total assets	**1,315,648**	1,261,410
Liabilities		
Reportable segment liabilities	**310,815**	281,759
Unallocated head office and corporate liabilities	**7,889**	3,327
Consolidated total liabilities	**318,704**	285,086

(e) Geographical information

All revenue and non-current assets of the Group are generated from and located in the PRC, respectively. Accordingly, no analysis by geographical basis is presented.

5. OTHER REVENUE

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Dividend income from equity investments at fair value through other comprehensive income	**3,925**	3,704

6. OTHER INCOME

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Government grants	**11**	–
Release of deferred governmental grants	**683**	810
Waiver concessions received from service providers	**–**	626
Net settlement proceeds from fire accident mediation	**–**	864
Sundry income	**30**	533
	724	2,833

7. FINANCE INCOME AND COSTS

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Finance income from:		
Interest income on bank deposits	**1,834**	1,960
Net foreign exchange gain/(loss)	**1,674**	(782)
Total finance income	**3,508**	1,178
Interest expenses on:		
Bank borrowings	**707**	833
Total finance costs	**707**	833
Net finance income	**2,801**	345

8. LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging:

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Depreciation of property, plant and equipment	**32,130**	34,754
Depreciation of right-of-use assets	**1,490**	1,460
Operating lease charges for minimum lease payments		
– land and buildings in Hong Kong	**540**	540
– landfill in the PRC	**57**	54
Other operating expenses:		
– net loss on disposal of property, plant and equipment	**28**	3
– costs on litigations and non-compliance incidents	**–**	209
– legal and professional expenses	**2,736**	1,917
– other expenses	**1,126**	566
	3,890	2,695
Total staff costs (inclusive of Directors' emoluments)	**31,413**	32,024
Cost of sales	**143,858**	139,075

9. INCOME TAX

Income tax in the condensed consolidated statement of profit or loss represents:

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Current tax		
PRC Corporate Income Tax	**4,352**	4,728
Under-provision in respect of prior periods	**122**	118
PRC Dividend Withholding Tax	**1,704**	1,072
	6,178	5,918
Deferred tax		
PRC Dividend Withholding Tax	**(1,704)**	(1,072)
Origination and reversal of other temporary differences	**1,455**	914
	5,929	5,760

Notes:

(i) Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Group is not subject to any income tax in the Cayman Islands and the British Virgin Islands.

(ii) Hong Kong Profits Tax is calculated at 16.5% (2025: 16.5%) of the estimated assessable profits for the periods. No provision for Hong Kong Profits Tax has been made, as the Group had no assessable profits arising in Hong Kong during the six months ended 30 June 2026 and 2025.

(iii) The Company's subsidiaries in the PRC are subject to a statutory Corporate Income Tax ("**CIT**") at the rate of 25% (2025: 25%), except for the subsidiaries which are qualified as the High and New Technology Enterprise in the PRC that would be entitled to enjoy a preferential CIT at the rate of 15% (2025: 15%).

(iv) Dividend distribution from subsidiaries in the PRC to the holding companies in Hong Kong is subject to a reduced withholding tax rate of 5% (2025: 5%).

10. LOSS PER SHARE

(a) Basic loss per share

The calculation of basic loss per share is based on the loss attributable to owners of the Company for the six months ended 30 June 2026 of approximately HK$11,705,000 (six months ended 30 June 2025: loss of approximately HK$10,619,000) and the weighted average number of 3,035,697,018 (six months ended 30 June 2025: 3,035,697,018) ordinary shares of the Company in issue during the period.

(b) Diluted loss per share

There were no dilutive potential ordinary shares in existence during both periods, therefore, diluted earnings/loss per share is the same as basic earnings/loss per share.

11. DIVIDENDS

The Directors do not recommend the payment of any interim dividend for the six months ended 30 June 2026 (2025: Nil).

12. TRADE AND BILLS RECEIVABLES

	30 June 2026 (Unaudited) ***HK$'000***	31 December 2025 (Audited) *HK$'000*
Trade receivables	**64,409**	50,802
Lease receivables	**19,618**	6,902
Bills receivables	**12,382**	17,157
	96,409	74,861
Less: allowance for credit loss	**(11,467)**	(11,020)
	84,942	63,841

Aging analysis

The ageing analysis of trade and bills receivables (including lease receivables) as of the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	30 June 2026 (Unaudited) *HK$'000*	31 December 2025 (Audited) *HK$'000*
0 to 30 days	**38,489**	39,163
31 to 60 days	**21,930**	8,652
61 to 90 days	**11,268**	5,372
91 to 180 days	**7,776**	4,218
181 to 360 days	**587**	3,397
Over 1 year	**4,892**	3,039
	84,942	63,841

The Group's trading terms with its customers are mainly on credit. The Group allows an average credit period of 60 days to its customers of environmental integrated treatment and disposal services for industrial waste, sewage and sludge, and an extended average credit period of 180 days to the customers of regulated medical waste treatment services which are hospitals and medical clinics.

13. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	Note	**30 June 2026 (Unaudited)** *HK$'000*	31 December 2025 (Audited) *HK$'000*
Other receivables		**1,837**	251
Prepayments		**5,828**	7,584
Dividends receivable from equity investments		**3,630**	–
Guaranteed liability recoverable from a joint venture, net	(i), (iii)	**31,273**	–
Amounts due from a joint venture, net	(ii), (iii)	**35,655**	41,574
Consideration receivable from disposal of a subsidiary	(i)	**11,204**	10,767
		89,427	60,176

Notes:

(i) The amount due is unsecured, interest free and repayable on demand.

(ii) The amount due is unsecured, bearing interest at rates ranging from 3.20% to 4.05% per annum and repayable on demand.

(iii) For the six months ended 30 June 2026, the Company recognised an aggregate ECL impairment loss of approximately HK$14,325,000 on other receivables relating to the joint venture, Xinyu Rongkai, comprising approximately HK$6,414,000 and HK$7,911,000 in respect of the guaranteed liability recoverable from the joint venture and amounts due from the joint venture, respectively.

14. TRADE AND BILLS PAYABLES

	30 June 2026	31 December 2025
	(Unaudited)	(Audited)
	HK$'000	*HK$'000*
Trade payables	**30,650**	28,377
Bills payables	**6,006**	6,327
	36,656	34,704

The following is an ageing analysis of trade payables based on the invoice date at the end of the reporting period:

	30 June 2026	31 December 2025
	(Unaudited)	(Audited)
	HK$'000	*HK$'000*
0 to 30 days	**12,340**	13,716
31 to 60 days	**5,821**	4,862
61 to 90 days	**3,844**	1,445
Over 90 days	**8,645**	8,354
	30,650	28,377

Trade payables are non-interest bearing and normally settled within 90 days to 180 days.

15. ACCRUED LIABILITIES AND OTHER PAYABLES

	Note	**30 June 2026 (Unaudited)** *HK$'000*	31 December 2025 (Audited) *HK$'000*
Salaries and bonuses payable		**4,354**	9,829
Accounts payable for acquisition of property, plant and equipment		**13,346**	18,435
Costs accrued for land restoration and soil remediation of obsolete plants		**27,696**	26,617
Provision for guaranteed liability of a joint venture	(i)	**37,687**	–
Dividends payable to the shareholders of the Company		**4,857**	–
Dividends payable to non-controlling interests of a subsidiary	(ii)	**57,336**	57,336
Other payables	(iii)	**49,810**	44,806
		195,086	157,023

Notes:

(i) As at 30 June 2026, provision for guaranteed liability of a joint venture was made pursuant to the Liuzhou Court Judgment dated 15 June 2026 for the debts due by the joint venture to a bank in the PRC.

(ii) As at 30 June 2026, dividends payable to the non-controlling interests of the subsidiary, New Universe Environmental Technologies (Jiang Su) Limited ("**NUET(JS)**"), was comprised of amounts attributable to (i) Mr. YIN Yong Xiang approximately to HK$25,540,000 (31 December 2025: HK$25,540,000), (ii) Mr. SUN Jia Qing approximately to HK$25,540,000 (31 December 2025: HK$25,540,000), and (iii) Mr. LIU Lai Gen approximately to HK$6,256,000 (31 December 2025: HK$6,256,000). Mr. YIN Yong Xiang, Mr. SUN Jia Qing and Mr. LIU Lai Gen hold 8%, 8% and 2% of the equity interests in NUET(JS) respectively. Mr. YIN Yong Xiang, Mr. SUN Jia Qing and Mr. LIU Lai Gen have been relieved from the office as directors of Zhenjiang New Universe Solid Waste Disposal Company Limited ("**Zhenjiang New Universe**"), the wholly owned subsidiary of NUET(JS), with effect from 1 June 2026.

(iii) As at 30 June 2026, other payables mainly comprised of, (i) audit fee HK$1,190,000 (31 December 2025: HK$1,350,000), (ii) retentions and deposits received of approximately HK$16,152,000 (31 December 2025: HK$15,010,000), (iii) accruals for selling expenses of approximately HK$7,209,000 (31 December 2025: HK$6,019,000), (iv) other tax payables of approximately HK$1,919,000 (31 December 2025: HK$1,699,000), (v) sewage treatment costs of approximately HK$2,984,000 (31 December 2025: HK$1,945,000), and (vi) repairs and maintenance costs of approximately HK$4,888,000 (31 December 2025: HK$2,661,000).

16. CAPITAL COMMITMENTS

At the end of the reporting period, the Group had the following capital commitments:

	30 June 2026 (Unaudited) ***HK$'000***	31 December 2025 (Audited) *HK$'000*
Contracted but not provided for:		
– Capital expenditure in respect of property, plant and equipment	**9,074**	15,542
– Capital contribution payable to an equity investment	**15,976**	15,941

17. RELATED PARTY TRANSACTIONS

(a) List of related parties

During the reporting period, the Directors are of the view that the following entities and persons are related parties to the Group:

Name of related party	**Relationship**
Sun Ngai International Investment Limited ("**Sun Ngai**")	The Company's Directors, Mr. XI Yu and Ms. CHEUNG Siu Ling are also directors of Sun Ngai.
Zhenjiang Xin Qu Solid Waste Disposal Limited ("**Zhenjiang Xin Qu**")	An associate of the Group.
Liuzhou Xinyu Rongkai Solid Waste Disposal Company Limited* ("**Xinyu Rongkai**")	A joint venture of the Group, of which the Company holds an indirectly owned equity interest of 65%.

