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China Boqi Environmental (Holding) Co., Ltd.
中國博奇環保（控股）有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2377)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2026

FINANCIAL AND OPERATION HIGHLIGHTS

For the six months ended 30 June 2026, the Group's revenue amounted to RMB955 million, representing a decrease of 9.7% as compared to RMB1,058 million for the same period last year.

For the six months ended 30 June 2026, the Group's gross profit amounted to RMB232 million, representing a decrease of 4.5% as compared to RMB243 million for the same period last year. The Group's gross profit margin was 24.3%, representing an increase of 1.3 percentage points as compared with the same period last year.

For the six months ended 30 June 2026, the Group's net profit was RMB106 million with a net profit margin of 11.1%, representing a decrease of 26.9% and 2.6 percentage points, respectively, as compared to a net profit of RMB145 million and a net profit margin of 13.7% for the same period last year.

The board (the "**Board**") of directors (the "**Directors**") of China Boqi Environmental (Holding) Co., Ltd. (the "**Company**") announces the unaudited condensed consolidated interim results (the "**interim results**") of the Company and its subsidiaries (collectively referred to as the "**Group**" or "**we**") for the six months ended 30 June 2026 (the "**Reporting Period**" or the "**interim period**" or the "**current period**"). The audit committee of the Company (the "**Audit Committee**") has reviewed the unaudited interim condensed consolidated financial statements of the Group for the six months ended 30 June 2026.

In this interim results announcement, certain amounts and percentage figures have been subject to rounding adjustments, or have been rounded to one or two decimal places. Any discrepancies in any tables, chats or elsewhere between total and sums of amounts listed therein are due to rounding.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2026

		For the six months ended 30 June	
		2026	2025
		RMB'000	*RMB'000*
	Notes	**(Unaudited)**	(Unaudited)
Revenue	*3*	**955,447**	1,058,485
Cost of sales and services		**(723,551)**	(815,446)
Gross profit		**231,896**	243,039
Other income and gains	*4*	**14,924**	21,250
Other expenses and losses	*4*	**(8,209)**	(8,547)
Selling and distribution expenses		**(10,423)**	(9,184)
Administrative expenses		**(46,762)**	(47,612)
Research and development expenses		**(27,522)**	(28,302)
Impairment losses on financial assets and contract assets, net		**(31,173)**	(8,113)
Share of profits of associates		**2,899**	3,337
Finance costs	*5*	**(6,927)**	(7,424)
Profit before tax		**118,703**	158,444
Income tax expense	*6*	**(13,003)**	(13,657)
Profit for the period	*7*	**105,700**	144,787
Total comprehensive income for the period		**105,700**	144,787
Profit for the period attributable to:			
Owners of the Company		**104,331**	142,709
Non-controlling interests		**1,369**	2,078
		105,700	144,787
Total comprehensive income for the period attributable to:			
Owners of the Company		**104,331**	142,709
Non-controlling interests		**1,369**	2,078
		105,700	144,787
Earnings per share attributable to ordinary equity holders of the Company			
– Basic (RMB)	*9*	**0.12**	0.17
– Diluted (RMB)	*9*	**0.12**	0.17

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

	Notes	**As at 30 June 2026 *RMB'000* (Unaudited)**	As at 31 December 2025 *RMB'000* (Audited)
Non-current assets			
Property, plant and equipment		**942,278**	974,116
Investment properties		**7,374**	7,696
Goodwill		**6,567**	6,567
Other intangible assets		**411,816**	437,010
Receivables under service concession arrangements	*10*	**319,401**	368,077
Investments in associates		**61,650**	58,751
Equity investment designated at fair value through other comprehensive income		**9,274**	9,274
Equity investment at fair value through profit or loss		**32,575**	–
Long-term receivables		**316,294**	350,787
Contract assets	*11*	**83,457**	58,513
Amounts due from related parties	*17*	**82,513**	82,474
Deferred tax assets		**78,836**	73,398
Other non-current assets		**85,953**	89,331
Total non-current assets		**2,437,988**	2,515,994
Current assets			
Receivables under service concession arrangements	*10*	**60,985**	36,469
Debt instruments at fair value through other comprehensive income		**143,110**	181,991
Inventories		**33,308**	31,970
Financial assets at fair value through profit or loss		**20,174**	50,208
Contract assets	*11*	**152,157**	304,055
Trade receivables	*12*	**1,256,591**	1,128,563
Prepayments, deposits and other receivables		**265,482**	218,785
Amounts due from related parties	*17*	**240,535**	201,292
Pledged time deposits and bank balances		**60,603**	66,299
Cash and cash equivalents		**380,926**	440,792
Total current assets		**2,613,871**	2,660,424

	Notes	**As at 30 June 2026** *RMB'000* **(Unaudited)**	As at 31 December 2025 *RMB'000* (Audited)
Current liabilities			
Trade and notes payables	*13*	**701,897**	849,895
Other payables, deposits received and accrued expenses		**488,590**	479,722
Contract liabilities	*11*	**109,409**	89,872
Income tax payable		**43,056**	51,677
Interest-bearing bank and other borrowings		**49,960**	70,480
Lease liabilities		**5,180**	5,909
Amounts due to related parties	*17*	**20,261**	35,062
Total current liabilities		**1,418,353**	1,582,617
Net current assets		**1,195,518**	1,077,807
Total assets less current liabilities		**3,633,506**	3,593,801
Non-current liabilities			
Interest-bearing bank and other borrowings		**190,542**	203,732
Lease liabilities		**25,853**	28,098
Deferred tax liabilities		**30,589**	35,097
Total non-current liabilities		**246,984**	266,927
Net assets		**3,386,522**	3,326,874
Equity			
Share capital	*14*	**56**	56
Treasury shares	*15*	**(1)**	(1)
Reserves		**3,343,091**	3,286,279
Equity attributable to owners of the Company		**3,343,146**	3,286,334
Non-controlling interests		**43,376**	40,540
Total equity		**3,386,522**	3,326,874

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2026

	Attributable to owners of the Company										
	Share capital *RMB'000*	Share premium *RMB'000*	Treasury shares *RMB'000*	Merger reserve *RMB'000*	Other reserve *RMB'000*	Fair value through other comprehensive income reserve *RMB'000*	Statutory surplus reserve *RMB'000* *(Note (i))*	Retained profits *RMB'000*	Sub-total *RMB'000*	Non-controlling interests *RMB'000* *(Note (ii))*	Total equity *RMB'000*
At 1 January 2026 (audited)	56	695,740	(1)	371,500	(127,893)	5,025	383,689	1,958,218	3,286,334	40,540	3,326,874
Profit for the period	–	–	–	–	–	–	–	104,331	104,331	1,369	105,700
Other comprehensive income for the period, net of tax	–	–	–	–	–	–	–	–	–	–	–
Total comprehensive income for the period	–	–	–	–	–	–	–	104,331	104,331	1,369	105,700
Transfer to statutory surplus reserve	–	–	–	–	–	–	17,915	(17,915)	–	–	–
Final 2025 dividend declared	–	–	–	–	–	–	–	(47,519)	(47,519)	–	(47,519)
Capital injection from non-controlling shareholders	–	–	–	–	–	–	–	–	–	1,467	1,467
At 30 June 2026 (unaudited)	56	695,740	(1)	371,500	(127,893)	5,025	401,604	1,997,115	3,343,146	43,376	3,386,522

	Attributable to owners of the Company										
	Share capital *RMB'000*	Share premium *RMB'000*	Treasury shares *RMB'000*	Merger reserve *RMB'000*	Other reserve *RMB'000*	Fair value through other comprehensive income reserve *RMB'000*	Statutory surplus reserve *RMB'000* *(Note (i))*	Retained profits *RMB'000*	Sub-total *RMB'000*	Non-controlling interests *RMB'000* *(Note (ii))*	Total equity *RMB'000*
At 1 January 2025 (audited)	67	869,227	(1)	371,500	(127,893)	1,414	347,185	1,790,675	3,252,174	32,267	3,284,441
Profit for the period	–	–	–	–	–	–	–	142,709	142,709	2,078	144,787
Other comprehensive income for the period, net of tax	–	–	–	–	–	–	–	–	–	–	–
Total comprehensive income for the period	–	–	–	–	–	–	–	142,709	142,709	2,078	144,787
Transfer to statutory surplus reserve	–	–	–	–	–	–	25,951	(25,951)	–	–	–
Final 2024 dividend declared	–	–	–	–	–	–	–	(35,837)	(35,837)	–	(35,837)
Repurchase of ordinary shares	(11)	(173,363)	11	–	–	–	–	–	(173,363)	–	(173,363)
Cancellation of treasury shares	–	–	(11)	–	–	–	–	–	(11)	–	(11)
Share-based payment	–	(102)	–	–	–	–	–	–	(102)	–	(102)
At 30 June 2025 (unaudited)	56	695,762	(1)	371,500	(127,893)	1,414	373,136	1,871,596	3,185,570	34,345	3,219,915

Notes:

(i) In accordance with the articles of association of all subsidiaries established in the People's Republic of China (the "**PRC**" or "**China**"), the PRC subsidiaries are required to set aside 10% of their profit after tax as per statutory financial statements determined under the PRC laws and regulations for the statutory surplus reserve fund until the reserve reach 50% of their registered capital. Transfer to this reserve must be made before distributing dividends to equity owners of the subsidiaries. The statutory surplus reserve can be used to make up previous years' losses, expand the existing operations or convert into additional capital of the respective subsidiaries.

(ii) The Group did not have material non-controlling interests during the Report Period and hence disclosure of material non-controlling interests is not made.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2026

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
NET CASH FROM/(USED IN) OPERATING ACTIVITIES	**17,201**	(47,981)
Cash flows from investing activities		
Acquisition of financial assets at fair value through profit or loss	**(32,575)**	–
Proceeds from disposal of financial assets at fair value through profit or loss	**30,342**	–
Interest received	**–**	1,356
Purchase of property, plant and equipment	**(17,426)**	(29,722)
Proceeds from disposal of property, plant and equipment	**133**	7,005
Purchase of other intangible assets	**(2,908)**	–
Purchase of intangible assets and costs capitalized under service concession arrangements	**(8,921)**	(4,170)
NET CASH USED IN INVESTING ACTIVITIES	**(31,355)**	(25,531)
Cash flows from financing activities		
Repayment of lease liabilities	**(3,506)**	(2,960)
Repayment of bank borrowings	**(82,935)**	(119,105)
New bank borrowings raised and proceeds from other borrowings	**49,225**	49,726
Interest paid	**(6,395)**	(5,861)
Proceeds from discounted notes receivables from banks	**–**	18,285
Repurchase of ordinary shares	**–**	(172,172)
Capital contributions from a non-controlling shareholder	**1,467**	–
NET CASH USED IN FINANCING ACTIVITIES	**(42,144)**	(232,087)
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(56,298)**	(305,599)
EFFECTS OF EXCHANGE RATE CHANGES	**(3,568)**	(945)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD	**440,792**	629,018
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	**380,926**	322,474

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 (IAS 34) *Interim Financial Reporting* issued by the International Accounting Standards Board ("**IASB**") as well as the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") (the "**Listing Rules**").

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values, as appropriate. The Group has applied the following amendments to International Financial Reporting Standards ("**IFRSs**") issued by IASB for the first time in the current period:

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

The application of amendments to IFRSs in the current period has no material impact on the disclosure of financial statements of the Group for the Reporting Period and prior year.

The Group has not applied the following new and revised IFRSs, that have been issued but are not yet effective, in these financial statements.

IFRS 18	*Presentation and Disclosure in Financial Statements*[1]
IFRS 19	*Subsidiaries without Public Accountability: Disclosures*[2]
IAS 21	*Translation to a Hyperinflationary Presentation Currency*[1]
IAS 28	*Amendments to the Fair Value Option*[1]
IFRS 20	*Regulatory Assets and Regulatory Liabilities*[3]
Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[4]

1 Effective for annual periods beginning on or after 1 January 2027

2 Reporting periods beginning on or after 1 January 2027

3 Effective for annual periods beginning on or after 1 January 2029

4 No mandatory effective date yet determined but available for adoption

Except for the application of the revised IFRSs for the first time in the current period as described above, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2026 are consistent with those presented in the Group's annual financial statements for the year ended 31 December 2025.

3. REVENUE AND SEGMENT INFORMATION

Revenue is mainly generated from four business segments, namely flue gas treatment business, water treatment business, hazardous and solid waste treatment/disposal business and dual-carbon new energy+ business. Revenue is recognized after deducting sales-related taxes.

Specifically, the Group's reportable segments under IFRS 8 are as follows:

Flue Gas Treatment Business:

Environmental protection contracting ("**EPC**"):	project design, procurement of equipment and materials, project construction and equipment installment and testing services
Operation and maintenance ("**O&M**"):	operation service and regular maintenance service for desulfurization and denitrification facilities and dust removal facilities
Investment projects:	providing services in a variety of business models, including concession business and operation of self-owned assets. Concession business consists of "Build-Operate-Transfer" or "BOT", and "Build Own-Operate" or "BOO", i.e. construction of infrastructure according to the concession contract or acquisition of existing infrastructure from grantor, operation and maintenance of flue gas treatment project in a pre-defined period and transferring the ownership of the infrastructure to the grantor at the end of the period. Operation of self-owned assets consists of flue gas treatment services such as desulfurization, denitrification and dust removal services provided to customers by self-owned facilities
Others:	sales of by-products and others
Water Treatment Business:	mainly involves in project engineering and design, procurement of equipment and materials, project construction, equipment installation, commissioning services and the sewage treatment service
Hazardous and Solid Waste Treatment/Disposal Business:	mainly involves in the detoxification, reduction and resource treatment and disposal of bulk solid waste and industrial hazardous waste
Dual-Carbon New Energy+ Business:	mainly involves project services such as project engineering and design, procurement of equipment and materials, project construction, equipment installation, commissioning services, new energy power generation and comprehensive utilization of waste heat

Disaggregation of revenue

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Timing of revenue recognition		
Over time	**954,172**	1,057,789
A point in time	**1,275**	696
	955,447	1,058,485
Types of goods and services		
Provision of services	**954,172**	1,057,789
Sales of goods	**1,275**	696
	955,447	1,058,485
Nature of goods and services		
Flue gas treatment business		
EPC	**223,364**	326,229
O&M	**301,791**	300,609
Investment projects	**234,740**	261,749
Others	**1,275**	696
Water treatment business	**111,497**	75,685
Hazardous and solid waste treatment/disposal business	**12,894**	23,900
Dual-carbon new energy⁺ business	**69,886**	69,617
	955,447	1,058,485

Transaction price allocated to the remaining performance obligations for contracts with customers

The performance obligations for the EPC services and construction services under service concession arrangements have an original expected duration of one year or less. Therefore the transaction price allocated to these unsatisfied contracts is not disclosed as permitted by IFRS 15.

