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

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

(Stock Code: 1527)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2026

FINANCIAL HIGHLIGHTS

- The revenue of Zhejiang Tengy Environmental Technology Co., Ltd (the "**Company**") and its subsidiaries (hereinafter collectively referred to as the "**Group**") for the six months ended 30 June 2026 (the "**Reporting Period**") was approximately RMB546.25 million, representing an increase of approximately 142.97% when compared with that of the corresponding period of last year.

- The Group's profit attributable to owners of the parent for the Reporting Period was approximately RMB126.46 million, representing an increase of approximately 698.20% when compared with that of the corresponding period of last year.

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

INTERIM RESULTS

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

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

		Six months ended 30 June	
		2026	2025
	Notes	***RMB'000***	*RMB'000*
		(Unaudited)	(Unaudited)
REVENUE	*4*	**546,252**	224,821
Cost of goods sold		**(342,409)**	(139,293)
GROSS PROFIT		**203,843**	85,528
Other income	*5*	**13,152**	7,534
Distribution and selling expenses		**(9,313)**	(7,535)
Administrative expenses		**(39,309)**	(40,926)
Other expenses		**(310)**	(7,254)
Profit from operations		**168,063**	37,347
Finance costs	*7*	**(3,641)**	(9,874)
Share of loss of associates		**(6,275)**	(3,760)
PROFIT BEFORE TAX		**158,147**	23,713
Income tax expenses	*8*	**(31,688)**	(7,870)
PROFIT FOR THE PERIOD		**126,459**	15,843
ATTRIBUTABLE TO:			
Owners of the parent		**126,459**	15,843
EARNINGS PER SHARE			
Basic *(RMB)*		**0.94**	0.12
Diluted *(RMB)*		**0.94**	0.12

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	**At 30 June 2026** *RMB'000* **(Unaudited)**	At 31 December 2025 *RMB'000* (Audited)
Non-current assets			
Property, plant and equipment		**55,588**	55,847
Right-of-use assets		**14,591**	14,748
Intangible assets		**–**	–
Deferred tax assets		**74,710**	75,042
Investment properties		**33,379**	33,978
Investment in associates		**91,606**	97,881
		269,874	277,496
Current assets			
Inventories		**759,223**	650,709
Trade and bills receivables	*9*	**373,315**	394,957
Contract assets		**47,803**	43,976
Prepayments, deposits and other receivables		**337,093**	170,062
Pledged deposits		**68,905**	16,024
Bank and cash balances		**735,092**	817,212
		2,321,431	2,092,940
Current liabilities			
Trade and bills payables	*10*	**295,342**	234,778
Contract liabilities		**893,325**	862,375
Other payables and accruals		**63,313**	93,025
Bank loans	*11*	**142,790**	114,000
Tax payable		**33,815**	29,997
		1,428,585	1,334,175
Net current assets		**892,846**	758,765
Total assets less current liabilities		**1,162,720**	1,036,261
NET ASSETS		**1,162,720**	1,036,261
Capital and reserves			
Share capital		**135,000**	135,000
Share premium		**239,064**	239,064
Reserves		**788,656**	662,197
TOTAL EQUITY		**1,162,720**	1,036,261

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE AND GROUP INFORMATION

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

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

2. BASIS OF PREPARATION

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

These condensed consolidated financial statements should be read in conjunction with the 2025 annual financial statements. The accounting policies and methods of computation used in the preparation of these condensed consolidated financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2025.

3. ADOPTION OF NEW AND REVISED HKFRS ACCOUNTING STANDARDS

In the Reporting Period, the Group has adopted all the new and revised HKFRS Accounting Standards issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 January 2026. HKFRS Accounting Standards comprise Hong Kong Financial Reporting Standards ("**HKFRS**"), Hong Kong Accounting Standards ("**HKAS**") and Interpretations. The adoption of these new and revised HKFRS Accounting Standards did not result in significant changes to the Group's accounting policies, presentation of the Group's financial statements and amounts reported for the current Reporting Period and prior years.