(b) Transactions with related parties

	Six months ended 30 June	
	2026 (Unaudited) ***HK$'000***	2025 (Unaudited) *HK$'000*
Operating lease charges (included in administrative expenses of the Group)		
– Sun Ngai	**480**	480
Charges on hazardous waste landfill disposal (included in cost of sales of the Group)		
– Zhenjiang Xin Qu	**426**	2,724

(c) Balances with related parties

	30 June 2026	31 December 2025
	(Unaudited)	(Audited)
	HK$'000	*HK$'000*
Guaranteed liability recoverable from a joint venture, net		
– Xinyu Rongkai	**31,273**	–
Amounts due from a joint venture, net		
– Xinyu Rongkai	**35,655**	41,574
Accounts payable for charges on hazardous waste landfill disposal in relation to an associate		
– Zhenjiang Xin Qu	**–**	398

(d) Key management personnel remuneration

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Salaries and other benefits	**4,996**	5,112
Contributions to retirement schemes	**473**	538
Equity compensation benefits	**–**	154
	5,469	5,804

18. CONTINGENCIES

(a) Legal contingencies

Legal proceedings continued against NUET(JS), an indirect 82% owned subsidiary of the Company incorporated in Hong Kong, initiated by two minority shareholders of NUET(JS), namely Mr. YIN Yong Xiang ("**Plaintiff A**") and Mr. SUN Jia Qing ("**Plaintiff B**"), each holding 8% of the issued share capital of NUET(JS). The Plaintiffs alleged that NUET(JS) should pay accrued and unpaid dividends ("**Actions**"). NUET(JS) received two writs of summons issued by the Jiangsu Zhenjiang Intermediate People's Court (the "**Zhenjiang Intermediate Court**") in May 2022. The Zhenjiang Intermediate Court delivered first instance civil judgments on 4 January 2023 and 5 January 2023 dismissing both Actions. Each Plaintiff subsequently lodged an appeal to the Jiangsu Province High People's Court (the "**Jiangsu High Court**").

In connection with the Actions, Zhenjiang Intermediate Court had approved each of the Plaintiffs' applications to grant each of them an asset preservation order to preserve 38.54% of the equity rights of Zhenjiang New Universe, a wholly-owned subsidiary of NUET(JS) in the PRC, with effect from 18 March 2022 and, with extension granted to 12 March 2028, will last until the Asset Preservation is lifted by the Court.

During the six months ended 30 June 2026, NUET(JS) received two civil judgments of the Jiangsu High Court, both dated 3 April 2026, ordering, among others, that (i) the first instance civil judgments of the Zhenjiang Intermediate Court be revoked; (ii) NUET(JS) shall pay to each Plaintiff HK$25,021,033.60 as total unpaid dividends within ten days from the date on which the respective judgment becomes effective; and (iii) all other claims of each Plaintiff be dismissed (the "**Jiangsu High Court Judgment**").

Following the Jiangsu High Court Judgments, enforcement procedures were commenced by the Zhenjiang Intermediate Court upon applications made by the Plaintiffs. During the period, NUET(JS) and Zhenjiang New Universe received enforcement notices and asset preservation orders, including (i) an enforcement notice requiring NUET(JS) to pay HK$25,021,033.60 together with related fees and interest, and an asset reporting order requiring NUET(JS) to report its assets; (ii) an enforcement judgment preserving NUET(JS)'s shareholder entitlement to dividend distributions from Zhenjiang New Universe up to HK$25,021,033.60 (or RMB22,000,000); (iii) judgments requiring Zhenjiang New Universe not to pay any preserved amount to NUET(JS); (iv) a notice requiring Zhenjiang New Universe to repay RMB19,000,000 owed to NUET(JS) directly to Plaintiff B or to the Zhenjiang Intermediate Court; and (v) a notice requiring Zhenjiang New Universe to provide its books and financial statements to the Zhenjiang Intermediate Court for audit.

The Group has continued to recognise the amounts claimed under the Actions as dividends payable to non-controlling interests of a subsidiary, classified under accrued liabilities and other payables in the condensed consolidated financial statements. No provision has been recognised for interest on these non-interest bearing dividends payable to shareholders and as claimed under the Actions.

The Company has sought legal advice from its PRC and Hong Kong legal advisers and has appointed PRC representative lawyers to proceed with the re-trial application against the Jiangsu High Court Judgments.

As at 30 June 2026, the amounts accrued in the condensed consolidated financial statements for both Plaintiffs were in aggregate of approximately HK$51,080,000 (31 December 2025: HK$51,080,000) (see note 15(ii) to the unaudited interim financial statements).

(b) Contingencies arising from guarantee

On 25 September 2020, the Company and Guangxi Rongkai Huayuan Electroplating Industrial Park Investment Company Limited* (the "**Joint Venturer**" or "**Guangxi Rongkai**") entered into a joint and several guarantee arrangement with Bank of China Limited, Liuzhou Branch ("**BOC Liuzhou Branch**") to secure the repayment obligations of Xinyu Rongkai, a 65% indirectly owned joint venture accounted for using the equity method, in respect of bank loan facilities of RMB120,000,000. The guarantee remains effective until 31 December 2027.

As at 30 June 2026, banking facilities granted by BOC Liuzhou Branch to Xinyu Rongkai amounted to RMB120,000,000 (31 December 2025: RMB120,000,000), of which RMB116,100,000 (31 December 2025: RMB116,100,000) had been utilised. Outstanding loan principal of RMB47,047,500 (31 December 2025: RMB47,047,500) remained unpaid following maturity on 21 June 2025.

Following the default, BOC Liuzhou Branch commenced legal proceedings against Xinyu Rongkai, the Company and the Joint Venturer. On 15 June 2026, the Liuzhou Intermediate People's Court ("**Liuzhou Intermediate Court**") issued the civil judgment (2025) Gui 02 Min Chu No. 38 (the "**Liuzhou Court Judgment**"), ordering: (i) Xinyu Rongkai to repay outstanding principal of RMB47,047,500 together with interest, default interest and compound interest accrued up to 8 April 2026, and thereafter in accordance with the loan agreement until full repayment; (ii) Xinyu Rongkai to pay legal fees of RMB477,800; (iii) BOC Liuzhou Branch being entitled to realise the seven parcels of land use rights and certain equipment mortgaged by Xinyu Rongkai, with proceeds applied in priority towards repayment; (iv) the Company and the Joint Venturer, as guarantors, to bear joint and several liability for the indebtedness with amounts attributable to the Company including: loan principal of RMB30,424,229.80, interest of RMB313,792.13, default interest of RMB1,375,526.48, compound interest of RMB21,725.37; (v) the Company to bear legal fees apportioned at RMB310,570; (vi) all other claims of BOC Liuzhou Branch dismissed; and (vii) the Company to bear 65% of the court case acceptance fee amounting to RMB184,008.50.

The Liuzhou Court Judgment is subject to appeal. The Company has sought legal advice from its PRC and Hong Kong legal advisers and has submitted a formal appeal in July 2026.

As at 30 June 2026, the Company has recognised RMB32,629,852.28 (approximately HK$37,687,000) as financial guarantee liability in the condensed consolidated financial statements for the judged amounts attributable to the Company under the Liuzhou Court Judgment (see note 15(i) to the unaudited interim financial statements).

Xinyu Rongkai is accounted for using the equity method. All liabilities of Xinyu Rongkai, including accrued interest and penalty charges under the Liuzhou Court Judgment, have been fully recognised in its financial statements, and the Group's proportionate share has been reflected in the consolidated financial statements.

(c) Environmental contingencies

For the six months ended 30 June 2026, the Group's subsidiaries have provided regulated medical waste treatment and disposal services to hospitals and medical clinics, and provided hazardous industrial waste treatment services and industrial sewage treatment and disposal services in Jiangsu Province, the PRC. The related operations require valid operating permission licences for processing specific categories of hazardous waste and/or regulated medical waste and industrial sewage treatment services issued by the Environmental Protection Department of the Jiangsu Province, the PRC. To the best knowledge of the Directors, each of the Group's subsidiaries which carries out treatment operations for hazardous industrial waste treatment and/or regulated medical waste and industrial sewage treatment services has complied with the relevant regulations to ensure continuous renewal of the licences concerned with best efforts, or otherwise, the subsidiary would cease its operations temporarily until the relevant licence(s) is being issued. Save as disclosed herein, for the six months ended 30 June 2026 and up to the date of this announcement, the Group's subsidiaries in the PRC have not incurred significant expenditures for environmental remediation and have not currently involved in any significant environmental remediation. In addition, the Company and the Group's subsidiaries in the PRC have not accrued any amounts for environmental remediation relating to its operations. Under existing legislations and regulations, the management believes that there are no probable liabilities that will have a material adverse effect to the financial position or operating results of the Group.

Save as disclosed herein, there were no other significant contingent liabilities of the Group as at 30 June 2026 (31 December 2025: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS AND OTHER INFORMATION

BUSINESS REVIEW

Environmental Treatment and Disposal Services for Industrial and Medical Wastes

For the six months ended 30 June 2026, the Group had collected from external customers for treatment and disposal in aggregate of approximately 49,156 metric tonnes (2025: 81,145 metric tonnes) of different hazardous wastes from various cities in Jiangsu Province, the PRC, and the total segment revenue from the provision of environmental treatment and disposal services for industrial and medical wastes was approximately HK$119,718,000 (2025: HK$108,444,000).