For certain O&M services and the O&M service under service concession arrangements, the Group applies the practical expedient by recognizing revenue in the amount to which the Group has right to invoice. The transaction price allocated to these unsatisfied contracts is not disclosed as permitted by IFRS 15.

Geographical information

The Group primarily operates in the PRC. Substantially all non-current assets and revenue of the Group are located in and generated from the PRC.

The analysis of the Group's revenue and results by operating and reportable segment is as follows:

	Segment revenue For the six months ended 30 June		**Segment profit For the six months ended 30 June**	
	2026	2025	**2026**	2025
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Flue gas treatment business				
EPC	**223,364**	326,229	**27,549**	32,937
O&M	**301,791**	300,609	**63,146**	68,022
Investment projects	**234,740**	261,749	**70,408**	92,065
Others	**1,275**	696	**1,268**	694
Water treatment business	**111,497**	75,685	**34,856**	16,256
Hazardous and solid waste treatment/disposal business	**12,894**	23,900	**4,092**	8,851
Dual-carbon new energy+ business	**69,886**	69,617	**30,577**	24,214
Total	**955,447**	1,058,485	**231,896**	243,039
Unallocated other income and gains			**14,924**	21,250
Unallocated other expenses and losses			**(8,209)**	(8,547)
Unallocated selling and distribution expenses			**(10,423)**	(9,184)
Unallocated administrative expenses			**(46,762)**	(47,612)
Unallocated research and development expenses			**(27,522)**	(28,302)
Unallocated impairment losses on financial assets and contract assets, net			**(31,173)**	(8,113)
Unallocated share of profits of associates			**2,899**	3,337
Unallocated financial costs			**(6,927)**	(7,424)
Profit before tax			**118,703**	158,444

Segment revenue reported above represents the revenue generated from external customers. There were no intersegment sales for the six months ended 30 June 2026 (2025: Nil).

Segment profit represents the gross profit of each segment. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

No segment assets and liabilities are presented as the chief operating decision maker does not regularly review segment assets and liabilities.

Information about major customers

Revenue from customers contributing over 10% of the total revenue of the Group during the Reporting Period are as follows:

		For the six months ended 30 June	
		2026	2025
		RMB'000	*RMB'000*
		(Unaudited)	(Unaudited)
Customer A	EPC	*	134,032
Customer B	Investment projects and O&M	**107,192**	109,240

* Revenue from this major customer was less than 10% of the total revenue of the Group in the relevant period.

4. OTHER INCOME AND GAINS AND OTHER EXPENSES AND LOSSES

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Interest income	**5,093**	6,127
Government grants	**9,637**	9,449
Rental income, net	**70**	(116)
Foreign exchange (losses)/gain	**(4,149)**	1,875
Fair value gain on financial assets at FVTPL	**174**	–
Gain on disposal of property, plant and equipment	**103**	–
Impairment losses on other non-current assets	**(3,944)**	–
Others	**(269)**	(4,632)
	6,715	12,703

5. FINANCE COSTS

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Interest on bank loans and other borrowings	**6,395**	6,487
Interest on lease liabilities	**532**	497
Discounted bills payable	**–**	440
	6,927	7,424

6. INCOME TAX EXPENSE

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
PRC enterprise income tax ("**EIT**")	**18,107**	21,193
Deferred tax	**(5,104)**	(7,536)
Total	**13,003**	13,657

The Company and CBEE Holdings Co., Ltd. ("**CBEE**"), a subsidiary of the Company, were incorporated in the Cayman Islands and the British Virgin Islands ("**BVI**"), respectively. Both entities did not have tax assessable profits in Cayman Islands, BVI or other jurisdiction during the Reporting Period.

Pursuant to the Enterprise Income Tax Law (the "**EIT Law**") effective on 1 January 2008, Beijing Boqi Electric Power SCI-TECH Co., Ltd. (北京博奇電力科技有限公司) ("**Beijing Boqi**") obtained a "High and New Technology Enterprise" (the "**HNTE**") certificate in 2008, pursuant to which Beijing Boqi was entitled to a preferential tax rate of 15% from 2008 to 2010 and could be re-applied every three years; the current active HNTE certificate is effective until October 2026.

In October 2015, Shanxi Hejin Boqi Environmental Technology Co., Ltd.(山西河津博奇環保科技有限公司) ("**Hejin Boqi**") obtained the approval for being designated as the HNTE for the year ended 31 December 2015, pursuant to which Hejin Boqi was entitled to a preferential tax rate of 15% from 2015 to 2017 and could be re-applied every three years; the current active HNTE certificate is effective until November 2027.

In November 2016, Jiangxi Jinggangshan Boqi Environmental Technology Co., Ltd. (江西井岡山博奇環保科技有限公司) ("**Jinggangshan Boqi**") obtained the approval for being designated as the HNTE for the year ended 31 December 2016, pursuant to which Jinggangshan Boqi was entitled to a preferential tax rate of 15% from 2016 to 2018 and could be re-applied every three years, and the current active HNTE certificate is effective until October 2028.

In January 2023, Shanxi Puzhou Boqi Environmental Technology Co., Ltd.(山西蒲洲博奇環保科技有限公司) ("**Puzhou Boqi**") was entitled to a preferential tax rate of 15% from 2023 to 2027 under a third party anti-pollution treatment program.

In November 2024, Changzhi Boqi Environmental Technology Co., Ltd.(長治市博奇環保科技有限公司) ("**Changzhi Boqi**") obtained the approval for being designated as an HNTE for the year ended 31 December 2024, pursuant to which Changzhi Boqi was entitled to a preferential tax rate of 15% from 2024 to 2026 and could be re-applied every three years, and the current active HNTE certificate is effective until November 2027.

In January 2025, Laibin Boqi Environmental Technology Co., Ltd.(來賓博奇環保科技有限公司) ("**Laibin Boqi**") was entitled to a preferential tax rate of 15% from 2025 to 2030 for the Western Development Plan.

In January 2026, Changjizhou Boqi Environmental Technology Co., Ltd.(昌吉州博奇環保科技有限公司) ("**Changjizhou Boqi**") was entitled to a preferential tax rate of 15% from 2026 to 2030 for the Western Development Plan.

In January 2025, Qinghai Boqi Ecological Environmental Technology Co., Ltd.(青海博奇生態環境科技有限公司) ("**Qinghai Boqi**") was entitled to a preferential tax rate of 15% from 2025 to 2030 for the Western Development Plan.

In January 2025, Shaanxi Boqi Green Energy Technology Co., Ltd. ("**Shaanxi Boqi**") was entitled to a preferential rate of 15% from 2025 to 2030 in respect of its solar photovoltaic power generation system construction and operation projects for the Western Development Plan.

Handan Boqi Environmental Technology Co., Ltd.(邯鄲博奇環保科技有限公司) ("**Handan Boqi**") obtained an approval, pursuant to which its environmental protection program was fully exempted from income tax for three years starting from 2022, and thereafter will be entitled to a three-year preferential rate of 12.5%.

In May 2022, Jiangsu Boqi Smart Energy Co., Ltd. (江蘇博奇智慧能源有限公司) ("**Jiangsu Boqi**") obtained the approval, by which the photovoltaic power generation programs were fully exempted from income tax for three years starting from the first year of program operation, and thereafter was entitled to a three-year preferential rate of 12.5%. The first program was started in 2022.

In May 2022, Wuxi Huadong No.2 Smart Energy Co., Ltd.(無錫華東二號智慧能源有限公司) ("**Huadong No.2**") obtained an approval, pursuant to which its photovoltaic power generation program was fully exempted from income tax for three years starting from 2022, and thereafter will be entitled to a three-year preferential rate of 12.5%.

In October 2021, Zhongxie power Energy Wuxi Co., Ltd.(中協電力能源無錫有限公司) ("**Zhongxie Power**") obtained an approval, pursuant to which its photovoltaic power generation program was fully exempted from income tax for three years starting from 2021, and thereafter will be entitled to a three-year preferential rate of 12.5%.

In June 2022, Wuxi Huaxin Energy Development Co., Ltd.(無錫華鑫能源開發有限公司) ("**Wuxi Huaxin**") obtained an approval, pursuant to which its photovoltaic power generation program was fully exempted from income tax for three years starting from 2022, and thereafter will be entitled to a three-year preferential rate of 12.5%.

In March 2024, Yangxi Boqi Environmental Protection Technology Co., Ltd.(陽西博奇環保科技有限公司) ("**Yangxi Boqi**") obtained an approval, pursuant to which its desulfurization and denitrification program was fully exempted from income tax for three years starting from 2024, and thereafter will be entitled to a three-year preferential rate of 12.5%.

In January 2024, Tangshan Boqi Environmental Technology Co., Ltd.(唐山博奇環保科技有限公司) ("**Tangshan Boqi**") obtained an approval, pursuant to which its environmental protection program was fully exempted from income tax for three years starting from 2024, and thereafter will be entitled to a three-year preferential rate of 12.5%.

In January 2025, Guangxi Qinzhou Boqi Energy Saving and Environmental Protection Service Co., Ltd.(廣西欽州博奇節能環保服務有限公司) ("**Qinzhou Boqi**") was entitled to enjoy a preferential income tax rate of 15% from 2025 to 2030 for the Western Development Plan. In January 2025, Qinzhou Boqi was also entitled to a preferential tax rate of 9% in 2025 in accordance with the provisions for the reduction or exemption of the local share of corporate income tax.

The applicable tax rate of other PRC subsidiaries of the Company was 25% for the six months ended 30 June 2026 (2025: 25%).

According to the relevant tax law in the PRC, dividend distributed to foreign investors out of the profit generated from 1 January 2008 onwards shall be subject to withholding tax at 10% and withheld by the PRC entities, pursuant to Articles 3 and 37 of the EIT Law and Article 91 of its Detailed Rules for the Implementation of the Regulation.

7. PROFIT FOR THE PERIOD

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Profit for the period has been arrived at after charging/(crediting):		
Staff costs (including directors' remuneration)		
Salaries and other benefits	**140,945**	141,593
Contributions to retirement benefits scheme	**15,710**	10,068
Share-based payment expenses	**–**	(102)
Total staff costs	**156,655**	151,559
Gross rental income from investment properties	**(398)**	(223)
Less: Direct operating expenses (including depreciation) incurred for investment properties that generated rental income during the periods (included in other income and other gains and losses)	**328**	339
	(70)	116
Cost of inventories recognized as expenses (included in cost of sales and services)	**235,189**	292,710
Depreciation of property, plant and equipment	**44,224**	34,810
Depreciation of investment properties	**322**	322
Amortization of intangible assets	**27,715**	27,408
Research and development expenses	**27,522**	28,302
Auditor's remuneration	**1,187**	1,344

8. DIVIDENDS

For the six months ended 30 June 2026, a final dividend of HK$0.064 per share of the Company (the "**Share(s)**") in respect of the year ended 31 December 2025 (six months ended 30 June 2025: a final dividend of HK$0.046 per Share in respect of the year ended 31 December 2024) was declared, which was still unpaid by the end of the interim period. The Directors have resolved not to declare and pay for 2026 interim dividend (six months ended 30 June 2025: Nil).

9. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

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

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
Earnings		
Earnings for the purpose of calculating earnings per share (profit for the periods attributable to owners of the Company)- basic and diluted (RMB'000)	**104,331**	142,709
Number of shares:		
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share (Shares)	**851,403,929**	857,377,768
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share (Shares)	**851,403,929**	857,377,768

10. RECEIVABLES UNDER SERVICE CONCESSION ARRANGEMENTS

	As at 30 June 2026	As at 31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Current portion	**60,985**	36,469
Non-current portion	**319,401**	368,077
	380,386	404,546
Expected collection schedule is analyzed as follows:		
Within one year	**60,985**	36,469
More than one year but not more than two years	**56,692**	54,346
More than two years but not more than five years	**219,032**	184,643
More than five years	**43,677**	129,088
	380,386	404,546

11. CONTRACT ASSETS AND CONTRACT LIABILITIES

The Group has rights to considerations from customers for the provision of construction, operation and maintenance services. Contract assets arise when the Group has rights to considerations for completion of such services and not yet billed under the relevant contracts, and their rights are conditioned on factors other than passage of time. Any amount previously recognized as a contract assets are transferred to trade receivables when the rights become unconditional. Remaining rights and performance obligations in a particular contract are accounted for and presented on a net basis, as either a contract asset or a contract liability.