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

4. REVENUE

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

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Sales of environmental protection equipment	**527,186**	222,447
Sale of materials	**6,164**	2,068
Rendering of service	**12,902**	–
Rental Income	**–**	306
	546,252	224,821

Disaggregation of revenue from sales of environmental protection equipment:

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Geographical markets		
Mainland China	**527,186**	222,447
Total	**527,186**	222,447
Major products		
Electrostatic precipitator	**465,418**	144,598
Electrostatic-bag composite precipitator	**–**	20,531
Bag filter precipitator	**12,753**	21,192
SO_2 and NO_x emission reduction (desulfurisation and denitrification devices)	**30,973**	33,247
Others (e.g. Pneumatic ash conveying system)	**18,042**	2,879
Total	**527,186**	222,447
Timing of revenue recognition		
At a point in time		
– Sales of environmental protection equipment	**527,186**	222,447
– Sale of materials	**6,164**	2,068
– Rendering of service	**12,902**	–
– Rental income	**–**	306
Total	**546,252**	224,821

5. OTHER INCOME

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Bank interest income	**2,393**	2,330
Government grants	**10,419**	4,959
Additional deduction on value-added tax	**214**	201
Others	**126**	44
	13,152	7,534

6. OPERATING SEGMENT INFORMATION

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

Geographical information

(a) Revenue from external customers

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Mainland China	**546,252**	224,821
Consolidated total	**546,252**	224,821

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

(b) Non-current assets

	As at	
	30 June	31 December
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Mainland China	**195,164**	202,454
Consolidated total	**195,164**	202,454

7. FINANCE COSTS

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Interest on bank loans	**1,810**	4,408
Charge on letter of guarantee	**1,831**	5,466
	3,641	9,874

8. INCOME TAX EXPENSE

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

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

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
PRC Enterprise Income Tax for the period	**31,356**	27,329
Deferred tax	**332**	(19,459)
Income tax expense for the period	**31,688**	7,870

9. TRADE AND BILLS RECEIVABLES

	As at	
	30 June	31 December
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Trade receivables	**529,870**	538,600
Less: provision for loss allowance	**(191,222)**	(188,297)
	338,648	350,303
Bills receivable	**34,667**	44,654
	373,315	394,957

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

The Group's bills receivable are all due within one year. As at 30 June 2026, there was no bills receivable pledged to secure the Group's bills payable (note 10) (31 December 2025: Nil).

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

	As at	
	30 June 2026	31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Within 1 year	**167,273**	158,060
1 to 2 years	**113,821**	79,487
2 to 3 years	**1,926**	59,590
3 to 4 years	**55,628**	53,166
	338,648	350,303

10. TRADE AND BILLS PAYABLES

	As at	
	30 June 2026	31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Trade payables	**234,590**	218,754
Bills payable	**60,752**	16,024
	295,342	234,778

Bills payable were secured by the pledged bank deposit of RMB65,905,000 (31 December 2025: RMB16,024,000) as at 30 June 2026. There was no bills payable secured by the Group's bills receivable as at 30 June 2026 (31 December 2025: Nil).

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

	As at	
	30 June	31 December
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Within 1 year	**161,740**	162,463
1 to 2 years	**51,169**	28,267
2 to 3 years	**12,099**	16,875
Over 3 years	**9,582**	11,149
	234,590	218,754

11. BANK LOANS

	As at	
	30 June	31 December
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Bank loan – secured	**142,790**	114,000

As at 30 June 2026, the secured bank loan of the Group amounting to RMB55,000,000 (31 December 2025: RMB55,000,000) were secured by equity interest in 內蒙古國電和潔風能有限公司, the associate of the Group which had an aggregate net carrying value of RMB83,161,000 (31 December 2025: RMB80,828,000).

As at 30 June 2026, the secured bank loan of the Group amounting to RMB39,000,000 (31 December 2025: RMB39,000,000) were secured by (i) the Group's building situated in the Mainland China, which had an aggregate net carrying value of RMB34,444,000 (31 December 2025: RMB35,037,000) and (ii) the Group's land use rights situated in Mainland China, which had an aggregate carrying amount of RMB13,654,000 (31 December 2025: RMB13,800,000).

As at 30 June 2026, the secured bank loan of the Group amounting to RMB48,790,000 (31 December 2025: RMB20,000,000) were secured by (i) the Group's investment property situated in Mainland China, which had an aggregate carrying amount of RMB26,900,000 (31 December 2025: RMB27,436,000); (ii) the pledged bank deposit of RMB3,000,000 and (iii) guaranteed by directors of the Group and Tengy Group.