	For the six months ended 30 June			
	2026		2025	
	Waste collected and disposed	**Segment revenue**	Waste collected and disposed	Segment revenue
	metric tonnes	***HK$'000***	*metric tonnes*	*HK$'000*
Hazardous industrial waste	**45,657**	**98,722**	41,586	83,844
Regulated medical waste	**3,499**	**16,095**	3,484	18,560
General industrial waste and others *(note)*	**–**	**4,901**	36,075	6,040
Total	**49,156**	**119,718**	81,145	108,444

Note:

Zhenjiang New Universe, a subsidiary of the Company, has phased out its collection and disposal operations for general industrial waste in early 2025.

The Group holds interests in two associates, with a 30% equity interest in Zhenjiang Xin Qu and a 30% equity interest in Nanjing Chemical Industry Park Tianyu Solid Waste Disposal Co., Limited ("**NCIP**"), that are principally engaged in the operations of providing environmental treatment and disposal of hazardous industrial waste services in Jiangsu Province, the PRC. The attributable results of Zhenjiang Xin Qu and NCIP are accounted for using equity method and classified under the operating segment of industrial and medical waste integrated treatment and disposal services. For the six months ended 30 June 2026, the Group shared a net profit of approximately HK$616,000 (2025: net profit of approximately HK$357,000) from Zhenjiang Xin Qu and shared a net loss of approximately HK$4,521,000 (2025: net loss of approximately HK$4,024,000) from NCIP respectively.

The Group also holds 65% equity interest in a sino-foreign joint venture, Xinyu Rongkai, that is principally engaged in the provision of environmental treatment and disposal services for hazardous industrial waste in Liuzhou, Guangxi Province, the PRC. The attributable results of Xinyu Rongkai is accounted for using equity method and classified under the operating segment of industrial and medical waste integrated treatment and disposal services. For the six months ended 30 June 2026, the Group shared a net loss of approximately HK$2,422,000 (2025: net loss of approximately HK$4,455,000) from Xinyu Rongkai.

For the six months ended 30 June 2026, the Group's environmental treatment and disposal of industrial and medical waste services segment recorded a pre-tax loss of approximately HK$21,503,000 (2025: pre-tax loss of approximately HK$17,156,000).

At the end of the reporting period, the Group's combined capacity of the facilities for the provision of environmental treatment and disposal services for industrial and medical wastes were summarised as follows:

		Annualised capacity	
		30 June 2026	31 December 2025
	Note	***metric tonnes***	*metric tonnes*
Subsidiaries in the PRC:			
Licensed hazardous waste incineration facilities	(i)	**132,650**	135,400
Licensed epidemic medical waste incineration facilities		**11,800**	11,800
Licensed epidemic medical waste hi-temperature steaming treatment facilities	(ii)	**4,675**	3,850
Associated companies in the PRC:			
Licensed hazardous waste incineration facilities	(iii)	**31,667**	38,000
Licensed hazardous waste landfill facilities		**40,000**	40,000
Combined licensed waste treatment and disposal facilities	(iv)	**220,792**	229,050

Notes:

(i) The hazardous waste operating permission licence for the facilities located in Xiangshui, Yancheng, Jiangsu Province, the PRC, with an annual incineration capacity of 33,000 metric tonnes, expired at the end of May 2026. The Group currently has no immediate plan to renew the licence.

(ii) The medical waste high temperature steam treatment facilities located in Zhenjiang, Jiangsu Province, the PRC, were granted a renewed operating permission licence effective from September 2025, with an increase in approved annual treatment capacity from 3,300 metric tonnes to 4,950 metric tonnes.

(iii) The operating permission licence of the associated company, NCIP, lapsed at the end of April 2026. An application for renewal has been duly lodged and was pending governmental approval as at 30 June 2026.

(iv) The combined capacity of the licensed hazardous waste treatment and disposal facilities represents the total effective quantity of hazardous waste permitted to be handled under valid operating licences which contributed to the Group's results as at the end of the reporting period calculated on an annualised basis. The calculation excludes: (a) the hazardous waste landfill facility with an annual treatment capacity of 18,000 metric tonnes, constructed and owned by a subsidiary located in Yancheng, Jiangsu Province, the PRC; and (b) the hazardous waste incineration facility with an annual treatment capacity of 20,000 metric tonnes, constructed and owned by a joint venture located in Liuzhou, Guangxi Province, the PRC. The operations of both facilities remain subject to pending government approvals for resumption of operation.

Environmental Plating Sewage Treatment Services in Eco-plating Specialised Zone

For the six months ended 30 June 2026, total revenue from the segment of provision of environmental plating sewage treatment services and provision of related facilities and utilities in the eco-plating specialised zone of the Group situated at Zhenjiang, Jiangsu Province, the PRC (the "**Eco-plating Specialised Zone**") was approximately HK$61,300,000 (2025: HK$56,675,000) and the segment profit margin (pre-tax) was approximately 28.2% (2025: 24.2%).

	Segment revenue For the six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
Industrial sewage treatment and providing public utilities and management services	**47,520**	43,596
Leasing of factory buildings and facilities	**13,780**	13,079
Total	**61,300**	56,675

	For the six months ended 30 June	
	2026	2025
Total gross floor area of factory buildings and facilities available for leasing *(square metres)*	**111,396**	101,034
Average utilisation rate of factory buildings and facilities	**86.2%**	80.1%
Plating sewage handled by the centralised sewage treatment plant *(metric tonnes)*	**207,580**	181,621
Average utilisation rate of sewage treatment capacity	**25.2%**	22.0%

The Eco-plating Specialised Zone is owned, built and operated by the Group's wholly-owned subsidiary, Zhenjiang Sinotech Eco-Electroplating Development Limited in Zhenjiang, Jiangsu Province, the PRC. The Group operates a centralised plating sewage treatment plant, a centralised industrial sludge treatment plant and customised facilities equipped for the clients in the zone. The Eco-plating Specialised Zone has a total land area of approximately 180,000 square metres, in which, office building, factory buildings, and centralised filtering plants were built. The office building and centralised sewage filtering and sludge treatment plants were built with a total gross floor area of 19,560 square metres, and the factory buildings and facilities with a leasable total gross area of 111,396 (31 December 2025: 111,053) square metres that have been leased to various manufacturing clients carrying out their plating-related operations inside the Eco-plating Specialised Zone. There are now 22 factory buildings in the Eco-plating Specialised Zone currently leased by 33 (31 December 2025: 33) manufacturing clients as at 30 June 2026.

Investments in Plastic Materials Dyeing Business

The Group holds equity interests in three manufacturing entities principally engaged in plastic materials dyeing in the PRC as long term equity investments. For the six months ended 30 June 2026, the pre-tax profit margins of Suzhou New Huamei Plastics Company Limited ("**Suzhou New Huamei**") and Qingdao Zhongxin Huamei Plastics Company Limited ("**Qingdao Huamei**") were 1.9% and 7.5% (2025: 1.3% and 5.3%) respectively. For the six months ended 30 June 2026, Danyang New Huamei Plastics Company Limited ("**Danyang New Huamei**") recorded a pre-tax loss margin of 4.4%, as compared with a pre-tax profit margin of 1.7% for the corresponding period in 2025, reflecting a deterioration in operating performance during the current period.

For the six months ended 30 June 2026, total dividends declared by Suzhou New Huamei, Danyang New Huamei and Qingdao Huamei in relation to their results in 2025 in aggregate of approximately HK$3,925,000 (2025: HK$3,704,000) have been recognised and are expected to be distributed to the Group in the fourth quarter of the year.

BUSINESS OUTLOOK

During the six months ended 30 June 2026, the Group's core hazardous waste treatment services continued to operate amid a challenging and competitive economic environment in Jiangsu Province, the PRC. The industry remained affected by intensified competition, persistent structural overcapacity and sustained pricing pressure, market conditions which had emerged in recent years and continued to constrain revenue growth and operating margins in the current period.

Notwithstanding these external challenges, the Group continued to execute the disciplined operational measures adopted in 2025, including the strategic suspension of selected loss-making operations, tighter cost control and the prioritisation of stable, compliance-driven service delivery. As a result of these measures, together with ongoing operational refinements, the operating performance of both operating segments of the Group improved during the first half of 2026. However, the Group recorded a net loss for the period, primarily attributable to an expected non-cash credit loss impairment recognised in relation to the guaranteed liability of and the amounts due from the joint venture, Xinyu Rongkai.

All hazardous waste treatment facilities continued to operate in accordance with applicable national environmental standards, with sustained emphasis on equipment integrity, safety management, regulatory compliance and service reliability. The Group will continue to maintain stringent environmental, health and safety controls across its operations while seeking to enhance utilisation efficiency and operational resilience.

As at 30 June 2026, the Group's subsidiaries in the PRC continued to hold valid operating permission licences for hazardous waste and regulated medical waste incineration, consistent with the licence portfolio disclosed as at 31 December 2025. The centralised wastewater treatment system within the Eco-plating Specialised Zone remained fully functional and continued to serve 33 professional plating enterprises. Leasable factory space within the zone also remained stable following the expansion completed in 2025.

Looking ahead, the Group will continue to pursue the operational priorities established at year-end 2025, including securing timely renewals of hazardous waste operating licences, managing planned upgrades to incineration facilities and improving process efficiency across all treatment operations.

The Group remains committed to evaluating opportunities for business restructuring, industrial optimisation and long-term capacity rationalisation to strengthen its resilience under the evolving market environment. Subject to prevailing market conditions and regulatory developments in the PRC, the Group will continue to implement disciplined resource allocation, cost control initiatives and operational refinements aimed at further improving financial performance and sustaining shareholder value.

Through steadfast adherence to sound corporate governance, environmental compliance and risk management, the Group will continue to reinforce its operating fundamentals, preserve operational stability and enhance its ability to navigate the ongoing economic transition in Jiangsu Province, the PRC.