	As at 30 June 2026	As at 31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Construction contracts analyzed for reporting purposes as follows:		
Contract assets	**235,614**	362,568
Contract liabilities	**(109,409)**	(89,872)
Contract assets are analyzed for reporting purposes as follows:		
Current	**152,157**	304,055
Non-current	**83,457**	58,513
	235,614	362,568
Contract liabilities are analyzed for reporting purposes as follows:		
Current	**109,409**	89,872
	109,409	89,872

12. TRADE RECEIVABLES

	As at 30 June 2026	As at 31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Trade receivables	**1,334,620**	1,201,018
Less: Allowance for doubtful debts	**(78,029)**	(72,455)
	1,256,591	1,128,563

The Group generally grants credit period between 30 to 90 days which are agreed with each of its trade customers. The extension of credit period to the customers may be granted on a discretionary basis by considering customer type, the current creditworthiness and the customer's financial condition and payment history with the Group.

Trade receivables relate to a number of independent customers that have a good track record with the Group. The allowance for doubtful debts of the Group is based on the evaluation of collectability and aging analysis of individual trade debts performed by the Directors. A considerable amount of judgment is required in assessing the ultimate realization of these receivables, including the current creditworthiness and the past collection history of each customer.

For the six months ended 30 June 2026, two of the Group's independent customers located in Mainland China, Customer C and Customer D, were ruled by the court in Mainland China to accept bankruptcy reorganization and bankruptcy liquidation applications on 30 March 2026 and 29 June 2026, respectively.

As at 30 June 2026, the Group considered that above matters indicated that the credit status of Customer C and Customer D had undergone significant deterioration, and therefore required an individual impairment assessment on the outstanding balances due from these two customers. Based on management's assessment, the Group recognized expected credit losses on trade receivables, other receivables, long-term receivable and other non-current assets for the above affected customers amounted to approximately RMB2,621,000, approximately RMB1,975,000, approximately RMB25,988,000 and approximately RMB3,944,000, respectively.

Notes receivables are bank acceptance notes and the aging is generally within 90 days to 180 days, which the Directors believe that no impairment allowance is necessary as there is no significant change in credit quality and the balances are considered fully recoverable.

Aging analysis of trade receivables net of allowance for credit losses based on invoice date or notes receiving dates is as follows:

	As at 30 June 2026 *RMB'000* **(Unaudited)**	As at 31 December 2025 *RMB'000* (Audited)
1 – 90 days	**520,054**	539,833
91 – 180 days	**165,241**	180,273
181 – 365 days	**283,501**	140,012
1 – 2 years	**134,404**	132,302
2 – 3 years	**118,462**	97,641
Over 3 years	**34,929**	38,502
	1,256,591	1,128,563

13. TRADE AND NOTES PAYABLES

	As at 30 June 2026 *RMB'000* **(Unaudited)**	As at 31 December 2025 *RMB'000* (Audited)
Trade payables	**701,897**	823,745
Notes payables	**–**	26,150
Total	**701,897**	849,895

The credit period on purchases of goods and services is generally 30 to 90 days. The table below sets forth the aging analysis of trade and notes payables as at the end of the reporting periods indicated:

	As at 30 June 2026 *RMB'000* **(Unaudited)**	As at 31 December 2025 *RMB'000* (Audited)
Less than 90 days	**217,365**	297,416
91 – 180 days	**88,843**	119,457
181 – 365 days	**104,393**	129,058
1 – 2 years	**127,924**	140,284
2 – 3 years	**56,859**	55,159
Over 3 years	**106,513**	108,521
	701,897	849,895

14. SHARE CAPITAL

Details of the movement of share capital are as follows:

	Number of Share	**Nominal value per share** *US$*	**Share capital** *US$*
Authorized			
As at 31 December 2025 and 30 June 2026 (Unaudited)	5,000,000,000	0.00001	50,000

	As at 30 June 2026 *RMB'000* **(Unaudited)**	As at 31 December 2025 *RMB'000* (Audited)
Issued and fully paid:		
854,862,679 (31 December 2025: 854,862,679) Ordinary shares at USD0.00001 each	**56**	56

15. TREASURY SHARES

The Company adopted the Pre-IPO Share Award Scheme pursuant to a resolution passed by the Directors on 15 April 2016, with a term of ten years, which expired on 14 April 2026. No further share awards may be granted under the scheme, while the awards already granted but not yet exercised remain valid. Pursuant to the scheme, a total of 25,000,000 shares at a par value of USD0.00001 each were issued to Tricor Trust (Hong Kong) Limited (the "**Trust**") on 11 May 2016, who hold the Awarded Shares for the benefit of the eligible employees and facilitate the purchase, holding and/or vesting of such Awarded Shares as a trustee pursuant to the trust deed (the "**Trust Deed**") signed by the Company.

In accordance with the Trust Deed, the Company has the control over the Trust. Therefore, the Trust is consolidated by the Group. Accordingly, the shares issued and held by the Trust should be treated as treasury shares for accounting purposes, but such shares do not constitute Treasury Shares as defined under the Hong Kong Listing Rules.

16. SHARE OPTION SCHEME

(a) Share Option Scheme

No option was granted by the Company from 1 January 2026 to 30 June 2026. The Company adopted a share option scheme (the "**Scheme 2020**") on 29 December 2020, i.e. the date on which the Scheme 2020 was adopted by resolution of the shareholders of the Company (the "**Shareholders**") at general meeting of the Company (the "**Adoption Date**"). The purpose of the Scheme 2020 is to enable the Group to grant options to the eligible participants as incentives or rewards for their contribution to the Group. The Scheme 2020 shall be valid and effective for a period of ten years from the Adoption Date.

The offer of a grant of share options may be accepted within 21 days from the date of offer, upon payment of a nominal consideration of HK$1 in total by the grantee. The period within which the options must be exercised will be specified by the Company at the time of grant. This period must expire no later than ten years from the relevant date of grant. The board may also provide restrictions on the exercise of an option during the period an option may be exercised.

Share options do not confer rights on the holders to dividends or to vote at Shareholders' meetings.

The exercise prices and exercise periods of the share options outstanding as at the end of the reporting period are as follows:

Date of grant	**Number of share options outstanding as at 30 June 2026 (Unaudited)**	**Exercise price HK$ per share**	**Exercise period**
7 April 2021	2,028,000	1.51	7 April 2022 to 6 April 2031
28 June 2021	2,540,000	1.88	28 June 2022 to 27 June 2031
	4,568,000		

The fair value of equity-settled share options was estimated as at the date of grant using a binomial model, taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model used:

	7 April 2021	**28 June 2021**
Dividend yield (%)	4.32	4.21
Expected volatility (%)	61.62	61.57
Historical volatility (%)	61.62	61.57
Risk-free interest rate (%)	1.38	1.37
Expected life of options (year)	10.00	10.00
Spot price (HK$ per share)	1.51	1.88
Exercise price (HK$ per share)	1.51	1.88

Movement of the share options

	For the six months ended 30 June	
	2026	2025
	Number of share options	Number of share options
	(Unaudited)	(Unaudited)
At the beginning of the period	**4,768,000**	6,538,500
Forfeited during the period	**(200,000)**	(1,570,500)
At the end of the period	**4,568,000**	4,968,000

During the six months ended 30 June 2026, 200,000 (six months ended 30 June 2025: 1,570,500) options lapsed, of which the Group did not reverse any share option expense (six months ended 30 June 2025: reversed a share option expense of RMB102,000) in the unaudited interim consolidated statement of profit or loss and other comprehensive income.

(b) Award Share Scheme

The Company adopted the Pre-IPO Share Award Scheme (the "**Scheme 2016**") pursuant to a resolution passed by the Directors on 15 April 2016, through which a total of 25,000,000 shares ("**Awarded Shares**") at a par value of US$0.00001 each were issued to Tricor Trust (Hong Kong) Limited ("**Tricor Trust**", formerly known as Acheson) on 11 May 2016, who will hold the Awarded Shares for the benefit of the eligible employees ("**Selected Employees**") and facilitate the purchase, holding and/or vesting of such Awarded Shares as a trustee pursuant to the trust deed ("**Trust Deed**") signed by the Company. The Trust was established pursuant to the Trust Deed dated 2 September 2016 with retrospective effect from 10 May 2016.

A management committee has been established and authorised by the Directors to make all determination and provide directions to the Trustee in relation to the Scheme 2016 (the "**Committee**"). The Scheme 2016 is valid and effective for a period of ten years from the date of adoption.

Pursuant to the Scheme 2016, the Selected Employees are entitled to subscribe for the Awarded Shares at the price of RMB0.85 per Awarded Share by way of a loan provided by the Company. On 7 September 2016, the Company granted 23,170,000 Awarded Shares to the Selected Employees. The details of the Awarded Shares granted for the year ended 31 December 2016 are as follows:

Number of Awarded Shares granted	Date of grant	Expiry date	Purchase price (RMB)
23,170,000	7 September 2016	7 September 2026	0.85

The Group has determined the fair value of the Awarded Shares based on the binominal option pricing model as of the grant date. The valuation model requires the input of highly subjective assumptions, including the entity risk premium and the discount rate due to lack of control, and changes in the subjective input assumptions can materially affect the fair value estimate of the Awarded Shares.

	7 September 2016
Weighted average grant date fair value per share	RMB1.94
Weighted average exercise price	RMB0.85
Detailed forecast period	5 years
Weighted average cost of capital	16.83%
Leveraged beta	1.04
Entity risk premium	0.5%
Discount rate due to lack of control	10%

The Company adopted the Supplementary Scheme of the Scheme 2016 (the "**Supplementary Scheme**") pursuant to a resolution passed by the Directors on 28 August 2019, which authorises the chief executive officer of the Company to complete the selection of grantees, the allocation of shares and the signing of agreements and other related work to grant the shares withdrawn and had not been granted on 7 September 2016.

Pursuant to the Supplementary Scheme, the Selected Employees are entitled to subscribe for the Awarded Shares without a consideration. On 24 February 2021 and 31 March 2021, the Company granted 3,100,000 and 1,040,000 Awarded Shares to the Selected Employees, respectively. The expected vesting date is 30 June 2022. The details of the Awarded Shares granted for the six months ended 30 June 2026 are as follows:

Number of Awarded Shares granted	**Date of grant**	**Expiry date**	**Purchase price**
3,100,000	24 February 2021	28 August 2029	–
1,040,000	31 March 2021	28 August 2029	–

The Group has determined the fair value of the Awarded Shares based on the binominal option pricing model as of the grant date, taking into account the terms and conditions upon which the options were granted. The following table lists the significant inputs to the model used:

	24 February 2021	**31 March 2021**
Dividend yield (%)	4.32	4.32
Expected volatility (%)	61.92	61.68
Historical volatility (%)	61.92	61.68
Risk-free interest rate (%)	1.10	1.30
Expected life of options (year)	10.00	10.00
Spot price (HK$ per share)	1.36	1.38

Movement of the Award Shares

	For the six months ended 30 June	
	2026	2025
	Number of Awarded Shares (Unaudited)	Number of Awarded Shares (Unaudited)
At the beginning of the period	**5,592,700**	5,780,200
Forfeited during the period	**–**	–
At the end of the period	**5,592,700**	5,780,200

The Group did not recognize any shared-based payment expenses of Award Shares (six months ended 30 June 2025: Nil) in the unaudited interim consolidated statement of profit or loss during the six months ended 30 June 2026 in relation to the Awarded Shares granted by the Company.

17. RELATED PARTY TRANSACTIONS AND BALANCES

(a) Amounts due from related parties

	As at 30 June 2026 *RMB'000* (Unaudited)	As at 31 December 2025 *RMB'000* (Audited)
Yangxi Haibin Electric Power Development Co., Ltd. ("**Yangxi Electric**") *(Note (i)*	**293,169**	246,331
Jijiantou Shouyang Thermal Power Company Limited ("**Shouyang Power**")	**12,014**	22,149
Beijing Caiqi New Energy Technology Co., LTD ("**Caiqi New Energy**")	**9,863**	9,859
Wuxi Huadong Electric Power Equipment Co., Ltd. ("**Huadong Electric Power**")	**6,458**	3,880
Hainan Boyuan Zhongying Enterprise Management Partnership (Limited Partnership) ("**Boyuan Zhongying**")	**1,476**	1,476
Shengyu Guangdong New Energy Development Co., Ltd. ("**Shengyu New Energy**")	**–**	–
China Boqi Environmental Engineering Co., Ltd. ("**Boqi Environmental Engineering**")	**59**	61
Best Environmental Solutions	**9**	10
Chongqing Chuanwei Petrochemical Engineering Company Limited ("**Chongqing Chuanwei**")	**–**	–
	323,048	283,766

	As at 30 June 2026 *RMB'000* (Unaudited)	As at 31 December 2025 *RMB'000* (Audited)
Analyzed for reporting purpose as:		
Current assets	**240,535**	201,292
Non-current assets	**82,513**	82,474
At the end of the period	**323,048**	283,766
Trade balances	**234,009**	198,186
Non-trade balances	**89,039**	85,580
	323,048	283,766

(i) On 28 August 2017, the Group entered into a revised management service agreement with Guangdong Huaxia Electric and Yangxi Electric to extend the O&M service term from 1 January 2017 to 31 December 2017 to a term from 1 January 2017 to 31 December 2025 and require a deposit of RMB139,690,000, which was unsecured and was paid by the Group on 31 December 2017. In November 2023, Beijing Boqi and Yangxi Electric entered into an asset acquisition agreement for No.1-2 Yangxi Facilities. The asset delivery was completed on 5 February 2024, and the corresponding deposit of RMB66,519,000 was repaid. The remaining deposit of RMB73,171,000 is repayable upon expiry of the O&M service term.