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

	As at	
	30 June 2026	31 December 2025
	(Unaudited)	(Audited)
Fixed-rate	**2.35%-5.50%**	2.35%-6.00%

12. MATERIAL TRANSACTION DURING THE REPORTING PERIOD

On 24 April 2026, the Company as lender and Tengy Group Limited ("TGL") as borrower entered into a loan agreement (as supplemented by supplemental agreements dated 29 April 2026 and 4 June 2026 respectively), pursuant to which the Company has conditionally agreed to provide a loan in the principal amount of RMB50 million to TGL for a period of three (3) years at a fixed interest rate of 5.5% per annum. The loan shall only be applied by TGL as its working capital for its business operation and not for any other purpose without prior written consent of the Company. Mr. Bian Yu, Ms. Bian Shu and Mr. Bian Jianguang as the guarantors, entered into a guarantee agreement with the Company as the creditor and TGL as the borrower, pursuant to which the they jointly and severally assume all liabilities and repayment obligations of TGL under the loan agreement. The loan agreement is also secured by the charge of 32 commercial units properties owned by subsidiaries of TGL with market value of RMB62.3 million as at 31 March 2026, resulting in a loan-to-value (LTV) ratio of approximately 80%. The Company will conduct periodic reviews of the collateral value on a half-yearly basis and LTV ratio shall not be higher than 80%. The above loan agreement has been approved by the independent shareholders of the Company at the extraordinary general meeting of the Company held on 25 June 2026. For more details of the loan agreement, please refer to the announcements of the Company dated 24 April 2026, 29 April 2026 and 25 June 2026 and the circular of the Company dated 8 June 2026.

13. DIVIDENDS

The Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2026 and 2025.

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

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

The calculations of basic earnings per share are based on:

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Earnings		
Profit attributable to ordinary equity holders of the parent used in the basic earnings per share calculation	**126,459**	15,843

	Number of shares Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation	**135,000,000**	135,000,000

MANAGEMENT DISCUSSION AND ANALYSIS

INTRODUCTION

Our Group

The Group has over 28 years of industry experience and continues to innovate in industrial technologies.

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

Our Products

The Group's main products are electrostatic precipitator, electrostatic-bag composite precipitator, bag filter precipitator and Sulphur Dioxide (SO_2) and Nitrogen Oxide (NO_x) emission reduction products. During the Reporting Period, the Group's revenue was mainly derived from electrostatic precipitator and SO_2 and NOx emission reduction (desulfurisation and denitrification devices), which accounted for approximately 85.20% and approximately 5.67% respectively of the total revenue. The Group's products and equipment are involved in the flue gas treatment projects distributed in various provinces, municipalities and autonomous regions and overseas markets. Key customers include large state-owned enterprises and private leading enterprises.

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

Domestic Market

The Group's major products are mainly applied in core industries such as electricity, metallurgy, steel, building materials, and electrolytic aluminum, etc. The equipment are operated for a long time in harsh conditions such as high temperature, high pressure, high concentration and corrosive flue gas. Manufacturers of precipitators must pursue continuous enhancement of product performance, technological innovation and improvement of production process to gain a competitive advantage and profit. With more than 28 years of experience in the domestic industry and continuous technology innovation, the Group has more advantages in the domestic market.

International Markets

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

OVERVIEW

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

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

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

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

The Group's rendering of services represented its technology consultancy services to its customers on a stand-alone basis, which includes repair and replacement, and on-site engineering and maintenance services to those projects which were not constructed by the Group.

BUSINESS REVIEW

Super-large dust collectors remain an indispensable component of industrial environmental protection infrastructure in China, serving critical functions across high emission sectors including power generation, steel production, cement manufacturing, chemical processing, and waste incineration. These advanced filtration systems, renowned for their exceptional efficiency in particulate matter removal, continue to play a pivotal role in controlling industrial emissions and enhancing ambient air quality throughout the nation. As China's manufacturing sector maintains its trajectory of sustainable development, the increasingly stringent environmental protection requirements have further accelerated the expansion of the dust collector market.

China's manufacturing sector continues to occupy a predominant position in the national economy, contributing approximately 31% to the country's gross domestic product ("**GDP**") in 2024, encompassing heavy industry, light industry, and emerging high-technology sectors (National Bureau of Statistics of China, 2025). High-pollution industries such as steel, cement, and chemicals remain the primary sources of industrial emissions, necessitating the deployment of advanced dust collection equipment to meet regulatory requirements. According to market research from Grand View Research, the China industrial dust collector market is expected to grow at a compound annual growth rate of 5.3% from 2025 to 2030, reflecting the sustained demand driven by environmental compliance requirements and industrial modernization initiatives.