FINANCIAL REVIEW

A summary of the unaudited condensed consolidated financial information of the Group for the six months ended 30 June 2026 together with corresponding figures for 2025 is presented as follows:

		For the six months ended 30 June		
		2026	2025	
	Note	***HK$'000***	*HK$'000*	Change %
Revenue from environmental treatment and disposal services for industrial and medical wastes		**119,718**	108,444	+10.4
Revenue from environmental industrial sewage treatment, utilities, management services, and leasing out factory facilities		**61,300**	56,675	+8.2
Total revenue	1	**181,018**	165,119	+9.6
Average gross profit margin (in percentage)	2	**20.5**	15.8	+29.7
Other revenue	3	**3,925**	3,704	+6.0
Other income	4	**724**	2,833	-74.4
Distribution costs	5	**(8,005)**	(7,663)	+4.5
Administrative expenses	6	**(17,658)**	(19,992)	-11.7
Other operating expenses	7	**(3,890)**	(2,695)	+44.3
Research and development expenses	8	**(2,546)**	(2,481)	+2.6
(Impairment loss)/reversal of impairment loss on trade receivables, net	9	**(17)**	278	-106.1
Impairment loss on other receivables	10	**(14,325)**	–	–
Finance income	11	**3,508**	1,178	+197.8
Finance costs	12	**(707)**	(833)	-15.1
Share of results of associates	13	**(3,905)**	(3,667)	+6.5
Share of results of a joint venture	14	**(2,422)**	(4,455)	-45.6
Income tax	15	**(5,929)**	(5,760)	+2.9
Net loss for the period	16	**(14,087)**	(13,509)	+4.3
Loss attributable to owners of the Company	16	**(11,705)**	(10,619)	+10.2
Basic LPS (in HK cents)	16	**(0.39)**	(0.35)	+11.4
Diluted LPS (in HK cents)	16	**(0.39)**	(0.35)	+11.4
Adjusted EBITDA	17	**46,821**	37,420	+25.1

Notes:

1. **Revenue**

For the six months ended 30 June 2026, the Group's total revenue increased to HK$181,018,000, representing period-on-period growth of 9.6%, driven by improvements across both operating segments:

(i) Revenue from environmental treatment and disposal services for industrial and medical wastes increased to HK$119,718,000, up 10.4% from the corresponding period, mainly reflecting stable operating in the current period; and

(ii) Revenue from environmental industrial sewage treatment, utilities, management services and the leasing out of factory facilities increased to HK$61,300,000, an 8.2% rise, mainly attributable to the improved utilisation rate of factory buildings and related facilities in the Eco-plating Specialised Zone.

2. **Gross profit margin**

The increase in the Group's gross profit margin for the six months ended 30 June 2026 was mainly attributable to:

(i) the increase in average unit handling price for hazardous waste treatment services that resulted in driving up the gross profit margin; and

(ii) the reduction in direct costs of both business segments that resulted in improvement of the overall gross profit margin.

3. **Other revenue**

The net increase in other revenue for the six months ended 30 June 2026, amounting to HK$221,000, was mainly attributable to the appreciation of RMB against HK$ during the current period, as the total dividends declared in RMB by the three equity investments attributable to the Group remained unchanged from the last corresponding period.

4. **Other income**

The net decrease in other income for the six months ended 30 June 2026, amounting to HK$2,109,000, was mainly attributable to the fact that the concessions waived by service providers in the last corresponding period were one off in nature, and no similar concessions were granted in the current period.

5. **Distribution costs**

The net increase in distribution costs for the six months ended 30 June 2026, amounting to HK$342,000, was mainly due to an increase in marketing agency fees in the current period.

6. **Administrative expenses**

The net decrease in administrative expenses for the six months ended 30 June 2026, amounting to HK$2,334,000, was mainly attributable to the decrease in human resources management costs in the current period, reflecting the continued effect of cost optimisation measures implemented previously.

7. **Other operating expenses**

The net increase in other operating expenses for the six months ended 30 June 2026, amounting to HK$1,195,000, was mainly attributable to the increase in legal and professional expenses incurred in relation to various legal contingencies in the current period.

8. **Research and development expenses**

The net increase in research and development expenses for the six months ended 30 June 2026, amounting to HK$65,000, was mainly attributable to ongoing adjustments to the Group's research and development activities during the current period in response to prevailing market conditions.

9. **Impairment loss on trade receivables**

For the six months ended 30 June 2026, the Group recognised a net impairment loss on trade receivables of HK$17,000, compared with a net reversal of HK$278,000 in the last corresponding period, mainly reflecting movements in expected credit loss assessments in the current period.

10. **Impairment loss on other receivables**

For the six months ended 30 June 2026, the Group recognised an impairment loss on other receivables of approximately HK$14,325,000, representing the expected credit loss on amounts due from and guaranteed liabilities in respect of the joint venture, Xinyu Rongkai.

11. **Finance income**

Finance income for the six months ended 30 June 2026 increased by HK$2,330,000, mainly due to net foreign exchange gains arising from funds remitted by PRC subsidiaries to Hong Kong during a period of RMB appreciation, which more than offset the slight reduction in interest income from free cash deposits in the current period.

12. **Finance costs**

Finance costs for the six months ended 30 June 2026 decreased by HK$126,000, mainly reflecting the effect of slightly lower interest rates on RMB-denominated bank borrowings in the PRC during the current period.

13. **Share of results from associates**

For the six months ended 30 June 2026, the Group recorded a net increase in loss shared from associates of HK$238,000, mainly reflecting the continued weak operating performance of NCIP during the current period.

14. **Share of results from a joint venture**

For the six months ended 30 June 2026, the Group recorded a net decrease in loss shared from its joint venture, Xinyu Rongkai, of HK$2,033,000, mainly reflecting the joint venture's continued operating halt and losses during the current period, and as its carrying amount was reduced to zero since March 2026 under the equity method, no further share of loss was recognised thereafter.

15. Income tax

For the six months ended 30 June 2026, income tax expenses increased by HK$169,000, mainly reflecting the net increase in PRC tax charges on the Group's profit-making subsidiaries and the PRC Dividend Withholding Tax paid during the period, without recognising any potential tax benefits from loss making entities at this stage.

16. Net loss for the period

For the six months ended 30 June 2026, the Group recorded a net loss of HK$14,087,000 (2025: net loss of HK$13,509,000), and net loss attributable to owners of the Company of HK$11,705,000 (2025: net loss of HK$10,619,000). The net loss for the period was primarily attributable to an impairment loss on other receivables of HK$14,325,000, which arose from the assessment of expected credit losses (ECL) on amounts due from and guaranteed liabilities in respect of the joint venture, Xinyu Rongkai, following the Liuzhou Court Judgment in the current period.

Notwithstanding the above, the Group's underlying operating performance demonstrated improvement during the period, driven by:

(i) higher revenue from both operating segments, reflecting stable operating performance in the industrial and medical waste treatment business and improved utilisation of factory facilities in the Eco-plating Specialised Zone;

(ii) lower administrative expenses resulting from the continued effect of cost-optimisation measures; and

(iii) higher finance income, primarily due to net foreign exchange gains arising from funds remitted by PRC subsidiaries to Hong Kong holding companies during a period of RMB appreciation.

17. Adjusted EBITDA

The Company used adjusted earnings/(loss) for the reporting period, excluding the impact of interest, taxation, depreciation, amortisation, share of results of equity-accounted investees, and non-recurring one-time items ("**Adjusted EBITDA**"), to measure the Group's operating results. The increase in Adjusted EBITDA for the six months ended 30 June 2026, amounting to HK$9,401,000 was mainly attributable to slight improvement of performance of core business segments in the current period.

Seasonality of operations

For the year ended 31 December 2025, the operations of providing environmental treatment and disposal services for hazardous waste in Jiangsu Province, the PRC, has encountered a relatively higher demand in the second half of the year.

For the 12 months ended 30 June 2026, the integrated treatment and disposal services for handling hazardous waste reported a revenue of approximately HK$237,386,000 for 102,591 metric tonnes waste being collected and disposed (12 months ended 30 June 2025: HK$227,401,000 for 203,518 metric tonnes waste being collected and disposed) and pre-tax loss of approximately HK$25,721,000 (12 months ended 30 June 2025: loss of HK$26,033,000).

Capital expenditure

For the six months ended 30 June 2026, the Group incurred capital expenditure to increase property, plant and equipment (i) for the operating segment of environmental treatment and disposal for hazardous waste amounted to approximately HK$473,000 (2025: HK$568,000), and (ii) for the operating segment of industrial sewage and sludge treatment services and provision of facilities and utilities in the Eco-plating Specialised Zone amounted to approximately HK$6,627,000 (2025: HK$15,362,000).

Capital commitments

At the end of the reporting period, the Group had the following commitments for capital assets:

	30 June 2026	31 December 2025
	HK$'000	*HK$'000*
Contracted for but not provided for:		
– Capital expenditure in respect of property, plant and equipment	**9,074**	15,542
– Capital contribution to an equity investment	**15,976**	15,941

Liquidity and financial resources

(a) For the six months ended 30 June 2026, the Group financed its operations and made payment of debts and liabilities due timely and would finance its contracted capital commitments with internally generated cash flows and banking facilities.

(b) The Group remained stable in its financial position with equity attributable to owners of the Company amounting to approximately HK$900,989,000 (31 December 2025: HK$881,755,000) and consolidated total assets amounting to approximately HK$1,315,648,000 (31 December 2025: HK$1,261,410,000) as at 30 June 2026 respectively.

(c) The Company did not have any equity fund raising activity within the past twelve months immediately prior to the date of this announcement (2025: Nil).