The Group generally grants a credit period of 90 days to its related parties. Aging analysis of amounts due from related parties—trade nature, based on invoice date, is as follows

	As at 30 June 2026 *RMB'000* **(Unaudited)**	As at 31 December 2025 *RMB'000* (Audited)
1 – 90 days	**77,489**	19,433
91 – 180 days	**47,946**	69,898
181 – 365 days	**108,574**	108,855
	234,009	198,186

(b) Amounts due to related parties

	As at 30 June 2026 *RMB'000* **(Unaudited)**	As at 31 December 2025 *RMB'000* (Audited)
Huadong Electric Power	**11,487**	26,114
Sinopec Fifth Construction Co., Ltd	**6,477**	6,477
Shengyu New Energy	**2,121**	2,295
Boqi Environmental Engineering	**176**	176
	20,261	35,062

The credit period granted by the related parties is ranging from 30 to 90 days. Aging analysis of amounts due to related parties—trade nature is as follows:

	As at 30 June 2026 *RMB'000* **(Unaudited)**	As at 31 December 2025 *RMB'000* (Audited)
1 – 90 days	**576**	16,106
91 – 180 days	**785**	3,042
181 – 365 days	**8,153**	6,164
1 – 2 years	**3,624**	5,181
2 – 3 years	**3,354**	879
Over 3 years	**3,769**	3,690
	20,261	35,062

(c) The transactions with related parties during the Reporting Period are listed out below:

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Yangxi Electric *(note (i))*		
– O&M and desulfurization and denitrification service	**54,930**	58,103
– O&M service	**52,262**	51,137
– Interest income	**1,280**	1,152
– Water and electricity, labor, spare parts and miscellaneous items for O&M and desulfurization and denitrification service	**15,144**	17,073
– Water and electricity, labor, spare parts and miscellaneous items for O&M service	**15,239**	13,863
Shouyang Power *(note (ii)*		
– O&M and EPC service	**28,753**	46,929
– Water and electricity fees for O&M service	**13,562**	31,901
Huadong Electric Power		
– Purchase of equipment *(note iii))*	**1,615**	3,326
Shengyu New Energy		
– EPC service *(note (iv))*	**–**	1,379

Notes:

(i) In December 2016, January 2022 and 29 December 2023, the Group entered into various management service agreements, pursuant to which the Group shall provide O&M service to Yangxi Electric. On 27 October 2023, the Group entered into a management service agreement to terminate the Group's provision of No. 1-2 Yangxi Facilities O&M service and replace it with the operation and desulfurization and denitrification services provided by the Group through the utilization of No. 1-2 Yangxi Facilities, and a total of RMB108,472,000 was recognised as revenue during the six months ended 30 June 2026 (first half of 2025: RMB110,392,000). The Group also purchases water and electricity, labour, space parts and miscellaneous items from Yangxi Electric to support the O&M service. During the six months ended 30 June 2026, the Group purchased RMB30,383,000 (first half of 2025: RMB30,936,000) of water and electricity, labour, space parts and miscellaneous items from Yangxi Electric.

(ii) In 2022, the Group entered into an O&M service contract with Shouyang Power. In 2024, the Group entered into a photovoltaic EPC contract with Shouyang Power, and RMB28,753,000 was recognised as revenue during the six months ended 30 June 2026 (first half of 2025: RMB46,929,000). The Group also purchases water and electricity from Shouyang Power to support the O&M service. For the six months ended 30 June 2026, the Group purchased RMB13,562,000 (first half of 2025: RMB31,901,000) of water and electricity from Shouyang Power.

(iii) In 2025, the Group purchased equipment from Huadong Electric Power, of which RMB1,615,000 of equipment was purchased for the six months ended 30 June 2026 (first half of 2025: RMB3,326,000).

(iv) In 2024, the Group entered into a photovoltaic EPC service contract with Shengyu New Energy with a total contract amount of RMB60,161,000, of which RMB0 was recognised as revenue for the six months ended 30 June 2026 (first half of 2025: RMB1,379,000).

18. **COMMITMENT FOR CAPITAL EXPENDITURE**

	As at 30 June 2026 *RMB'000* **(Unaudited)**	As at 31 December 2025 *RMB'000* (Audited)
Contracted, but note provided for:		
Property, plant and machinery	**27,164**	16,513

19. **SUBSEQUENT EVENTS**

There have been no material events subsequent to the Reporting Period, which require adjustment or disclosure in accordance with IFRSs.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group is a green ecological governance enterprise that provides environmental governance and comprehensive services for dual-carbon new energy+ to industrial enterprises and cities. Our business mainly focuses on flue gas treatment, water treatment, hazardous and solid waste treatment/disposal and dual-carbon new energy+ sectors. We are customer-oriented to meet customers' all-round needs for ecological and green environmental protection. We always adhere to the philosophy of "service builds trust, and professionalism creates value", closely follow the development trend of the national environmental protection industry and the objectives of dual-carbon development, and are committed to developing into a highly competitive and first-class enterprise in the country, with integrated platforms comprising "environmental protection and dual-carbon management platform, operation service technology platform, and capital investment and financing platform", aiming to make positive contributions to the environmental protection and ecological civilization construction in the PRC and around the world.

1. INDUSTRY OVERVIEW

The year 2026 marks the beginning of the "15th Five-Year Plan" period and represents a turning point when the dual-carbon strategy shifted from "system building" to "rigid constraints". In the first half of the year, the central government issued intensive policies focusing on the transition from dual control of energy consumption to dual control of carbon emissions, expansion of the carbon market, construction of zero-carbon factories, energy-saving and carbon-reduction retrofits, consumption of renewable energy and green finance. In March 2026, the *Ecological and Environmental Code of the People's Republic of China* was adopted at the Fourth Session of the 14th National People's Congress, becoming the world's first environmental code to establish "green and low-carbon development" as an independent chapter. The dual-carbon control system was thus elevated from policy to law. Throughout the first half of the year, the trend of strengthened policies, tightened standards, and stricter enforcement prevailed. Industrial environmental governance is undergoing a new stage, shifting from "whether it exists" to "whether it is effective". Full-process closed-loop management and systematic solutions have become market necessities. Meanwhile, zero-carbon transformation and the coordinated development of wind, solar, and energy storage have opened new growth drivers, providing the Company with profound opportunities for compliance upgrades, stock retrofits, and incremental expansion in its four major business segments: flue gas treatment, water treatment, hazardous and solid waste treatment/disposal, and dual-carbon new energy+.

In the first half of 2026, the policy framework for flue gas treatment underwent systemic restructuring and rigid tightening. The *Ecological and Environmental Code of the People's Republic of China* stipulates that enterprises in industries such as steel, building materials, and chemicals must be equipped with dust removal, desulfurization, and denitrification facilities. The maximum fine for unlicensed or excessive emissions has been raised to RMB1 million, and in severe cases, enterprises may be ordered to suspend or shut down operations, significantly elevating the compliance thresholds. In June 2026, the *"15th Five-Year Plan" for Building a Beautiful China* was officially implemented, explicitly requiring in-depth ultra-low emission retrofits in key industries such as cement and coking. The scope of governance has expanded, extending atmospheric pollution control from traditional key industries to a broader range of industrial sectors. Under the dual drivers of increasingly stringent emission standards and expanding governance scope, inefficient treatment facilities face accelerated elimination, while demand for high-efficiency flue gas treatment solutions is experiencing explosive growth. As an environmental enterprise with core technologies in flue gas treatment, the Company will gain broader business opportunities in ultra-low emission retrofits for key industries and in-depth treatment of industrial exhaust gases.

In the field of water treatment, policy priorities have extended from end-of-pipe treatment to precise park-level management and in-depth treatment of industrial wastewater. In April 2026, the Ministry of Ecology and Environment issued the *Technical Guidelines for the Formulation of Water Pollutant Discharge Standards for Centralized Wastewater Treatment Facilities in Industrial Parks*, addressing the absence of dedicated discharge standards for such facilities. The guidelines set out four principles: classified management, comprehensive prevention and control, scientific feasibility, and legal compliance, to guide local authorities in formulating park-specific discharge standards according to local conditions. In May 2026, the Ministry of Ecology and Environment released the *Notice on Recommending Advanced Technologies for Water Pollution Prevention and Control*, which explicitly included wastewater treatment and resource utilization technologies for industrial enterprises as key areas of recommendation. Industrial parks have thus become the critical battleground for water environment governance. Areas such as wastewater treatment and resource utilization in industrial parks, as well as in-depth treatment of industrial wastewater, are embracing new opportunities for standardized development.

In the field of hazardous and solid waste treatment/disposal, policies were intensively introduced in the first half of the year, accelerating the formation of a full-chain regulatory framework. In January 2026, the State Council issued the *Comprehensive Solid Waste Management Action Plan*, which clarified the overall approach, work objectives, key tasks, and safeguard measures for solid waste management in the coming period, and proposed systematic and integrated policy measures to address prominent issues in solid waste management. The action plan defined governance tasks for each stage across major waste-generating sectors such as industry, urban areas, and agriculture and forestry, and promoted source control and reduction, standardized collection, transportation and storage, enhanced resource utilization, and strengthened harmless treatment capacity in line with the concept of full-chain comprehensive management. With increasingly stringent full-chain regulation, demand for capacity building in hazardous and solid waste resource utilization and harmless disposal continues to expand.

In the new energy sector, the first half of 2026 witnessed a series of top-level plans and favorable policies. In January 2026, five ministries jointly issued the *Guiding Opinions on Carrying Out the Construction of Zero-Carbon Factories*, proposing the selection of a batch of zero-carbon factories starting from 2026 and the cultivation and construction of zero-carbon factories in industries such as automobiles, lithium batteries, and photovoltaics by 2027. In March 2026, six ministries including the Ministry of Industry and Information Technology issued the *Guiding Opinions on Promoting the Comprehensive Utilization of Photovoltaic Modules* to address the large-scale retirement of modules and to promote the utilization of recycled materials and the development of comprehensive utilization capacity. In April 2026, the *Opinions on Achieving Higher-Level and Higher-Quality Energy Conservation and Carbon Reduction* were released, strictly controlling coal-fired power, expanding non-fossil energy, and supporting green power direct connection, smart microgrids, and building-integrated photovoltaics (BIPV). New, renovated, or expanded high-energy-consuming projects must implement equivalent or reduced carbon emission replacement. Benefiting from policy dividends, the full life-cycle closed loop of photovoltaics (manufacturing-application-recycling), multi-energy complementarity of wind, solar, and storage, zero-carbon parks with storage facilities, and green power trading have become key windows for the Company to extend its new energy business in synergy with its core environmental protection operations.

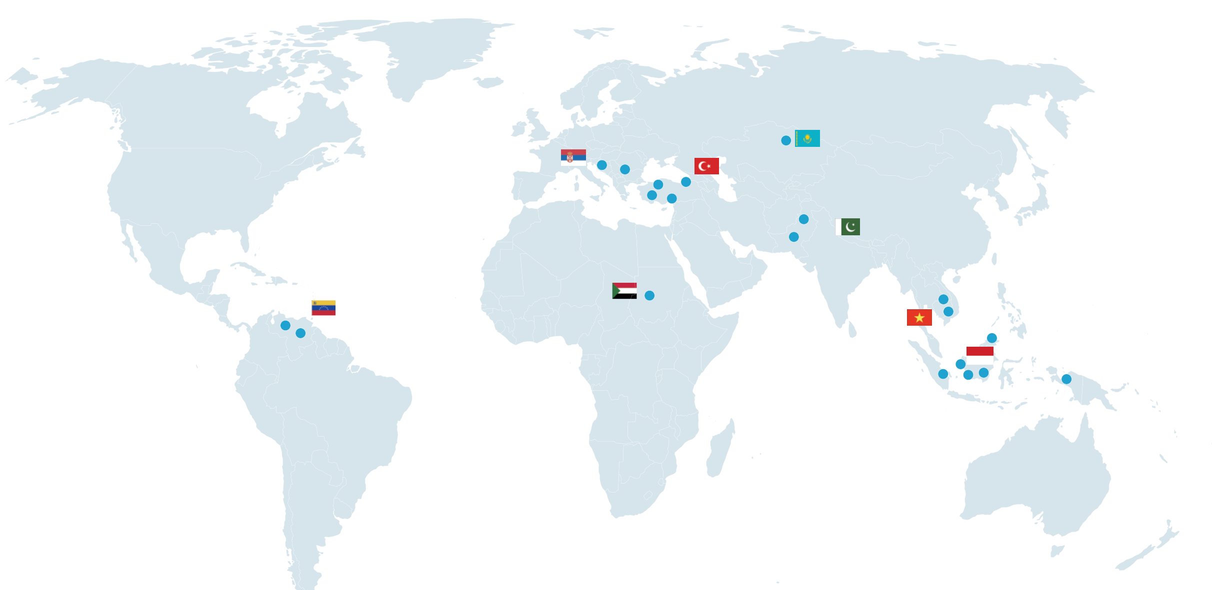
2. BUSINESS REVIEW

In the first half of 2026, the "dual-carbon" policy continued to deepen, with the expansion of the carbon market and the coordinated advancement of pollution reduction and carbon reduction establishing a solid foundation for long-term demand in the environmental governance and new energy industries. The Company adhered to the dual-driven strategy of "environmental governance + new energy", continuously optimizing existing assets and prudently deploying incremental businesses. We maintained a deep cultivation stance in areas such as flue gas treatment, integrated water environment management, solid waste resource utilization, new energy storage, photovoltaics, and comprehensive services for zero-carbon parks. Project reserves progressed in an orderly manner, and the business fundamentals were further consolidated. Overall, the Company is at a critical stage of laying the foundation and building momentum, with its business structure steadily optimized and core competitiveness continuously strengthened, thereby accumulating sufficient momentum for the next stage of high-quality development.