The year 2025 marks a significant milestone in China's environmental governance framework, as it represents the concluding year of the 14th Five-Year Plan period. The binding indicators established under this plan, including a 13.5% decrease in energy consumption per unit of GDP and an 18% reduction in carbon dioxide emissions per unit of GDP, have driven substantial investments in environmental protection equipment across all major industrial sectors. According to analysis published by Carbon Brief in August 2025, China's carbon dioxide emissions experienced a 1% year-on-year decline in the first half of 2025, demonstrating the effectiveness of the nation's emissions reduction policies and the increasing adoption of advanced pollution control technologies.

China's dual carbon goals, targeting peak carbon emissions by 2030 and carbon neutrality by 2060, continue to serve as the fundamental policy framework driving technological upgrades in industrial environmental protection. In November 2025, China submitted its 2035 Nationally Determined Contribution to the United Nations Framework Convention on Climate Change, committing to reduce economy-wide net greenhouse gas emissions by 7 to 10 percent from their peak levels. This enhanced commitment further reinforces the policy imperative for industrial enterprises to adopt high-efficiency dust collection and emissions control equipment.

The policy landscape in 2025 has been characterized by the continued implementation and strengthening of the State Council's Energy Conservation and Carbon Reduction Action Plan for 2024-2025. According to official documentation, non-fossil energy consumption is targeted to reach approximately 20% by the end of 2025, while energy conservation and carbon reduction transformations in key industries are projected to yield energy savings equivalent to approximately 50 million tonnes of standard coal, resulting in reductions of approximately 130 million tonnes of carbon dioxide emissions. The National Development and Reform Commission has expanded its energy conservation review scope to include enterprises consuming over 5,000 tonnes of standard coal annually by the end of 2025, covering approximately 70% of total energy consumption and carbon emissions.

A landmark development in 2025 has been the expansion of China's national Emissions Trading System to include the cement, steel, and aluminum industries. According to the International Carbon Action Partnership, this expansion increases the programme's coverage to 60% of China's total greenhouse gas emissions, representing the world's largest carbon market by covered emissions. The first compliance deadline for these newly included sectors is scheduled for the end of 2025, creating significant regulatory pressure for industrial enterprises to accelerate their adoption of advanced environmental protection equipment, including super-large dust collectors.

The steel industry, which represents one of the largest sources of industrial emissions in China, has made substantial progress toward meeting ultra-low emissions standards. According to industry reports, China's steel sector aims to achieve comprehensive ultra-low emissions compliance by the end of 2025, with standards encompassing pollutant emissions limits throughout the entire production process, including requirements for raw materials handling, sintering, coking, ironmaking, steelmaking, and rolling operations. Steel companies that meet ultra-low emission standards are eligible for tax incentives, including reduced rates on environmental protection taxes, providing strong economic motivation for equipment upgrades.

The cement industry has similarly been subject to intensified emissions requirements. The Chinese government has mandated that 50% of cement clinker production capacity, representing approximately 850 million tonnes annually, must conform with ultra-low emissions standards by 2025, with this requirement increasing to 80% by 2028. These regulations have generated substantial demand for advanced dust collection systems capable of meeting the stringent particulate matter limits specified in the new standards.

In July 2025, China established its first renewable energy mandates for the steel, cement, and polysilicon industries, as reported by Reuters. These requirements represent a further integration of environmental and energy policies, compelling industrial enterprises to consider comprehensive approaches to emissions reduction that encompass both pollution control equipment and energy source transitions.

To support the development of the environmental protection equipment industry, the Chinese government has maintained and enhanced its portfolio of targeted support policies throughout 2025. These measures include preferential tax treatments for environmental protection equipment manufacturers, which serve to reduce the financial burden on enterprises while encouraging technological innovation and capacity expansion. The government has continued to allocate special environmental protection funds to support research and development activities focused on advanced dust collection technologies, particularly in applications related to technological upgrades in high-pollution industries. Environmental protection agencies at both national and provincial levels have strengthened their oversight of heavily polluting industries, with stringent enforcement of requirements for the installation of advanced dust collection equipment capable of meeting ultra-low emission standards.