(d) At the end of the reporting period, the Group had:

	30 June 2026 *HK$'000*	31 December 2025 *HK$'000*
(i) Cash and bank balances:		
in HK$	**83,809**	57,886
in RMB	**161,084**	186,986
in USD	**26,737**	26,263
	271,630	271,135
(ii) Available unused unsecured banking facilities:		
in HK$	**20,000**	20,000
in RMB	**35,863**	27,750
	55,863	47,750

(e) The Group monitors Adjusted EBITDA as a key performance indicator at the consolidated level and considers it a relevant metric for assessing the Group's financial performance. Adjusted EBITDA is calculated by adjusting the profit or loss for the reporting period to exclude the effects of taxation, total interest expense, depreciation, amortisation, the Group's share of results from associate(s) and joint venture(s) accounted for under the equity method, and non-recurring or one-off items.

Reconciliation of Adjusted EBITDA to loss for the period

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
Loss for the period	**(14,087)**	(13,509)
Adjustments for:		
– Income tax	**5,929**	5,760
– Total interest expense	**707**	833
– Depreciation of property, plant and equipment	**32,130**	34,754
– Depreciation of right-of-use assets	**1,490**	1,460
– Impairment loss on other receivables	**14,325**	–
– Share of results of associated companies, net of tax	**3,905**	3,667
– Share of results of a joint venture, net of tax	**2,422**	4,455
Adjusted EBITDA	**46,821**	37,420

(f) The Company monitors the financial performance of its equity-accounted investees by evaluating their Adjusted EBITDA by excluding the effects of capital structure, financing costs, and tax entity framework. Set out below is the Adjusted EBITDA for each of the Company's investees accounted for under the equity method:

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
Adjusted EBITDA of associates:		
Zhenjiang Xin Qu	**10,167**	10,890
NCIP	**(6,004)**	(2,636)
Adjusted EBITDA of joint venture:		
Xinyu Rongkai	**(299)**	(277)

(g) The Group monitors its liquidity through current ratio. The current ratio of the Group representing the ratio of the consolidated current assets to the consolidated current liabilities was 1.65 times as at 30 June 2026 (31 December 2025: 1.66 times).

(h) The Group monitors its capital by reference to the gearing ratio. This ratio is calculated as the total interest-bearing borrowings (including lease liabilities, if any) divided by total equity. The gearing ratio at the end of the reporting period was as follows:

	30 June 2026	31 December 2025
	HK$'000	*HK$'000*
Total interest-bearing borrowings		
Bank borrowings	**44,826**	49,406
Total equity	**996,944**	976,324
Gearing ratio	**4.5%**	5.1%

Neither the Company nor any of its subsidiaries are subject to any externally imposed capital requirements.

(i) At the end of the reporting period, the interest-bearing borrowings of the Group were as follows:

		30 June 2026	31 December 2025
	Note	***HK$'000***	*HK$'000*
Secured RMB bank borrowings	(i)	**17,325**	22,200
Unsecured RMB bank borrowings	(ii)	**27,501**	27,206
		44,826	49,406

Notes:

(i) Bearing interest at fixed rates ranging from 2.50% to 3.08% (31 December 2025: 3.08% to 3.50%) per annum.

(ii) Bearing interest at fixed rates ranging from 2.90% to 3.00% (31 December 2025: 2.90% to 3.50%) per annum.

Capital structure

There was no significant change to the capital structure of the Company as at 30 June 2026 as compared to that as at 31 December 2025.

Material acquisitions and disposals of subsidiaries, associates and joint ventures

There were no material acquisition and disposal of subsidiaries, associates and joint ventures of the Company for the six months ended 30 June 2026.

Significant investments held and their performance

According to the valuation report prepared by an independent professional valuer, Colliers International (Hong Kong) Limited ("**Colliers International**") (31 December 2025: Colliers International), the total fair value attributable to the Group's interests in the equity investments in Suzhou New Huamei, Danyang New Huamei and Qingdao Huamei as at 30 June 2026 was HK$103,900,000 (31 December 2025: HK$94,900,000).

		EBIT Twelve months of the period/year ended		Fair value attributable to the Group		Fair value relative to the Group's total assets	
	Group's interest	**2026**	2025	**30 June 2026**	31 December 2025	**30 June 2026**	31 December 2025
		HK$'000	*HK$'000*	***HK$'000***	*HK$'000*		
Suzhou New Huamei	18.62%	**6,130**	2,762	**10,900**	8,700	**0.8%**	0.7%
Danyang New Huamei	24.50%	**(3,242)**	2,574	**–**	100	**0.0%**	0.0%
Qingdao Huamei	28.67%	**24,290**	13,249	**93,000**	86,100	**7.1%**	6.8%
		27,178	18,585	**103,900**	94,900	**7.9%**	7.5%

As at 30 June 2026, the fair value of the unlisted equity investment in Suzhou New Huamei, Danyang New Huamei and Qingdao Huamei represented 0.8%, 0.0% and 7.1% (31 December 2025: 0.7%, 0.0% and 6.8%) of the Group's total assets respectively.

As at 30 June 2026, the fair value of these unlisted equity investments, classified under financial assets at fair value through other comprehensive income (non-recycling), was determined by reference to the valuation report prepared by Colliers International (31 December 2025: Colliers International), using a market approach model based on the multiple of enterprise value ("**EV**") to earnings before interest and tax ("**EBIT**") ("**EV/EBIT**") of comparable listed companies in the same industry at 14.75 (31 December 2025: 16.87), after having taken into account of the discount for lack of marketability of 20.00% (31 December 2025: 16.22%) for these unlisted investments.

For the six months ended 30 June 2026, the net-of-tax change in fair value of these unlisted equity investments amounting to HK$8,310,000 (2025: HK$12,690,000) was recognised as net unrealised profit (2025: net unrealised loss) in other comprehensive income of the condensed consolidated financial statements of the Company.

Impairment testing on goodwill

Goodwill was recognised in a business combination completed in 2007 that is currently composed of Zhenjiang New Universe and Yancheng New Universe Solid Waste Disposal Company Limited being identified as a cash-generating unit. As at 30 June 2026, the assessment on the recoverable amount of this cash-generating unit (having excluded Taizhou New Universe Solid Waste Disposal Company Limited after its being disposed of by the Group completed on 29 October 2020), which is principally engaged in environmental waste treatment and disposal services mainly in Jiangsu Province, the PRC, was determined with reference to the valuation report prepared by Colliers International (31 December 2025: Colliers International), based on reasonable assumptions, including but not limited to, under going concern basis, the cash flows projection with a growth rate at 1.3% (31 December 2025: 1.4%) of that cash-generating unit operating at the licensed incineration and treatment capacity of handling 26,400 (31 December 2025: 26,400) metric tonnes of hazardous industrial waste per annum and 5,750 (31 December 2025: 5,750) metric tonnes of regulated medical waste per annum, and the pre-tax discount rate of 13.20% (31 December 2025: 13.07%) which reflects the risks for the industries. No impairment loss to the goodwill was considered necessary for the six months ended 30 June 2026 (31 December 2025: Nil).

Impairment testing on interest in an associate, NCIP

As at 30 June 2026, the assessment on the recoverable amount of the Group’s interest in NCIP, which is principally engaged in environmental waste treatment and disposal services in Nanjing, Jiangsu Province, the PRC, was determined with reference to the valuation report prepared by Colliers International (31 December 2025: Colliers International), based on reasonable assumptions, including but not limited to, under going concern basis, the cash flows projection of NCIP with a growth rate at 1.3% (31 December 2025: 1.4%) of NCIP as cash-generating unit operating at the licensed incineration and treatment capacity of handling 38,000 metric tonnes of hazardous industrial waste per annum, and the pre-tax discount rate of 12.20% (31 December 2025: 12.32%) which reflects the risks for the business of NCIP. No impairment loss to the Group’s interest in NCIP was considered necessary for the six months ended 30 June 2026 (31 December 2025: Nil).

Impairment testing on interest in a joint venture, Xinyu Rongkai

As at 30 June 2026, the carrying amount of the Group's interests in Xinyu Rongkai using equity method was zero. No further impairment loss to the Group's interests in Xinyu Rongkai was considered necessary for the six month ended 30 June 2026 (31 December 2025: Nil).

Charges on assets

As at 30 June 2026, the following assets of the Group were pledged as collaterals for banking facilities granted by the current bankers of the Group.

	30 June 2026	31 December 2025
	HK$'000	*HK$'000*
Carrying amount of collaterals:		
Property, plant and equipment	**38,078**	40,877
Land use rights	**7,603**	7,398
Pledged bank deposits	**1,860**	1,954
	47,541	50,229

	30 June 2026	31 December 2025
	HK$'000	*HK$'000*
Secured liabilities:		
Secured bank borrowings	**17,325**	22,200
Bills payables	**6,006**	6,327
	23,331	28,527

Contingent liabilities

1. Reference is made to the Company's announcements dated 20 May 2022, 30 May 2022, 7 February 2023, 13 April 2026 and 1 June 2026 regarding the legal proceedings commenced in the PRC against NUET(JS), an indirect 82% owned subsidiary of the Company incorporated in Hong Kong. The proceedings (the "**Action(s)**") were initiated by two minority shareholders of NUET(JS), namely Mr. YIN Yong Xiang and Mr. SUN Jia Qing (the Plaintiffs A and B, each holding 8% of the issued share capital of NUET(JS)), in respect of alleged accrued and unpaid dividends.

   NUET(JS) received two writs of summons issued by the Zhenjiang Intermediate Court on 20 May 2022 and 27 May 2022. The Zhenjiang Intermediate Court delivered first instance civil judgments on 4 January 2023 and 5 January 2023 dismissing the claims of both Plaintiffs. Each Plaintiff subsequently lodged an appeal to Zhenjiang Intermediate Court, and the appeals were heard at the Jiangsu High Court on 10 July 2023, 18 November 2025 and 11 February 2026.