As at 30 June 2026, the Group's projects had wide coverage in China, spanning 31 provinces, municipalities and autonomous regions. Meanwhile, our overseas businesses were also distributed across Europe, South Asia, Latin America, Africa and Southeast Asia.

The following map shows the distribution of the projects of the Group within the PRC as at 30 June 2026:

The following map shows the distribution of the projects of the Group outside the PRC as at 30 June 2026:



2.1 Flue Gas Treatment Business

As a provider of comprehensive green ecological treatment services for the industrial environment, the Group's flue gas treatment business is mainly conducted through various business models including EPC, O&M, and investment projects (including "Build-Operate-Transfer" or "**BOT**," "**Build-Own-Operate**" or "**BOO**", and operation of self-owned assets). During the Reporting Period, by continuously strengthening the construction of the customer service system and relying on our sound project implementation experience, we seized policy opportunities and continued to expand the scale of both the electricity and non-electricity markets. Among them:

EPC

The EPC business mainly involves providing project design, equipment and materials procurement, project construction and equipment installation services in relation to SO_2 or NO_x emission control and dust removal for industrial customers such as power plants, steel factories, chemical plants, refining and building material companies. During the Reporting Period, the Group continued to deepen its presence in the flue gas treatment market, with remarkable progress in overseas market expansion. Projects in Indonesia and Kazakhstan were successively implemented, further enhancing the Group's brand influence and market competitiveness in the international flue gas treatment sector. As at 30 June 2026, the Group had newly added 9 EPC projects, with a total contract value of approximately RMB 453 million.

During the Reporting Period, the Group's newly added EPC projects were as follows:

No.	EPC projects under construction	Type of project	Newly built/Upgraded	Date of contract *(Month/Year)*	Aggregate contract value *RMB million*
1	EPC General Contracting Project for Flue Gas Desulfurization of 2×660MW Coal-fired Expansion Project of Jinshan Power Plant of Inner Mongolia Energy Group	Desulfurization	Newly built	March 2026	127
2	Supply Project for Flue Gas Denitrification System of 2×660MW Coal-fired Power Project of Guizhou Liutang Power Plant under SPIC Guizhou Jinyuan	Denitrification	Newly built	April 2026	61
3	2×660MW Coal-fired Power Project in Baotou Area of Inner Mongolia Energy Group	Desulfurization	Newly built	April 2026	127
4	Flexible Intelligent Control for Unit #1 and Smart Desulfurization Transformation for Units #3 and #4 of Yangxi Power Plant	Desulfurization	Upgraded	May 2026	3
5	New Desulfurization Project for Boiler #9 and Unit #7 of Karaganda No. 3 Thermal Power Plant in Kazakhstan	Desulfurization	Newly built	June 2026	25
6	Supply Contract for Level-3 Dry Gas Digestor Equipment of Dexin Steel Indonesia	Desulfurization	Upgraded	April 2026	8

No.	EPC projects under construction	Type of project	Newly built/Upgraded	Date of contract *(Month/Year)*	Aggregate contract value *RMB million*
7	Supplementary Supply Project of Equipment/ Materials for Desulfurization Upgrade of Sintering Machines #1 and #2 of Dexin Steel Indonesia	Desulfurization	Upgraded	March 2026	94
8	Design Contract for Desulfurization System Upgrade of Sintering Machines #1 and #2 of Dexin Steel Indonesia	Desulfurization	Upgraded	January 2026	6
9	EPC Project for Retrofit of Additional Absorber Tower Condensation Dust and Mist Removal System + Wastewater Low-Temperature Evaporation System of Unit #1 of Hanchuan Power Plant under Guoneng Changyuan	Desulfurization	Upgraded	May 2025	2

O&M

O&M services mainly include providing the operation services and the regular maintenance services for desulfurization, denitrification and dust removal facilities owned by customers. Under the O&M projects, we charge customers either (i) service fees based on the total amount of on-grid electricity or tonnage of sintered iron ore generated during the service period, or (ii) a fixed fee determined based on the pre-agreed scope of work. Revenues from the O&M business can provide the Group with a sustainable source of revenue and stable cash flow.

As at 30 June 2026, the Group had a total of 39 O&M projects under operation, covering industrial sectors such as electricity and steel. These projects have operated stably with emissions in compliance with the required standards, providing a solid source for the Group's business growth.

During the Reporting Period, the installed capacities and status of the Group's O&M projects under operation were as follows:

No.	Project name	Type of project	Starting date of service *(Month/Year)*	Expiry date of service contract *(Month/Year)*	Installed capacity
1	O&M Project for Flue Gas Desulfurization of Units #1-6 of Yangcheng Power Plant	Desulfurization and dust removal	July 2018	March 2027	6x350MW
2	O&M Project for Flue Gas Desulfurization of Yangcheng Units #7-8	Desulfurization, dust removal and slag removal	June 2018	March 2027	2×600MW
3	O&M Project for Flue Gas Desulfurization and Dust Removal of Jingjiang	Desulfurization and dust removal	March 2016	December 2027	2×660MW
4	O&M Project for Flue Gas Desulfurization and Denitrification of Yangxi Power Plant Units #3-4	Desulfurization and denitrification	January 2017	December 2028	2×660MW

No.	Project name	Type of project	Starting date of service *(Month/Year)*	Expiry date of service contract *(Month/Year)*	Installed capacity
5	O&M Project of Jinxi Steel	Denitrification, desulfurization and dust removal	March 2019	August 2026	265m² sintering machines
6	O&M Project for Flue Gas Desulfurization, Denitrification and Dust Removal of 350m² Sintering Machines of Tianjin Iron Plant	Denitrification, desulfurization and dust removal	November 2019	November 2028	350m² sintering machines
7	O&M Project for Flue Gas Denitrification of 360m² Sintering Machines of Tianjin Iron Plant	Denitrification	December 2019	December 2028	360m² sintering machines
8	O&M Project for Flue Gas Desulfurization, Denitrification and Wastewater Zero-discharge System Equipment Maintenance of Yangxi Power Plant Units #5-6	Desulfurization, denitrification and wastewater zero-discharge	January 2022	August 2027	2×1,240MW
9	Operation and Maintenance Service Project for Environmental Protection Facilities of Shanxi Yuguang Power Generation Co., Ltd.	Denitrification, desulfurization and dust removal	December 2021	July 2026	2×300MW+ 2×350MW
10	Contract Operation Project for Desulfurization and Denitrification System of No. 2 Sintering Plant of Jinxi Iron and Steel Group Co., Ltd.	Denitrification, desulfurization and dust removal	July 2021	August 2026	265m² sintering machines
11	O&M Project for Flue Gas Purification Device of Sintering Machines under the Integrated Project of Removing the Old District of HBIS Hansteel	Denitrification, desulfurization and dust removal	April 2023	April 2028	435m² sintering machines
12	Outsourcing Operation Project for Desulfurization and Denitrification of Sintering Plant 450 of Hebei Jinxi Steel Group Co., Ltd.	Desulfurization, denitrification and dust removal	September 2022	August 2026	450m² sintering machines
13	Auxiliary Control Operation and Auxiliary Production Service Project for Ash Vulcanization of Qingyuan Power Plant of Guangdong Company	Auxiliary control operation and auxiliary production service for ash vulcanization	October 2022	June 2026	2×1,000MW
14	O&M Project (Excluding Desulfurization and Denitrification) for 135MW Generator Unit of Jinxi Steel	O&M for generator unit	October 2022	October 2026	135MW
15	O&M Project for 299,000 Vertical Blast Furnace Gas Tank of Jinxi Steel	O&M for gas cabinet equipment for vertical blast furnace	October 2022	October 2026	299,000
16	O&M Project for Desulfurization and Denitrification of No. 1 Sintering Plant of Jinxi Iron and Steel Group Co., Ltd.	Desulfurization, denitrification and dust removal	September 2023	August 2026	265m² sintering machines
17	Outsourcing Contracting Project for Pellet Desulfurization of Sintering Plant of Jinxi Iron and Steel Group Co., Ltd.	Desulfurization and dust removal	September 2023	August 2026	265m² sintering machines

No.	Project name	Type of project	Starting date of service *(Month/Year)*	Expiry date of service contract *(Month/Year)*	Installed capacity
18	O&M Project for Denitrification System of #1, #2 and #3, 250 Rolling Line Heating Furnaces of Jinxi Steel Company	Denitrification	September 2023	August 2026	1,390,000 tons+ 2,200,000 tons+ 378,000 tons
19	O&M Project for Denitrification System of Heating Furnaces of Jinxi Steel Sheet Pile Technology Co., Ltd.	Denitrification	September 2023	August 2026	545,000 tons
20	O&M Project for Denitrification System of the First and Second Rolling Heating Furnaces of Jinxi Iron and Steel Strip Plant	Denitrification	September 2023	August 2026	2,686,000 tons
21	O&M Project for Green Island of 2×350MW Low Heating Value Coal Power Generation Project of Jijiantou Shouyang Thermal Power Co., Ltd.	Desulfurization, denitrification and dust removal	July 2023	October 2043 (settlement adjusted every 3 years)	2×350MW
22	Equipment Maintenance Project Contract for Units #1-6 of Yangxi Power Plant (maintenance of coal transportation system of the whole plant and dock system)	Coal transportation/terminal	December 2023	December 2028	2×600MW+ 2×660MW+ 2×1,240MW
23	O&M and Contracting Project for Flue Gas Desulfurization and Dust Removal of Jingjiang	Desulfurization and dust removal	January 2024	December 2027	2×1,000MW
24	O&M Service Project for Desulfurization System of Power Center of Shandong Yulong Thermal Power Co., Ltd. (including wet electrostatic precipitator)	Desulfurization (including wet electrostatic precipitator)	March 2024	March 2027	6×670t/h
25	O&M Project for Flue Gas Desulfurization and Denitrification of Two 230m² Sintering Machines of Tianjin Xintian Steel United Special Steel Co., Ltd.	Desulfurization and denitrification	April 2024	April 2030	2×230m²
26	O&M Service Project for Ash Removal, Desulfurization and Ammonia Production System of Units #1-2 of Huaihe Energy Huainan Panji Power Generation Co., Ltd.	Desulfurization, denitrification and dust removal	December 2024	December 2026	2×660MW
27	O&M Service Project for Ash Removal, Desulfurization and Ammonia Production System of Phase II 2×660MW Ultra-supercritical Coal-fired Units of Panji Power Plant of Huainan Mining Group	Desulfurization, denitrification and dust removal	April 2025	December 2026	2×660MW
28	O&M Project for Desulfurization System of 2×1,000MW Units of Jiangsu Guoxin Binhai Port Power Generation Co., Ltd.	Desulfurization	December 2024	June 2026	2×1,000MW
29	O&M Service Project for Ash Removal, Desulfurization and Urea Preparation System of 2×660MW Ultra-supercritical Coal-fired Units of Xieqiao Power Plant under Huaihe Energy Holding Group	Desulfurization	June 2025	June 2027	2×660MW

No.	Project name	Type of project	Starting date of service *(Month/Year)*	Expiry date of service contract *(Month/Year)*	Installed capacity
30	O&M Project for Auxiliary Control System of Jiangsu Guoxin Binhai Port Power Generation Co., Ltd.	Desulfurization, denitrification and dust removal	June 2025	June 2026	2×1,000MW
31	O&M Service Project for Auxiliary Control Systems of Jiangling Power Generation Co., Ltd. under Hubei Energy Group (including desulfurization, dust removal, slag removal, urea hydrolysis and ammonia production)	Desulfurization, dust removal and slag removal	December 2025	One year after acceptance of #2 unit 168-hour full-load trial run	2×660MW
32	O&M Project for 401C Maintenance of Phase II of Panji Power Plant under Huaihe Energy Power Group	Desulfurization	March 2026	March 2026	2×660MW
33	101C Maintenance Project (Ash Desulfurization Section) of Xieqiao Power Generation Company under Huaihe Energy	Desulfurization	April 2026	April 2026	1×660MW
34	O&M Project for Unit #1 of Yuguang (Contract-external C Maintenance)	Desulfurization, denitrification and dust removal	March 2026	April 2026	1×300MW
35	O&M Project for Unit #4 of Yuguang (Contract-external C Maintenance)	Desulfurization, denitrification and dust removal	April 2026	May 2026	1×300MW
36	301C Maintenance Project of Phase II of Panji Power Plant	Desulfurization and dust removal	May 2026	May 2026	1×660MW
37	Outsourcing O&M Project for Desulfurization System of Jiangsu Guoxin Binhai Port Power Generation Co., Ltd.	Desulfurization	June 2026	10 June 2026 – 9 June 2028	2×1,000MW
38	Supplementary Agreement I to Special Service Contract for Construction of Unit B3 of Phase II Project of Kostolac-B Power Plant in Serbia	Desulfurization	May 2025	March 2026	1×350MW
39	Supplementary Agreement II to Special Service Contract for Construction of Unit B4 of Phase II Project of Kostolac-B Power Plant in Serbia	Desulfurization	April 2026	February 2027	1×350MW

Investment Projects

The Group's investment business is divided into concession operation business models and self-owned asset operation.

Under the concession operation business model, the Group is responsible for financing, investing, constructing and operating projects in accordance with concession contracts entered into with its customers.

In 2026, the Group continued to operate its concession businesses, including desulfurization, denitrification and green islands. As at 30 June 2026, the Group had a total of 7 concession projects under execution, all of which had been successfully put into operation except for the Shanxi Puzhou Phase I BOT project (Note 1). These projects have laid an important foundation for the Group's sustainable operation and stable development.