   During the six months ended 30 June 2026, NUET(JS) received two Jiangsu High Court Judgments, both dated 3 April 2026. Pursuant to these judgments, the Jiangsu High Court ordered, among others, that:

   (a) the first instance civil judgments issued by the Zhenjiang Intermediate Court in respect of each Action be revoked;

   (b) NUET(JS) shall pay to each Plaintiff HK$25,021,033.60 as total unpaid dividends within ten days from the date on which the respective judgment becomes effective; and

   (c) all other claims of each Plaintiff be dismissed.

Following the Jiangsu High Court Judgments, the Zhenjiang Intermediate Court commenced enforcement procedures upon applications made by the Plaintiffs. During the period under review, NUET(JS) and its wholly owned PRC subsidiary, Zhenjiang New Universe, received enforcement notices and asset preservation orders, including:

(a) Zhenjiang New Universe received an enforcement judgment dated 27 May 2026 upon the application of Plaintiff B, Mr. SUN Jia Qing under Action B, the preserving NUET(JS)'s shareholder entitlement to dividend distributions from Zhenjiang New Universe up to HK$25,021,033.60 (or RMB22,000,000), and directing Zhenjiang New Universe to cease payment of any preserved amount to NUET(JS) during the preservation period; a notice to assist with execution requiring Zhenjiang New Universe not to pay any preserved amount to NUET(JS); a notice requiring Zhenjiang New Universe to repay RMB19,000,000 out of the debt due and payable to NUET(JS) by paying such sum directly to Plaintiff B or to the Zhenjiang Intermediate Court within fifteen days; and a notice requiring Zhenjiang New Universe to provide its books and financial statements to the Zhenjiang Intermediate Court for audit; and

(b) NUET(JS) received an enforcement notice dated 28 May 2026 upon the application of Plaintiff A, Mr. YIN Yong Xiang under Action A, ordering NUET(JS) to pay HK$25,021,033.60, together with an asset preservation fee of RMB5,000, a second instance legal investigation fee of RMB90,000, interest on the amount payable, and enforcement application costs of RMB89,154.21; and an asset reporting order requiring NUET(JS) to report to the Zhenjiang Intermediate Court, within ten days, details of its current assets and assets held within one year prior to receipt of the order.

The Group has continued to recognise the amounts claimed under the Actions as dividends payable to non-controlling interests of a subsidiary, classified under accrued liabilities and other payables in the consolidated financial statements. No provision has been recognised for interest on these non-interest bearing dividend rights.

Having considered the Jiangsu High Court Judgments and the enforcement measures currently in place, the Directors are of the opinion that the Actions, the enforcement proceedings and the asset preservation orders are not expected to have a material adverse impact on the normal operations of NUET(JS), Zhenjiang New Universe or other members of the Group. Given that enforcement procedures remain ongoing and having regard to the requirements of HKAS 37 *Provisions, Contingent Liabilities and Contingent Assets*, certain information customarily required under HKAS 37 is not disclosed on the grounds that such disclosure may prejudice the Group's position in the continuing enforcement process and the applications being lodged by NUET(JS) with the Supreme People's Count for re-trial. Details are set out in note 15(ii) to the unaudited interim financial statements.

2. Reference is made to the Company's announcements dated 25 September 2020, 5 October 2020, 13 November 2025 and 17 June 2026 regarding the provision of a guarantee in favour of Bank of China Limited, Liuzhou Branch for the bank loan granted to Xinyu Rongkai.

   Xinyu Rongkai is a sino foreign joint venture incorporated in the PRC, in which the Company indirectly holds 65% equity interest, and Guangxi Rongkai holds the remaining 35%.

   On 25 September 2020, Xinyu Rongkai entered into a loan agreement (as supplemented from time to time, collectively the "**BOC Loan Agreement**") with BOC Liuzhou Branch for a loan facility of RMB120,000,000, subsequently revised to RMB116,100,000 pursuant to a supplemental agreement dated 20 June 2024. The loan, repayable over 60 months, was used to finance the construction of hazardous solid waste treatment facilities in the Guangxi Liuzhou Automobile City Jiangkou Industrial Park. On the same date, the Company and Guangxi Rongkai entered into a guarantee agreement with BOC Liuzhou Branch, under which they agreed to provide a joint guarantee for Xinyu Rongkai's repayment obligations under the BOC Loan Agreement, in the proportions of 65% and 35%, respectively.

   Reference is also made to the Company's announcement dated 13 November 2025 regarding a summons dated 24 October 2025 issued by the Liuzhou Intermediate Court. BOC Liuzhou Branch, as plaintiff, claimed:

   (a) RMB48,257,991.13, representing the outstanding principal under the BOC Loan Agreement, together with accrued interest, default interest up to 18 July 2025, and legal costs; and

   (b) Realisation by discount or auction of certain immovable assets mortgaged by Xinyu Rongkai.

   The Company and Guangxi Rongkai, as guarantors, were named as co defendants for the same amounts. The hearing was scheduled for 9 April 2026, and the Company received the corresponding summons on 13 November 2025.

The Company received a copy of the Liuzhou Court Judgment dated 15 June 2026 issued by the Liuzhou Intermediate Court following the hearing on 9 April 2026. According to the Liuzhou Court Judgment, the Liuzhou Intermediate Court ruled that:

(a) Xinyu Rongkai shall repay to BOC Liuzhou Branch the outstanding principal of RMB47,047,500, together with interest, default interest and compound interest calculated up to 8 April 2026, and thereafter in accordance with the loan agreement until full repayment.

(b) Xinyu Rongkai shall pay RMB477,800 as legal costs.

(c) BOC Liuzhou Branch is entitled to realise, by discount, auction or sale, the seven parcels of land use rights and certain equipment mortgaged by Xinyu Rongkai, with proceeds applied in priority towards repayment of the indebtedness.

(d) The Company and Guangxi Rongkai, as guarantors, shall bear joint and several liability for the indebtedness of Xinyu Rongkai apportioned as follows:

    (i) Attributable to the Company:
    - Principal: RMB30,424,229.80
    - Interest: RMB313,792.13
    - Default interest: RMB1,375,526.48
    - Compound interest: RMB21,725.37

    (ii) Attributable to Guangxi Rongkai:
    - Principal: RMB16,382,277.59
    - Interest: RMB168,964.99
    - Default interest: RMB740,668.11
    - Compound interest: RMB11,698.27

(e) Default interest and compound interest will continue to accrue until full repayment.

(f) The Company and Guangxi Rongkai shall also bear joint and several liability for legal costs in the apportioned amounts of RMB310,570 (Company) and RMB167,230 (Guangxi Rongkai) respectively.

(g) All other claims of BOC Liuzhou Branch were dismissed.

(h) The parties are required to comply with the Judgment within 10 days from the date on which it becomes effective.

The Company has been informed that Guangxi Rongkai has filed an appeal on 30 June 2026. The Company has been seeking further legal advice from its PRC and Hong Kong legal advisers regarding the Liuzhou Court Judgment, available options and the appropriate course of action, and has filed an appeal in July 2026.

The Group's interest in Xinyu Rongkai is accounted for using the equity method, and the carrying amount of the investment was reduced to zero as at 30 June 2026. The Group has also recognised a financial guarantee liability of RMB32,629,852.28 (approximately HK$37,687,000) in the condensed consolidated financial statements as at 30 June 2026, representing the estimated obligation arising from its corporate guarantee in respect of Xinyu Rongkai's bank borrowings and related incidental costs attributable to the Group pursuant to the Liuzhou Court Judgment.

The Directors considered that the litigation was not expected to adversely affect the Group's normal operations. Details were disclosed in note 15(i) to the unaudited interim financial statements.

Save as disclosed herein, there were no other significant contingent liabilities of the Group as at 30 June 2026 (31 December 2025: Nil).

Employee information

As at 30 June 2026, the Group had 389 (2025 : 388) full-time employees, of which 15 (2025: 15) were based in Hong Kong, and 374 (2025: 373) in the PRC. For the six months ended 30 June 2026, staff costs, including the remuneration of the Directors and amount capitalised as inventories was HK$31,413,000 (2025: HK$32,024,000). The Group's remuneration policy emphasises motivation and performance of its employees, with a principle to strengthen the Group's competitiveness in the market and comply with the relevant statutory requirements of the PRC and Hong Kong. Employees and Directors were paid in commensurate with the prevailing market standards, with other fringe benefits such as share option scheme, bonus, medical insurance, contributions to mandatory provident fund (in respect of Hong Kong employees only), the contributions to the statutory social insurance benefits in the PRC, including the endowment insurance, medical insurance, work-related injury insurance, unemployment insurance, maternity insurance, and housing provident fund (in respect of PRC employees only), and continuing development and training.

Foreign currency risk

The Group mainly operates in the PRC and most of the Group's transactions, assets and liabilities are denominated in RMB. The Group is exposed to foreign currency risk due to the exchange rate fluctuation of RMB against HK$. Fluctuation of RMB against HK$ is expected to be moderate to the Group, and the Group considers the foreign currency risk exposure is acceptable. The Group will review and monitor its currency exposure from time to time, and when appropriate hedge its currency risk.

The results of the Group's subsidiaries in the PRC are translated from RMB into HK$ at the exchange rates approximating the rates ruling at the dates of the transactions. Statement of financial position items of the Group's subsidiaries in the PRC are translated from RMB into HK$ at the closing rate ruling at the end of the reporting period. For the six months ended 30 June 2026, RMB appreciated on average relative to the HK$ that resulted in an overall upside exchange difference on the translation from RMB to HK$ for the financial statements of the subsidiaries, associates and joint venture in the PRC amounted approximately to HK$31,254,000 (2025: upside exchange difference of HK$24,539,000) that were recognised as other comprehensive income and accumulated separately in equity under the translation reserve of the Company. The accumulated exchange differences in the translation reserve will be reclassified to profit or loss when the interests in the relevant subsidiaries, associates or joint venture in the PRC being entirely or partially disposed of by the Group.