During the Reporting Period, the details of the Group's investment projects under operation were as follows:

No.	Project name	Installed capacity	Type of project	Newly built/ Upgraded	Total investment *RMB million*	Date of contract *(Month/Year)*	Expiry date of concession period *(Month/Year)*
1	Jiangxi Jinggangshan BOT Project	2×300MW+ 2×660MW	Desulfurization	Newly built	224	January 2008 (Phase I) August 2008 (Phase II)	July 2030 (Phase I) December 2030 (Phase II)
2	Shanxi Hejin BOT Project	2×350MW	Denitrification	Newly built	122	June 2012	September 2033 (Unit #1) May 2033 (Unit #2)
3	Shanxi Puzhou Phase II BOT Project	2×350MW	Desulfurization	Newly built	112	May 2014	End of 2037
4	Xinjiang Shenhuo BOT Project	4×350MW	Green island	Upgraded	496	June 2017	End of 2032
5	Huainan Gubridge BOT Project	2×330MW	Green island	Upgraded	173	May 2018	End of 2033
6	Xinjiang Guotai Xinhua BOT Project	2×350MW	Green island	Upgraded	150	July 2018	June 2028
7	Guangxi Laibin BOO Project for Desulfurization, Denitrification and Dust Removal	2×300MW	Green island	Upgraded	308	December 2018	End of 2033
8	Operation Project for Flue Gas Desulfurization and Denitrification of Units #1-2 of Yangxi Power Plant	2×660MW	Desulfurization and denitrification	Asset acquisition	154	October 2023	December 2039

Note:

1. The Shanxi Puzhou Phase I BOT project is currently under negotiation for repurchase by the owner, and the relevant BOT business has been suspended.

2.2 Water Treatment Business

During the Reporting Period, the Group's water treatment business adhered to the operating strategy of "refining existing projects and preparing for future growth", with projects under execution operating smoothly. The successful implementation of the 20-year concession right for the concentrated brine-to-salt zero-discharge system project in Lubao Industrial Park has provided the segment with long-term and stable income assurance. On this basis, the Group accelerated the exploration of light-asset models, striving to open new growth paths for the water treatment business through more efficient and flexible operating approaches.

As at 30 June 2026, the Group had 10 water treatment projects under execution.

During the Reporting Period, the Group's water treatment projects under execution were as follows:

No.	**Project name**	**Type of project**	**Date of contract** *(Month/Year)*	**Expiry date of service contract** *(Month/Year)*
1	Sewage Advanced Treatment and Recycle Project for Coking Wastewater/Sewage and Renewable Resource Utilization of Shanxi Lubao Industrial Park	Asset acquisition	June 2019	Equivalent to the service life of the wastewater treatment center assets
2	Concentrated Wastewater Advanced Treatment System Project of Lubao Industrial Park Wastewater Treatment Center	Self-built	November 2020	Equivalent to the service life of the wastewater treatment center assets
3	Wastewater Acceptance and Treatment Project of Changzhi Yuanyan Pharmaceutical Technology Co., Ltd.	O&M	January 2022	April 2030
4	Wastewater Treatment Renovation EPC Project of Shandong Bohui Paper Co., Ltd.	EPC	April 2022	N/A
5	Zero-discharge Brine-to-Salt System Project of Lubao Industrial Park Wastewater Treatment Center	BOO	August 2023	20 years from the completion of performance acceptance
6	Wastewater Treatment System Project for Reducing SS (Suspended Solids Concentration) under 2023 Production Technical Renovation Project of Yunnan Yun Jinglin Paper Co., Ltd.	EPC	August 2023	N/A
7	Advanced Treatment Project for Discharge Water Supporting Sulfur-Titanium-Iron Project of Inner Mongolia Guocheng Resource Utilization Co., Ltd.	EPC + O&M	August 2023	June 2034
8	Wastewater Treatment Technical Service Project of Shanxi Coking Co., Ltd.	O&M	August 2024	August 2026
9	130m³/h Coking Wastewater O&M Project of Tianjin Iron Plant Co., Ltd.	O&M	August 2024	February 2027
10	Entrusted O&M Service Project for West District Wastewater Treatment Plant and Supporting Pipe Network of Lucheng Economic and Technological Development Zone	O&M	December 2025	5 years from commencement of O&M

2.3 Hazardous and Solid Waste Treatment/Disposal Business

During the Reporting Period, focusing on large-scale industrial production enterprises and relying on extensive project operation experience and integrated equipment systems, the Group's Qinghai Boqi hazardous and solid waste treatment/disposal center operated steadily, generating sustainable income for the Group. The construction of resource utilization projects for waste packaging materials and discarded photovoltaic panels made positive progress. Upon formal operation in the future, these projects will further enhance the Group's profitability and long-term sustainable development momentum.

No.	Project name	Type of project	Date of contract *(Month/Year)*	Expiry date of service contract *(Month/Year)*
1	Hazardous Waste Co-disposal Project in Cement Kiln of Tangshan Yandong	EPC	January 2020	20-year operation period after commencement of production
2	Hazardous Waste Landfill Project of Qinghai Boqi	Asset acquisition	November 2021	Equivalent to the service life of the assets
3	Comprehensive Utilization Project for Hazardous Waste Packaging Materials of Qinghai Boqi	Self-built	May 2022	N/A
4	EPC General Contracting Project for Solid Waste Resource Utilization and Disposal of Qinghai Boqi Ecological Environmental Technology Co., Ltd.	EPC	March 2025	N/A

2.4 Dual Carbon New Energy+ Business

During the Reporting Period, the Group's New Energy+ business progressed steadily, with projects under execution operating smoothly and generating stable returns. In terms of new project acquisition, the Group placed a greater emphasis on quality and strategic layout, successfully achieving its first breakthrough in photovoltaic O&M projects and securing a procurement contract for energy storage. This progress marks the Group's upgrade from traditional engineering to an "operation + service" model, further opening up future development opportunities.

During the Reporting Period, the Group's dual carbon new energy+ projects under execution were as follows:

No.	Project name	Type of project	Date of contract *(Month/Year)*	Expiry date of service contract *(Month/Year)*
1	Waste Heat Power Generation Equipment Supply Project for Dry Quenching of Shanxi Dongyi Coal Power Aluminum Group Coal Chemical Co., Ltd.	EP	November 2021	N/A
2	Dry Quenching Engineering BOT Project of Tianjin Iron Plant Co., Ltd.	BOT	July 2022	July 2032
3	Wuxi Photovoltaic Project	Equity acquisition	May 2023	N/A
4	0.63MW + 0.63MW Distributed Photovoltaic Project of Jiangsu DEKE Environmental Protection Equipment Co., Ltd.	EMC	November 2023	May 2049

No.	Project name	Type of project	Date of contract *(Month/Year)*	Expiry date of service contract *(Month/Year)*
5	0.63MW Distributed Photovoltaic Project of Wuxi Aohua Energy-saving Environmental Engineering Co., Ltd.	EMC	January 2024	April 2049
6	0.8MW Integrated Smart Zero-carbon Power Plant Distributed Photovoltaic Project of Yixing Hudong Foundry Co., Ltd.	EMC	January 2024	20 years from grid connection
7	1.28MW Distributed Photovoltaic Project of Wuxi Huachu New Energy Co., Ltd.	EMC	February 2024	25 years from issuance of acceptance documents
8	O&M General Contracting Project for 2×150t/h Dry Quenching Facilities Supporting Coke-Electric Engineering Project of Xinyang Steel Jingang Energy Co., Ltd.	O&M	March 2024	December-2034
9	0.4991MW Distributed Photovoltaic EPC General Contracting Project of Chongqing Ouruo Furniture Co., Ltd.	EPC	June 2024	N/A
10	Industrial and Commercial Distributed Photovoltaic Power Generation Roof Leasing and Energy Management Project of Foshan Danzhao Shihai Steel Logistics Center, Guangdong	EMC	July 2024	November-2048
11	Rooftop Solar Distributed Photovoltaic Project of Wuxi Longhua Power Equipment Co., Ltd.	EMC	July 2024	25 years from issuance of acceptance documents
12	Photovoltaic Power Generation EPC Project of Shouyang Thermal Power Plant	EPC	October 2024	N/A
13	2.4111MW Distributed Photovoltaic EPC General Contracting Project of Jiangsu Qijian Screw Manufacturing Co., Ltd.	EPC	January 2025	N/A
14	Phase III Distributed Photovoltaic Power Generation Project of Tianjin Iron and Steel Group Co., Ltd.	EMC	June 2025	25 years after official operation of photovoltaic project
15	Distributed Photovoltaic Power Generation Project of Wuxi Baoyuan Sifang Culture Co., Ltd.	EMC	March 2025	25 years from issuance of acceptance documents
16	Distributed Photovoltaic Power Generation Project of Wuxi Sida Sifang Electric Co., Ltd.	EMC	March 2025	25 years from issuance of acceptance documents
17	Phase II Photovoltaic Power Generation Construction Project (Plant Area) of Delong Steel Co., Ltd.	EPC	August 2025	N/A
18	Phase II Photovoltaic Power Generation Construction Project (Dormitory Area) of Delong Steel Co., Ltd.	EPC	August 2025	N/A
19	Phase I Photovoltaic Equipment and Supporting Procurement Project of Bintan Bay Energy Company Photovoltaic Power Generation Project	P	March 2026	N/A
20	Battery Energy Storage System – 100MW Independent Hybrid Energy Storage Project of Yanggao County, Tenth Engineering Company of Shanxi Wujian Group Co., Ltd.	P	April 2026	July 2026
21	Rooftop Distributed Photovoltaic Power Generation EMC Project of Changzhi Boqi	EMC	May 2026	May 2026
22	Auxiliary Production Project of Yangcheng International Photovoltaic Power Station of Shanxi Company	O&M	May 2026	May 2027

3. FINANCIAL POSITION AND OPERATIONS

In 2026, China's economy entered a stage of deep structural adjustment, with the external environment still facing considerable uncertainties and domestic demand recovery requiring more time. The environmental protection industry has stepped into a development stage where stock competition and transformation challenges coexist. The growth potential of traditional engineering business has narrowed, industry homogenization competition has intensified, and project profitability has come under pressure. Relying on scale expansion to drive growth has become unsustainable, and the industry's focus has accelerated towards low-carbon resource-based technological iteration, refined operation and maintenance services, and coordinated expansion into domestic and overseas markets. Against this complex and volatile market environment, the Group consolidated its existing business foundation, proactively deployed in emerging sectors, seized structural market opportunities, and continued to strengthen its core competitive advantages. During the first half of the year, the Group's production and operations remained generally stable and orderly, with asset quality and financial structure staying sound.

Revenue

For the six months ended 30 June 2026, the Group's total revenue was RMB955 million, representing a decrease of 9.7% from RMB1,058 million for the first half of 2025, mainly due to (i) a decline in revenue from flue gas EPC business; (ii) a decrease in power generation from certain investment operation projects; and (iii) a reduction in solid waste disposal volume, resulting in lower revenue.

The Group generates revenue primarily from four operating segments: (i) flue gas treatment; (ii) water treatment; (iii) hazardous and solid waste treatment/disposal business; and (iv) dual-carbon new energy⁺ business. The following table sets forth a breakdown of the revenue of the Group by segment for the periods indicated.

	Segment revenue For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Flue gas treatment business	**761,170**	889,283
EPC	**223,364**	326,229
O&M	**301,791**	300,609
Investment	**234,740**	261,749
Of which: Construction	**887**	542
Operation	**233,853**	261,207
Others	**1,275**	696
Water treatment business	**111,497**	75,685
Hazardous and solid waste treatment/disposal business	**12,894**	23,900
Dual-carbon new energy⁺ business	**69,886**	69,617
Total	**955,447**	1,058,485

For the six months ended 30 June 2026, revenue generated from the Group's flue gas treatment business segment was as follows:

- Revenue from EPC business was RMB223 million, representing a decrease of 31.6% from RMB326 million for the first half of 2025, mainly due to the smaller scale of EPC projects as compared with the same period last year, resulting in lower revenue;

- Revenue from O&M business was RMB302 million, representing an increase of 0.7% from RMB301 million for the first half of 2025, as the operation of existing O&M projects remained stable and the overall business scale was largely unchanged; and

- Revenue from investment operation business was RMB235 million, representing a decrease of 10.3% from RMB262 million for the first half of 2025, mainly due to a decrease in power generation from certain operating projects, resulting in lower revenue.

For the six months ended 30 June 2026, revenue from the Group's water treatment business segment was RMB111 million, representing an increase of 48.0% from RMB75 million for the first half of 2025, mainly due to the successful commissioning and operation of newly constructed projects during the Reporting Period, which drove the increase in segment revenue.

For the six months ended 30 June 2026, revenue from the Group's hazardous and solid waste treatment/disposal business segment was RMB13 million, representing a decrease of 45.8% from RMB24 million for the first half of 2025, mainly due to a reduction in business orders during the Reporting Period and delays in hazardous waste transfer caused by earthquake disasters, resulting in a decline in solid waste disposal volume and lower revenue.

For the six months ended 30 June 2026, revenue from the Group's dual-carbon new energy[+] business segment was RMB70 million, remaining flat as compared to RMB70 million for the first half of 2025.

Cost of Sales and Services

For the six months ended 30 June 2026, the Group's cost of sales and services was RMB724 million, representing a decrease of 11.2% from RMB815 million for the first half of 2025, mainly due to (i) a reduction in the scale of EPC business; (ii) a decline in solid waste disposal volume; and (iii) lower maintenance costs for certain projects during the Reporting Period, resulting in an overall decrease in cost.