Interest rate risk

As at 30 June 2026, the bank borrowings of the Group were managed using a mix of fixed and floating interest rates in order to minimise interest rate risk, of which no bank borrowings were stipulated at floating interest rates (31 December 2025: Nil) and the bank borrowings denominated in RMB were stipulated at various fixed interest rates within the range of 2.50% to 3.08% (31 December 2025: 2.90% to 3.50%) per annum.

Credit risk

The Group's credit risk is primarily attributable to trade receivables, lease receivables and other receivables. The Group's exposure to credit risk arising from cash and cash equivalents and bills receivables is limited because the counterparties are banks and financial institutions for which the Group considers to have low credit risk.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the condensed consolidated statement of financial position.

The Group has no significant concentration of credit risk in industries or countries in which the customers operate. Significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers. As at 30 June 2026, 2.2% (31 December 2025: 0.9%) and 13.2% (31 December 2025: 11.5%) of the total trade and lease receivables was due from the Group's largest customer and the five largest customers respectively.

The Group measures loss allowances for trade and lease receivable at an amount equal to lifetime expected credit loss ("**ECL**").

The Group considers that the allowance for lifetime ECL amounting to approximately HK$11,467,000 (31 December 2025: HK$11,020,000) on the gross carrying amount of trade, lease and bills receivables amounting to approximately HK$96,409,000 (31 December 2025: HK$74,861,000) at a ratio of approximately 11.89% as at 30 June 2026 (31 December 2025: 14.72%) would be prudently adequate to contain the potential risks of losses.

Credit Risk in relation to Xinyu Rongkai

For the six months ended 30 June 2026, the Group continues to monitor (i) the potential resumption of Xinyu Rongkai's business activities in Liuzhou, Guangxi, and (ii) the execution and implications of the Liuzhou Court Judgment relating to the indebtedness of Liuzhou Rongkai owed to BOC Liuzhou Branch. The Company, holding a 65% equity interest in Xinyu Rongkai, and the joint venturer, holding the remaining 35% equity interest, are guarantors of the relevant indebtedness and have lodged appeal applications against the judgment. The outcome of the appeals and any subsequent enforcement actions may affect the timing and manner of recovery.

As at 30 June 2026, the Group's exposure to credit risk in respect of (i) the guaranteed liability recoverable from Xinyu Rongkai of approximately HK$37,687,000 (31 December 2025: Nil), and (ii) amounts due from Xinyu Rongkai of approximately HK$43,566,000 (31 December 2025: HK$41,574,000), continued to be monitored by the Group in accordance with the requirements of HKFRS 9 *Financial Instruments*.

The Group performs regular reviews of the financial position, asset base and operating prospects of Xinyu Rongkai. Based on the preliminary valuation prepared by an independent professional valuer, Colliers International, the fair value less cost of disposal of the properties and land located in Liuzhou, Guangxi and the plant and machinery amounted to approximately RMB65,160,000 and RMB33,578,000 respectively as at 30 June 2026.

In assessing the ECL, the Group has also considered the credit risk associated with the pledged assets of Xinyu Rongkai in the event that BOC Liuzhou Branch enforces its security interests. While such enforcement could reduce the residual asset value available to Xinyu Rongkai and its stakeholders, the Company notes that (i) the aggregate valuation of the pledged properties, land and plant and machinery remains substantial relative to the Group's exposure, and (ii) the Group's recoverable amounts are supported by both the underlying asset values and the Group's joint control over the relevant activities of the joint venture.

Taking into account (i) the valuation of Xinyu Rongkai's underlying assets, (ii) the Group's joint control over the relevant activities of the joint venture, (iii) the latest legal proceeding developments, (iv) the potential impact of enforcement actions by BOC Liuzhou Branch, and (v) other forward looking information, following an assessment of the ECL, the Company has determined that impairment losses of approximately HK$6,414,000 and HK$7,911,000, in respect of the guaranteed liability and amounts due from Xinyu Rongkai, respectively, in an aggregate of HK$14,325,000 have been recognised for the six months ended 30 June 2026.

Principal risks and uncertainties related to the Company's business operations

During the current reporting period, the Group has continued loss arising from the operating segment of providing integrated treatment and disposal services for hazardous industrial waste in the PRC. The lower pricing of hazardous waste discharged from manufacturing clients owing to the adjustment of the local economic conditions in the PRC, especially in the Jiangsu Province, might affect the stable operating cashflows of the Group. The uncertainties and challenges met by the local manufacturing and chemical industries might create continued pressure on hazardous waste disposal pricing offered by specific client base of the Group. Notwithstanding the challenge, the Group will continue its environmental-related operations, strengthen its business strategy of different geographical market penetration, prudently explore for business restructuring and industrial upgrading thereby reducing its dependence and investment on the specific markets.

Save as disclosed therein, as at 30 June 2026, there was no significant change to the principal risks and uncertainties related to the Company's business operations as disclosed in the annual report of the Company for the year ended 31 December 2025.

DIVIDEND

The Board does not recommend the payment of interim dividend for the six months ended 30 June 2026 (2025: Nil).

The final dividend related to the financial year ended 31 December 2025 proposed on 20 March 2026 at HK$0.0016 per ordinary share of the Company amounting to a total of approximately HK$4,857,000 has been recognised as a liability as at 30 June 2026 after the said final dividend was duly approved by the shareholders of the Company (the "**Shareholders**") at the annual general meeting on 22 May 2026 and has been paid on 31 July 2026.

CHANGE IN DIRECTORS' INFORMATION

Information on Directors

For the six months ended 30 June 2026, there were no significant change in Directors' information, and there has been no other significant change in details of the Directors' information since the date of the annual report of the Company for the year ended 31 December 2025.

There is no other information to be disclosed pursuant to the requirements of Rule 13.51B(1) of the Listing Rules ("**Listing Rules**") Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited ("**Stock Exchange**").

Information on management

For the six months ended 30 June 2026, there was no significant change in details of the management team members of the Company since the date of the annual report of the Company for the year ended 31 December 2025.

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

Neither the Company, nor any of its subsidiaries purchased, sold, or redeemed any of the Company's listed securities during the six months ended 30 June 2026.

EVENTS AFTER THE REPORTING PERIOD

There is no material subsequent event undertaken by the Company or by the Group after the six months ended 30 June 2026 and up to the date of this announcement.

CORPORATE GOVERNANCE PRACTICES

The Directors of the Company and the management of the Group are committed to upholding good corporate governance practices and procedures. The Company believes that maintenance of high standard of business ethics and good corporate governance is essential for effective management, healthy business growth and fostering a contemporary corporate culture, which drives the Group to growing sustainably and safeguarding the interests of the Shareholders.

CORPORATE GOVERNANCE CODE

The Company has complied with all code provisions of the Corporate Governance Code set out in Part 2 of Appendix C1 ("**CG Code**") to the Listing Rules throughout the six months ended 30 June 2026, and the Directors confirmed that they were not aware of any deviation from the CG Code during the period then ended, except for the code provision C.2.1.

Code provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. For the six months ended 30 June 2026, Mr. XI Yu has assumed the roles of both chairman of the Board ("**Chairman**") and the chief executive officer of the Company ("**CEO**") that constitutes a deviation from code provision C.2.1 of the CG Code. After evaluation of the current situation of the Group and taking into account of the experience and performance of Mr. XI Yu, the Board is of the opinion that it is appropriate and in the best interest of the Company at the present stage to vest the roles of the Chairman and the CEO of the Company on the same person as it helps to facilitate the execution of the Group's business strategies and maximises the effectiveness of its operation. The Board also considers that: (i) the Company has sufficient internal controls to provide checks and balances on the functions of the Chairman and CEO; (ii) Mr. XI Yu as the Chairman and CEO is fully accountable to the Shareholders and contributes to the Board and the Group on all top level and strategic decisions and is responsible for ensuring that all Directors act in the best interests of the Shareholders; and (iii) this structure will not impair the balance of power and authority between the Board and the management of the Company. The Board believes that vesting the roles of both Chairman and CEO in the same person has the benefit of ensuring consistent leadership within the Group and will enable the Company to make and implement decisions promptly and effectively. However, the Board will continue to review and consider splitting the role of Chairman and CEO at a time when it is appropriate.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the *Model Code for Securities Transactions by Directors of Listed Issuers* (the "**Model Code**") as set out in Appendix C3 to the Listing Rules as its code of conduct governing Directors' dealings in the securities of the Company. Having made specific enquiries of all Directors, the Company confirms that all Directors complied with the required standard of dealings as set out in the Model Code throughout the six months ended 30 June 2026.

In addition, the Company has established a set of internal guidelines and procedures no less exacting than the Model Code to regulate securities transactions by employees of the Group who may be in possession of inside information. The Company also reminds all Directors and relevant employees to strictly adhere to the Model Code and the Company's internal policies at all times.

CONNECTED TRANSACTIONS

There was no connected transactions (defined under the Listing Rules) which were discloseable in the current reporting period or any time during the six months ended 30 June 2026.

PROVISION OF FINANCIAL ASSISTANCE AND GUARANTEES TO AN AFFILIATED COMPANY

On 25 September 2020, the Company and the joint venturer, as joint guarantors, entered into a guarantee agreement with Bank of China Limited, Liuzhou Branch to jointly guarantee the repayment obligations of Liuzhou Xinyu Rongkai Solid Waste Disposal Company Limited*, a 65% indirectly owned joint venture of the Company accounted for using the equity method, in respect of bank loan facilities in a total amount of RMB120,000,000 (approximately HK$138,600,000). The guarantee remains effective until 31 December 2027 and was provided for financing the construction of the hazardous waste treatment project undertaken by Xinyu Rongkai in Liuzhou, Guangxi Province, the PRC. Details were disclosed in the Company's announcements dated 25 September 2020 and 5 October 2020.