For the six months ended 30 June 2026, the cost of sales and services of the Group's flue gas treatment business segment was as follows:

- The cost of sales and services for EPC business amounted to RMB196 million, representing a decrease of 33.1% from RMB293 million for the first half of 2025, mainly due to the smaller scale of EPC projects during the Reporting Period, resulting in lower raw material and construction-related costs;

- The cost of sales and services for O&M business amounted to RMB239 million, representing an increase of 3.0% from RMB232 million for the first half of 2025, mainly due to (i) certain O&M projects being subject to ultra-low emission environmental inspections, under which projects were suspended without shutdown, leading to higher consumption of bulk materials and energy; and (ii) an increase in the number of operating projects during the Reporting Period, resulting in higher costs; and

- The cost of sales and services for investment operation business amounted to RMB164 million, representing a decrease of 3.5% from RMB170 million for the first half of 2025, mainly due to a decrease in power generation from certain projects, resulting in lower costs.

For the six months ended 30 June 2026, the cost of sales and services for water treatment business was RMB77 million, representing an increase of 30.5% from RMB59 million for the first half of 2025, mainly due to the commencement of newly constructed projects during the Reporting Period, which drove an increase in operating costs.

For the six months ended 30 June 2026, the cost of sales and services for hazardous and solid waste treatment/disposal business was RMB9 million, representing a decrease of 40.0% from RMB15 million for the first half of 2025, mainly due to a reduction in business orders during the Reporting Period and delays in hazardous waste transfer caused by earthquake disasters, resulting in a decline in solid waste disposal volume and a corresponding decrease in operating costs.

For the six months ended 30 June 2026, the cost of sales and services for dual-carbon new energy⁺ business segment was RMB39 million, representing a decrease of 15.2% from RMB46 million for the first half of 2025, mainly due to lower maintenance costs for certain projects during the Reporting Period as compared with the same period last year.

Gross Profit and Gross Profit Margin

For the six months ended 30 June 2026, the Group's gross profit was RMB232 million, representing a decrease of 4.5% from RMB243 million for the first half of 2025, and the gross profit margin was 24.3%, representing an increase of 1.3 percentage points as compared with the first half of 2025. The decrease in gross profit was mainly due to (i) a reduction in the scale of flue gas EPC business; (ii) a decrease in power generation from certain investment operation projects; and (iii) a decline in solid waste disposal volume, resulting in lower gross profit.

The following table sets forth the Group's gross profit and gross profit margin for each of the business segments for the periods indicated:

	For the six months Ended 30 June 2026		For the six months Ended 30 June 2025	
	Gross Profit	**Gross Profit Margin**	Gross Profit	Gross Profit Margin
	RMB'000	***%***	*RMB'000*	*%*
Flue Gas Treatment Business	**162,371**		193,718	
EPC	**27,549**	**12.3**	32,937	10.1
O&M	**63,146**	**20.9**	68,022	22.6
Investment	**70,408**	**30.0**	92,065	35.2
Of which: Construction	**9**	**1.0**	15	2.8
Operation	**70,399**	**30.1**	92,050	35.2
Others	**1,268**	**99.5**	694	99.7
Water Treatment Business	**34,856**	**31.3**	16,256	21.5
Hazardous and Solid Waste Treatment/Disposal Business	**4,092**	**31.7**	8,851	37.0
Dual-Carbon New Energy^{+} Business	**30,577**	**43.8**	24,214	34.8
Total	**231,896**	**24.3**	243,039	23.0

For the six months ended 30 June 2026, the gross profit of the Group's flue gas treatment business segment was as follows:

- The gross profit of EPC business was RMB27 million, representing a decrease of 18.2% from RMB33 million for the first half of 2025, mainly due to the smaller scale of EPC projects during the Reporting Period, resulting in lower gross profit;

- The gross profit of O&M business was RMB63 million, representing a decrease of 7.4% from RMB68 million for the first half of 2025, mainly due to (i) certain O&M projects being subject to ultra-low emission environmental inspections, under which projects were suspended without shutdown, leading to higher consumption of bulk materials and energy; and (ii) maintenance carried out for certain O&M projects, resulting in higher repair costs; and

- The gross profit of investment operation business was RMB71 million, representing a decrease of 22.8% from RMB92 million for the first half of 2025, mainly due to (i) a decrease in power generation from certain operating projects, resulting in lower gross profit; and (ii) higher maintenance costs and an increase in bulk material prices for certain projects, leading to a decrease in gross profit.

For the six months ended 30 June 2026, the gross profit of the Group's water treatment business segment was RMB35 million, representing an increase of 118.8% from RMB16 million for the first half of 2025, mainly due to the commencement and operation of newly constructed projects during the Reporting Period, which drove an increase in gross profit.

For the six months ended 30 June 2026, the gross profit of the Group's hazardous and solid waste treatment/disposal business segment was RMB4 million, representing a decrease of 55.6% from RMB9 million for the first half of 2025, mainly due to a reduction in business orders during the Reporting Period and delays in hazardous waste transfer caused by earthquake disasters, resulting in a decline in solid waste disposal volume and lower gross profit.

For the six months ended 30 June 2026, the gross profit of the Group's dual-carbon new energy+ business segment was RMB31 million, representing an increase of 29.2% from RMB24 million for the first half of 2025, mainly due to lower maintenance costs for certain projects during the Reporting Period as compared with the same period last year, resulting in higher gross profit.

Other Income and Gains and other Expenses and Losses

For the six months ended 30 June 2026, other income and gains and other expenses and losses consist primarily of interest income, government grants and rental income.

The following table sets forth a breakdown of other income and gains and other expenses and losses for the periods stated:

	For the six months ended 30 June 2026 ***RMB'000***	For the six months ended 30 June 2025 *RMB'000*
Interest income	**5,093**	6,127
Government grants	**9,637**	9,449
Rental income, net	**70**	(116)
Foreign exchange (losses)/gain	**(4,149)**	1,875
Fair value gain on financial assets at FVTPL	**174**	–
Gain on disposal of property, plant and equipment	**103**	–
Impairment losses on other non-current assets	**(3,944)**	–
Others	**(269)**	(4,632)
	6,715	12,703

For the six months ended 30 June 2026, the Group's other income and gains and other expenses and losses amounted to RMB7 million, representing a decrease of RMB6 million from RMB13 million for the first half of 2025, mainly due to the decrease in foreign exchange gains.

Selling and Distribution Expenses

For the six months ended 30 June 2026, the Group's selling and distribution expenses were RMB10 million, remaining largely flat as compared with RMB9 million for the first half of 2025.

Administrative Expenses

For the six months ended 30 June 2026, the Group's administrative expenses were RMB47 million, remaining largely flat as compared with RMB48 million for the first half of 2025. Administrative expenses as a percentage of revenue increased from 4.5% in the same period of last year to 4.9%, mainly due to the decrease in total revenue during the Reporting Period, which led to a higher expense ratio.

Research and Development ("R&D") Expenses

For the six months ended 30 June 2026, the Group's R&D expenses were RMB28 million, remaining flat as compared with RMB28 million for the first half of 2025. R&D expenses as a percentage of revenue increased from 2.7% in the same period of last year to 2.9%.

Finance Costs

The Group's finance costs mainly represent interest expenses on bank borrowings and other loans, lease liabilities and discounted notes payable. For the six months ended 30 June 2026, the Group's finance costs were RMB7 million, remaining flat as compared with RMB7 million for the first half of 2025.

Gearing Ratio

The gearing ratio is calculated based on the percentage of the Group's total liabilities over its total assets. For the six months ended 30 June 2026, the Group's gearing ratio was 33.0%, representing a decrease of 2.7 percentage points from 35.7% as at 31 December 2025.

Income Tax Expense

For the six months ended 30 June 2026, the Group's income tax expense was RMB13 million, representing a decrease of 7.1% from RMB14 million for the first half of 2025, mainly due to the decrease in deferred tax provision during the current year.

Profit for the Reporting Period

For the six months ended 30 June 2026, the Group's profit for the period was RMB106 million, representing a decrease of RMB39 million from RMB145 million for the first half of 2025. The decrease was mainly due to the overall reduction in revenue scale during the Reporting Period, a year-on-year decline in project costs, and the provision for impairment on certain projects, resulting in lower profit.

Profit Attributable to Owners of the Company

For the six months ended 30 June 2026, the profit attributable to owners of the Company was RMB104 million, representing a decrease of RMB39 million from RMB143 million for the first half of 2025.

Trade Receivables

For the six months ended 30 June 2026, two of the Group's independent customers located in Mainland China, Customer C and Customer D, were ruled by the court in Mainland China to accept bankruptcy reorganization and bankruptcy liquidation applications on 30 March 2026 and 29 June 2026, respectively.

As at 30 June 2026, the Group considered that above matters indicated that the credit status of Customer C and Customer D had undergone significant deterioration, and therefore required an individual impairment assessment on the outstanding balances due from these two customers. Based on management's assessment, the Group recognized expected credit losses on trade receivables, other receivables, long-term receivable and other non-current assets for the above affected customers amounted to approximately RMB2,621,000, approximately RMB1,975,000, approximately RMB25,988,000 and approximately RMB3,944,000, respectively.

Cash Flows

The following table sets forth the cash flow position of the Group in the first half of 2026 and the first half of 2025:

	For the six months ended 30 June 2026 ***(RMB'000)***	For the six months ended 30 June 2025 *(RMB'000)*
Net cash generated from/(used in) operating activities	**17,201**	(47,981)
Net cash (used in) investing activities	**(31,355)**	(25,531)
Net cash (used in) financing activities	**(42,144)**	(232,087)
Net increase (decrease) in cash and cash equivalents	**(56,298)**	(305,599)

For the six months ended 30 June 2026, the Group's bank balances and cash amounted to RMB381 million, representing a decrease of RMB60 million from RMB441 million as at the beginning of 2026, mainly due to loan repayments and investments in associates during the Reporting Period.

For the six months ended 30 June 2026, the net cash generated from operating activities was RMB17 million, representing an increase of RMB65 million year-on-year, mainly due to a decrease in operating procurement expenditures during the Reporting Period.

For the six months ended 30 June 2026, the net cash used in investing activities was RMB31 million, representing an increase of RMB5 million year-on-year, mainly due to higher payments for investments in associates and subsidiaries during the Reporting Period as compared with the same period last year.

For the six months ended 30 June 2026, the net cash used in financing activities was RMB42 million, representing a decrease of RMB190 million year-on-year, mainly due to lower loan repayments during the Reporting Period as compared with the same period last year.

Capital Expenditure

The Group's capital expenditure mainly comprises the acquisition and construction of investment projects and equity investments. For the six months ended 30 June 2026, the Group's total capital expenditure amounted to RMB72 million, representing an increase of RMB13 million from RMB59 million for the same period of last year.

Capital Structure

As at 30 June 2026, the Group's borrowings amounted to RMB241 million (including long-term borrowings of RMB191 million and short-term borrowings of RMB50 million) (as at 31 December 2025: borrowings of RMB274 million, including long-term borrowings of RMB204 million and short-term borrowings of RMB70 million). Among these, borrowings of RMB35 million were subject to fixed interest rates. The carrying amounts of bank borrowings were mainly denominated in RMB. The Group did not use any financial instruments for hedging purposes, nor did it have any net foreign currency investments hedged by existing borrowings and/or other hedging instruments.

Pledge of the Group's Assets

As at 30 June 2026, bank borrowings of RMB79 million were secured by the Group's land use rights, equity interests in certain subsidiaries and service fee collection rights of certain projects.

Changjizhou Boqi Environmental Technology Co., Ltd. (昌吉州博奇環保科技有限公司) ("**Changjizhou Boqi**"), a subsidiary of the Group, as the lessee, entered into a finance lease arrangement (the "**Finance Lease Agreement**") with CITIC Financial Leasing Co., Ltd. ("**CITIC Leasing**"). Beijing Boqi pledged all of its equity interests in Changjizhou Boqi and the service fee receivables under Changjizhou Boqi's service concession agreement to CITIC Leasing as security for the obligations under the Finance Lease Agreement.

Changzhi Boqi Environmental Technology Co., Ltd. (長治市博奇環保科技有限公司) ("**Changzhi Boqi**"), a subsidiary of the Group, as the lessee, entered into a finance lease arrangement (the "**Finance Lease Agreement**") with CITIC Financial Leasing Co., Ltd. ("**CITIC Leasing**"). Beijing Boqi pledged all of its equity interests in Changzhi Boqi and the service fee receivables under Changzhi Boqi's service concession agreement to CITIC Leasing as security for the obligations under the Finance Lease Agreement.

Contingent Liabilities

As at 30 June 2026, the Group did not have any material contingent liabilities.

Significant Investments Held, Material Acquisitions and Disposals

The Group had no significant investments held (including any investment in an investee company with a value of 5% or more of the Company's total assets as at 30 June 2026), or material acquisitions and disposals of subsidiaries, associates and joint ventures during the Reporting Period.

No Material Changes

Save as disclosed in this interim results announcement, during the Reporting Period, there were no material changes affecting the Group's performance that needs to be disclosed under Section 46(3) of Appendix D2 to the Listing Rules.

Future Plans for Material Investments and Capital Assets

As at 30 June 2026, the Group had no other plans relating to material investments and capital assets. The Group will continue to closely and regularly review its business expansion plans, so as to take necessary measures that are in the best interests of the Group.

4. RISK FACTORS AND RISK MANAGEMENT

Risks on Environmental Protection and Pollution Control Policies

The Group provides substantially all of its environmental protection services to customers in the PRC, and the development of its businesses is greatly dependent on the pollution preventive policies of the PRC. Environmental protection industry is one of the major industries that benefit from the constant support of the PRC government. The demand for the Group's environmental protection services and the revenue generated from are directly linked with the environmental protection requirements imposed on the current and potential customers of the Group. However, there can be no assurance that the specific favorable policies which are currently available will continue to exist. In addition, these policies and incentives may attract additional new market entrants to enter the market, and may also encourage the market entrants to provide other products or services with greater pollution control effects than the products and services of the Group. Therefore, there is no assurance that the Group will directly benefit from the changed industry policies. However, as the leader of the independent comprehensive flue gas treatment service provider in China, the Group will seize market opportunities to further cover the entire industrial chain of the flue gas treatment industry and explore potential markets. At the same time, the Group will actively develop new markets in non-electricity industries such as steel, petrochemicals and electrolytic aluminum, and develop environmental protection businesses, including water treatment and hazardous and solid waste treatment/disposal, and dual-carbon new energy$^+$ business, with a view to achieving the sustainable development of the Group's business.