On 7 December 2022, the Company, as guarantor, entered into a separate guarantee agreement with another PRC bank in respect of short term banking facilities in a total amount of RMB9,000,000 (approximately HK$10,395,000), guaranteeing repayment obligations of RMB5,850,000 (approximately HK$6,757,000) based on its 65% equity interest in Xinyu Rongkai. The guarantee has been extended to 4 December 2027. The related bank borrowings were fully settled on 4 December 2024.

As at 30 June 2026, the banking facilities of Xinyu Rongkai guaranteed by the Company amounted to 65% of RMB129,000,000 (approximately HK$148,995,000) (31 December 2025: RMB129,000,000, approximately HK$143,190,000), of which RMB125,100,000 (approximately HK$144,491,000) (31 December 2025: RMB125,100,000, approximately HK$138,861,000) was utilised. Bank loans of approximately RMB47,047,500 (approximately HK$54,340,000) remained outstanding as at 30 June 2026 (31 December 2025: RMB47,047,500, approximately HK$52,223,000). The outstanding bank loans matured on 21 June 2025 and bears interests at floating rate determined under the loan agreement.

Reference is made to the Company's announcement dated 13 November 2025 regarding the legal proceedings commenced by BOC Liuzhou Branch against Xinyu Rongkai, the Company and Guangxi Rongkai as guarantors. The Liuzhou Intermediate Court conducted a hearing on 9 April 2026. Further particulars are set out in section 2 "Contingent Liabilities" under the Financial Review on pages 43 to 45 of this announcement.

Based on the current financial position of the Group, the Board considers that the Liuzhou Court Judgment is not expected to have a material adverse impact on the overall financial position of the Group. The Company will continue to monitor developments closely and will publish further announcement(s) as and when necessary.

On 19 June 2023, New Universe International Group Limited ("**NUIGL**", a wholly owned subsidiary of the Group which directly holds 65% equity interest in Xinyu Rongkai) as Lender A, the joint venturer, (Guangxi Rongkai, which directly holds 35% equity interest in Xinyu Rongkai) as Lender B, and Xinyu Rongkai as the borrower have jointly entered into a loan agreement (the "**JV Loan Agreement**") for a loan of RMB15,500,000, which is unsecured, bearing interest at 4.05% per annum and due on 20 June 2025. Pursuant to the JV Loan Agreement, in proportion to the respective shareholdings, Lender A agreed to lend RMB10,075,000 and Lender B agreed to lend RMB5,425,000 to Xinyu Rongkai respectively. The loan drawn down by Xinyu Rongkai on 20 June 2023 was used for the repayment of bank loan instalment and interest due on 21 June 2023. As at 30 June 2026, the loan (having been internally assigned by NUIGL to a fellow subsidiary, Zhenjiang Xinrong Environmental Technologies Limited*) due from Xinyu Rongkai pursuant to the JV Loan Agreement from the Group was RMB10,075,000, approximately HK$11,637,000 (31 December 2025: RMB10,075,000, approximately HK$11,183,000) before taking into account of the ECL assessment (note 13(ii) to the unaudited interim financial statements).

During the six months ended 30 June 2026, Zhenjiang Xinrong Environmental Technologies Limited* and Jiangsu Xinyu Environmental Company Limited* (both are wholly owned subsidiaries of the Group) have made loans and advances to Xinyu Rongkai, for its general operating purpose, which are unsecured, bearing interest at fixed rates ranging from 3.20% to 4.05% per annum and repayable on demand. As at 30 June 2026, such loans and advances due from Xinyu Rongkai to the Group was in aggregate of RMB27,644,000, approximately HK$31,929,000 (31 December 2025: RMB27,379,000, approximately HK$30,391,000) before taking into account of the ECL assessment (note 13(ii) to the unaudited interim financial statements).

The following table summarised the financial information relating to the Group's joint venture at the end of the reporting period:

	30 June 2026 *HK$'000*	31 December 2025 *HK$'000*
Gross amounts of the joint venture's		
Non-current assets	**139,410**	139,590
Current assets	**445**	579
Current liabilities	**(143,886)**	(136,517)
Non-current liabilities	**–**	–
Equity	**(4,031)**	3,652
The Group's attributable interest in the joint venture		
Gross amount of net assets of the joint venture	**–**	3,652
The Group's share of net assets of the joint venture	**–**	2,374
Carrying amount of net assets of the joint venture	**–**	2,374

DIRECTORS' SERVICE CONTRACTS

None of the Directors has service contract with Company that is not determinable within one year without payment of compensation, other than statutory compensation.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

As at 30 June 2026 and any time during the six months then ended, transactions, arrangements, or contracts subsisted, of which certain Directors had interests that were deemed significant to the business of the Group are set out as follows:

(a) Mr. XI Yu and Ms. CHEUNG Siu Ling, the executive Directors, are also the directors of the landlord, Sun Ngai to the tenancy agreement dated 29 July 2025 entered into by Smartech Services Limited ("**Smartech Services**", an indirectly 100% owned subsidiary of the Company) as tenant to lease three office units at Rooms 2109 to 2111, Telford House, 16 Wang Hoi Road, Kowloon Bay, Hong Kong ("**Office Premises**") for the period from 1 August 2025 to 31 July 2026 at a monthly rental of HK$80,000.

(b) A renewed tenancy agreement dated 28 July 2026 was entered into between Sun Ngai as landlord and Smartech Services as tenant for leasing the Office Premises for the period from 1 August 2026 to 31 July 2027 at a monthly rental of HK$80,000.

(c) For the six months ended 30 June 2026, total rentals paid by Smartech Services to Sun Ngai were HK$480,000 (2025: HK$480,000).

The above transactions were conducted on terms no less favourable than terms available from independent third parties which were in the ordinary course of business of the Group. The afore-mentioned tenancy agreement entered into between the wholly owned subsidiary of the Group, Smartech Services and Sun Ngai were de minimis transactions exempted under rule 14A.76(1)(a) of the Listing Rules.

Save as disclosed therein, no transaction, arrangement or contract of significance to which the Company, any of its holding company, subsidiaries, or fellow subsidiaries was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the reporting period or any time during the period.

DIRECTORS' INTERESTS IN COMPETING INTERESTS

Ms. LIU Yu Jie was appointed as an executive Director with effect from 9 June 2015, who has investments in four companies engaging in the operation of hazardous waste projects in four cities in the PRC, of which she has a controlling stake in one of the four said companies. As the permission operating licence to operate hazardous wastes in each of the four said cities is exclusive, and the Group does not have any such operations in those cities, the Board considers that the said investments of Ms. LIU Yu Jie do not compete with the interests of the Group.

Save as disclosed therein, during the six months ended 30 June 2026, the Directors were not aware of any business or interest of the Directors or any substantial shareholder of the Company and their respective associates that had competed or might compete, either directly or indirectly, with the business of the Group and any other conflicts of interests which any such person had or might have with the Group.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors during the six months ended 30 June 2026, there is sufficient public float of not less than 25% of the Company's issued shared as required under the Listing Rules.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

The Group pays high regards to legal and regulatory requirements in formulating its policies and practices. The Company has engaged financial advisers to advice it on the compliance with the Listing Rules and legal advisers to advice it on the compliance with the PRC Laws and laws of Hong Kong. Legal and other professional advisers would be engaged to ensure the Group operates in accordance with applicable laws and regulations for major corporate events of the Company.

During the six months ended 30 June 2026, the Group was not aware of material non-compliance with the relevant laws and regulations that have a significant impact on the business and operations of the Group.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board confirms that the Group's risk management and internal control systems remained effective and adequate during the six months ended 30 June 2026. No material weaknesses or significant deficiencies were identified. The Board and the Audit Committee will continue to monitor the effectiveness of these systems.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE ("ESG")

The ESG Committee of the Company continued to oversee the Group's environmental, social and governance matters during the period. The Board remains committed to integrating ESG considerations into the Group's operations and long term development, to ensure that the Group maintains robust and responsible corporate governance in terms of sustainable development.

REVIEW BY AUDIT COMMITTEE

The Audit Committee of the Company, comprising three independent non-executive Directors, Mr. YANG Harry (Chairman of the Audit Committee), Mr. HO Yau Hong, Alfred, and Ms. XIANG Ling, has reviewed with the management the unaudited condensed consolidated interim financial statements of the Group for the six months ended 30 June 2026, including the accounting principles and practices adopted by the Group. In the course of its review, the Audit Committee also considered the independent auditor's review report issued by Crowe (HK) CPA Limited. Having reviewed the interim financial statements and the auditor's conclusions, the Audit Committee is satisfied that the interim financial statements are complete, prepared in accordance with applicable accounting standards, and comply with the relevant requirements of the Listing Rules.

INDEPENDENT REVIEW OF INTERIM FINANCIAL RESULTS

The condensed consolidated financial statements of the Company for the six months ended 30 June 2026 (the "**Interim Financial Report**") are unaudited, but have been independently reviewed by the Company's auditor, Crowe (HK) CPA Limited, in accordance with Hong Kong Standard on Review Engagements 2410 "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*" issued by the Hong Kong Institute of Certified Public Accountants. Based on the procedures performed, nothing has come to their attention that causes them to believe that the Interim Financial Report is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting".

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

This interim results announcement is published on the websites of the Company (www.nuigl.com) and the Stock Exchange (www.hkexnews.hk). The Interim Financial Report containing all the information required by the Listing Rules will be despatched to shareholders of the Company and published on the afore-mentioned websites in due course.

By order of the Board
New Universe Environmental Group Limited
XI Yu
Chairman and Chief Executive Officer

Hong Kong, 14 August 2026

As at the date of this announcement, the Board comprises five executive Directors: Mr. XI Yu (Chairman and Chief Executive Officer), Ms. CHEUNG Siu Ling, Ms. LIU Yu Jie, Ms. JIANG Qian, and Mr. HON Wa Fai; one non-executive Director: Ms. XI Man Shan Erica; and three independent non-executive Directors: Mr. YANG Harry, Mr. HO Yau Hong, Alfred and Ms. XIANG Ling.

* *For identification purpose only*