Liquidity Risks

The Group's ability to generate adequate cash inflows from operating activities in the future will depend on the schedule of its projects and payment arrangement, its ability to recover receivables in a timely manner and the credit terms it can obtain. If the Group is not able to generate sufficient cash flows from its operations, the Group's development prospects may be materially and adversely affected. Ultimate responsibility for liquidity risk management rests with the Directors, who have established an appropriate liquidity risk management framework for the funding needs in the short, medium and long term and the Group's liquidity management requirements. The Group manages liquidity risk by various measures, such as maintaining adequate reserves, banking facilities and reserving bank facilities and continuously monitoring forecast and actual cash flows, as well as the comparison of maturity profile between financial assets and liabilities.

Credit Risks

The credit risk primarily arises from trade and notes receivables, receivables under concession arrangement, bank balance and cash, pledged bank deposit, contract assets, debt instrument at fair value through other comprehensive income, other receivables and amounts due from related parties. Due to the nature of business of the Group, the Group has significant concentration of credit risk on a small number of customers and the financial guarantee provided by the Group. As at 30 June 2026, the aggregated amount of the Group's trade receivables of the top five customers was RMB515 million, representing 38.6% of the total trade receivables of the Group as at 30 June 2026. The Group's concentration of credit risk by geographical locations is solely in the PRC, and the Group has a credit policy in place and the exposure to these credit risks are monitored on an ongoing basis.

Foreign Exchange and Conversion Risks

As at 30 June 2026, almost all of the Group's operating activities were carried out in the PRC with most of the transactions denominated in RMB. The Group is exposed to foreign exchange and conversion risks primarily through its sales and procurement transactions that are denominated in currencies other than RMB. In addition, RMB is not freely convertible into foreign currencies and the conversion of RMB into foreign currencies is subject to rules and regulations of the foreign exchange control promulgated by the PRC government. As at 30 June 2026, the Group did not have a foreign currency hedging policy. However, the Board will monitor the Group's foreign exchange exposure closely and may, depending on the circumstances and trend of foreign currency, consider adopting significant foreign currency hedging policy in the future.

5. THE GROUP'S FUTURE OUTLOOK

The year 2026 marks the beginning of the full implementation of the "15th Five-Year Plan." The Group has elevated green transformation from a compliance requirement to a core competitive barrier, leveraging innovation-driven development, full-chain carbon reduction and ecological synergy as its three key drivers to forge new momentum for sustainable development in the new journey of the "15th Five-Year Plan". The Group will continue to deepen its integrated strategic framework of "environmental governance + dual-carbon new energy + value creation", and upgrade its industrial ecosystem matrix integrating the four business segments, "gas, water, solid waste and dual-carbon new energy^{+}". Through four core initiatives – strategic deepening, digital-intelligent empowerment, innovation leadership, and capital synergy – the Group is committed to building a leading environmental technology enterprise with full-chain service capabilities and international influence, thereby contributing to the comprehensive green transformation of the economy and society and enhancing the quality and efficiency of ecological civilization construction.

Strategic Deepening to Build a New Full-Chain Value Ecosystem: The Group will anchor the "15th Five-Year Plan" goals of coordinated advancement in carbon reduction, pollution reduction, greening and growth, and optimize its development layout relying on its "solid foundation + alternative strategies + supportive measures", so as to extend its business scope from single governance to the entire value chain. It will consolidate its advantages in flue gas treatment, focusing on ultra-low emission long-term O&M and technological iteration in industries such as steel and cement, strengthening cooperation with core customers and securing the "solid foundation" of cash-flow It will accelerate the green and low-carbon transformation of its water treatment business, deepening efforts in reclaimed water utilization, sludge resource recovery and the "Wastewater Treatment Plant 2.0" model, while expanding integrated urban and industrial water governance projects to strengthen its "alternative strategies" of profit-growth. In hazardous and solid waste treatment, the Group will target niche segments, leveraging industry-academia-research collaboration to break through core technologies in solid waste resource utilization, promoting the transformation of industrial waste into green building materials, and simultaneously deploying intelligent full-process supervision services for hazardous waste to cultivate new productive forces as the "support measures". In new energy, the Group will deepen its business layout, focusing on integrated solar-storage and source-grid-load-storage scenarios and zero-carbon park, enhancing full-cycle service capabilities from project planning and construction to O&M, and forming a new pattern of multi-business synergy.

Digital-intelligent Empowerment to Strengthen the New Foundation of Refined Management: Driven by digital transformation, the Group aims to enhance management efficiency by building an intelligent management platform covering the entire business chain, achieving full-process visualization of project operation, risk control and carbon emission accounting. It will deepen the management philosophy of "high authorization, strict assessment, and strong incentives", closely linking carbon reduction performance with executive compensation and departmental evaluation, thereby improving the sustainable development governance system. The Group will optimize organizational structure and talent pipelines, focusing on the recruitment and cultivation of high-end professionals in areas such as low-carbon technologies, carbon footprint management and international compliance, while improving internal incentive mechanisms and career development pathways to build a core team with both professional competence and green vision. It will also strengthen internal control and compliance, benchmark against the requirements of the "Corporate Sustainability Disclosure Standards", and enhance the quality of ESG information disclosure, thereby supporting high-quality corporate development through standardized governance.

Innovation Leadership to Break Through New Frontiers in Core Technologies: Adhering to the path of "deep integration of industry, academia, research and application", the Group will drive industrial upgrading through technological innovation and build an independent and controllable core technology system. It will focus on tackling key low-carbon environmental protection technologies, with emphasis on developing high-efficiency energy-saving technologies for flue gas desulfurization and denitrification, solid waste resource utilization processes, and optimization and integration technologies for solar-storage systems. The Group will establish a corporate technology innovation center and industry-academia-research cooperation platforms to accelerate the transformation of scientific research achievements into practical applications. It will proactively deploy carbon footprint management and alignment with international standards, by building a product lifecycle carbon data management system to address trade barriers such as the international carbon border adjustment mechanism, thereby helping customers enhance their green competitiveness. At the same time, the Group will promote innovation in technology service models, transforming its internal governance experience into standardized solutions, and efficiently converting technological capabilities into commercial value.

Capital Synergy to Build a New Ecosystem of Industrial Symbiosis: The Group will deepen its dual-driven strategy of "industry + capital + ecosystem", establishing a multilevel capital operation and industry-finance integration system. Through strategic investment, mergers and acquisitions and reorganization, it will integrate high-quality technologies, channels and talent resources within the industry, and improve the layout of the upstream and downstream of the industrial chain. The Group will actively participate in global climate governance and international standard setting, promote mutual recognition between proprietary technical standards and international standards, expand cooperation opportunities in overseas green projects, and enhance its international market influence. By building a win-win ecosystem of "enterprise + customers + partners + financial institutions", the Group will empower supply chain decarbonization by assisting upstream and downstream enterprises in green transformation through technical support and financial coordination, thereby maximizing the value of the industrial ecosystem.

The Group will always adhere to the Development Policy of "Green Technology and Mutually Beneficial Ecological Relationships": Guided by the "15th Five-Year Plan" and through the four-dimensional synergy of strategy, management, technology and capital, the Group will continuously enhance its core competitiveness and sustainable development capabilities, steadily advancing towards the goal of becoming a global industrial innovation platform and ecological value creator in the green economy era, and contributing greater strength to environmental protection and the achievement of dual-carbon goals in China and worldwide.

CORPORATE GOVERNANCE CODE

The Company is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate values and accountability. The Company has adopted the Corporate Governance Code (the "**CG Code**") as set out in Appendix C1 to the Listing Rules.

Mr. Zeng Zhijun assumed the dual roles of the chairman and the chief executive officer, which constitutes a deviation from code provision C.2.1 of the CG Code. With extensive experience in the environmental protection industry, Mr. Zeng is responsible for the overall management, decision making and strategy planning of the Company and has been instrumental to the Group's growth and business expansion. Since Mr. Zeng is one of the key persons for the Group's management, the Board considers that vesting the roles of the chairman and the chief executive officer in the same person, Mr. Zeng, would not create any potential harm to the interest of the Group and it is, on the contrary, beneficial to the management of the Group. In addition, the operation of the senior management of the Group and the Board, which are comprised of experienced individuals, effectively checks and balances the power and authority of Mr. Zeng. The Board currently comprises three executive Directors (including Mr. Zeng), three non-executive Directors and four independent non-executive Directors and therefore has a fairly strong independence element in its composition. Therefore, the Board considers that the deviation from the CG Code is appropriate and justified.

In order to maintain good corporate governance and to ensure Company's compliance with code provisions of the CG Code, the Board will regularly review the need to appoint different individuals to perform the roles of the chairman and the chief executive officer separately.

Save as disclosed herein, the Company complied with the code provisions as set out in Part 2 of the CG Code during the Reporting Period. The Company will continue to review and enhance its corporate governance practices to ensure compliance with the CG Code.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the "**Model Code**") as its code of conduct regarding dealings in the securities of the Company. Having made specific enquiry to all the Directors of the Company, all Directors confirmed that they had strictly complied with the required standards set out in the Model Code during the Reporting Period.

The Board has also adopted the Model Code to regulate all dealings by employees who are likely to be in possession of unpublished inside information of the Company in respect of securities in the Company as referred to in code provision C.1.3 of the CG Code. No incident of non-compliance with the Model Code by the Company's relevant employees was noted during the Reporting Period after making reasonable enquiry.

DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTING IN RESPECT OF FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements for the first half of 2026 which give a true and fair view of the affairs of the Company and the Group as well as of the Group's results and cash flows.

The management of the Company has provided for the Board the necessary explanation and information to enable the Board to carry out an informed assessment of the Company's financial statements, which are put to the Board for approval. The Company provides all members of the Board with monthly updates on the Company's performance, positions and prospects.

The Directors were not aware of any material uncertainties relating to any event or circumstances which may cast significant doubt upon the Company's ability to continue as a going concern.

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

During the Reporting Period, neither the Company nor any member of the Group has purchased, sold or redeemed any of the Company's Shares (including sales of treasury shares (as defined under the Listing Rules)) during the Reporting Period. As at the date of this interim results announcement, the Company held no treasury shares (as defined under the Listing Rules).

SUFFICIENCY OF PUBLIC FLOAT

Based on the information available to the Company and to the knowledge of the Directors, the Company maintained sufficient public float during the period from the Listing Date to 30 June 2026 and up to the date of this interim results announcement.

DIVIDEND POLICY

On 18 May 2018, the Board resolved to approve and announce the Company's dividend policy. For details, please refer to the announcement of the Company dated 18 May 2018.

INTERIM DIVIDEND

In accordance with the dividend policy announced by the Company on 18 May 2018, the Board has resolved not to declare any interim dividend for the six months ended 30 June 2026 (2025: Nil).

COMPLIANCE WITH LAWS AND REGULATIONS

During the Reporting Period, the Company was in compliance with the relevant laws and regulations that have a significant impact on the Company, and was not involved in any material legal proceedings.

ENVIRONMENTAL POLICIES AND PERFORMANCE

As an environmental protection service provider, the Group strictly abides by the laws and regulations relating to its businesses, including provision of services for environment protection and energy conservation, monitoring of the pollutants and flue gas generated by coal-fired power plants. The Group is committed to protecting the environment, giving back to community and achieving sustainable growth. The achievements of the Group are based on mutually beneficial relationships with our customers and employees, and harmonious coexistence with our ecological and social environment. The Group will continue to commit to its social responsibilities and exert its advantages as an environmental protection enterprise and make consistent efforts to build a beautiful environment with blue sky and white clouds.

Details of the environmental, social and governance of the Company were set out in the environmental, social and governance report which was included in the 2025 annual report issued by the Company on 29 April 2026 pursuant to Rule 13.91 and Appendix C2 to the Listing Rules.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

As at the date of this interim results announcement, the Group had no significant events after the Reporting Period which need to be disclosed under the Listing Rules.

AUDIT COMMITTEE AND REVIEW OF INTERIM RESULTS

The Audit Committee comprises two independent non-executive Directors and one non-executive Director. The Audit Committee has reviewed with the management the accounting standards and practical guidelines adopted by the Group, and has also discussed auditing, internal control, risk management system and financial reporting matters, including the unaudited interim condensed consolidated results of the Group for the six months ended 30 June 2026. The Audit Committee has no disagreement with the accounting treatment adopted by the Company in this interim results announcement.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This announcement is published on the website of the Company (www.chinaboqi.com) and the Stock Exchange (www.hkexnews.hk). The 2026 interim report of the Company containing all the information required by the Listing Rules will be dispatched to the Shareholders and will be published on the above websites for review in due course.

By order of the Board
China Boqi Environmental (Holding) Co., Ltd.
Zeng Zhijun
Chairman, Executive Director and Chief Executive Officer

Beijing, the PRC, 21 August 2026

As at the date of this announcement, the executive Directors are Mr. Zeng Zhijun, Mr. Liu Genyu and Ms. Qian Xiaoning; the non-executive Directors are Mr. Zheng Tony Tuo, Mr. Zhu Weihang and Mr. Chen Xue; and the independent non-executive Directors are Dr. Xie Guozhong, Mr. Li Tao, Prof. Yu Wayne W. and Ms. Zhang Fan.

* *For identification purpose only*