The global context for environmental protection equipment demand has remained supportive throughout 2025, although with increasing complexity arising from trade policy developments. New tariffs introduced by the United States in 2025 targeting specialty ceramics, metallic alloys, and engineered fabrics have affected costs for advanced filtration systems. Nevertheless, the fundamental drivers of demand for super-large dust collectors remain intact, as countries worldwide continue to implement increasingly strict controls on carbon emissions and industrial pollution.

The waste-to-energy sector continues to represent a significant growth market for super-large dust collectors in China. As urbanization continues and waste management practices evolve toward more sustainable approaches, the demand for efficient particulate matter removal during waste incineration processes has expanded. Super large dust collectors are particularly valued in these applications for their effectiveness in removing fine particulates from high-temperature flue gases, ensuring compliance with emission standards while enabling safe operation of waste-to-energy facilities.

For the Reporting Period, the revenue and the profit and total comprehensive income of the Group amounted to approximately RMB546.25 million and approximately RMB126.46 million respectively. Likewise, the Group's gross profit amounted to approximately RMB203.84 million, representing an increase of approximately 138.33% as compared with approximately RMB85.53 million for the corresponding period of 2025; while the gross profit margin decreased by approximately 0.72% to approximately 37.32% as compared with the corresponding period of 2025. The increase in revenue was primarily due to several large-scale projects that were completed and recognised as revenue during the Reporting Period. The main reason for the slight decrease in gross profit margin for the Reporting Period compared to the corresponding period in 2025 was that the gross profit margin of projects is inherently project-specific and varies from one project to another. As a result, the projects recognised for revenue in the Reporting Period were those with relatively lower gross profit margins.

For the Reporting Period, the value of the Group's new contracts (which represents the aggregate value of the contracts it entered into during a specified period) was approximately RMB543.66 million. As at 30 June 2026, the Group's backlog (including applicable value-added tax) (which represents the total estimated contract value of work that remained to be completed pursuant to outstanding projects as of a certain date and assuming performance in accordance with the terms of the contract) was approximately RMB3,454.68 million.

The Group's profit before tax for the Reporting Period increased to approximately RMB158.15 million and profits attributable to owners of the Company increased to approximately RMB126.46 million, representing a year-on-year increase of approximately 566.92% and increase of approximately 698.20% respectively. The aforesaid increases in profit before tax and profits attributable to owners of the Company are mainly attributable to the increases in revenue and other income, together with a decrease in finance costs.

As of 30 June 2026, the Group had 86 registered patents (including 15 invention patents and 71 utility model patents) in the PRC. Based on its strong design and manufacturing capabilities, the Group primarily provides comprehensive atmospheric pollution control solutions to its customers. The Group offers a wide range of models of electrostatic precipitators which support electricity generators with capacity spanning from 6.25MW to over 1,000MW. The Group is one of the few manufacturers in the PRC which provides electrostatic precipitators for single generator unit with capacity of 1,000MW or above.

As at 30 June 2026, the Group maintained a total of 411 full-time employees (As at 31 December 2025: 450). The remuneration payable to the Group's employees includes basic salaries, bonuses and other staff benefit. The Group conducts periodic performance reviews for the employees and determine their remuneration based on factors including qualifications, contributions, years of experience and performance.

FINANCIAL REVIEW

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

Revenue

The revenue of the Group amounted to approximately RMB546.25 million for the Reporting Period, representing an increase of approximately 142.97% as compared with the corresponding period of 2025. The increase in revenue was primarily due to several large-scale projects that were completed and recognised as revenue during the Reporting Period.

Revenue generated from environmental protection equipment products of the Group amounted to approximately 96.51% of its total revenue. Depending on the specifications and requirements of its customers, the Group may provide an integrated set of atmospheric pollution control devices comprising precipitators, desulfurisation system and/or denitrification system, or only provide one type of the said atmospheric pollution control devices on a stand-alone basis towards new installation projects or upgrading or modification projects. A majority of the Group's environmental protection equipment contracts are related to the manufacture, installation and sale of electrostatic precipitators.

Cost of Sales

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

The cost of sales of the Group amounted to approximately RMB342.41 million for the Reporting Period, representing an increase of approximately 145.82% from approximately RMB139.29 million as compared with the corresponding period of 2025.

Gross Profit Margin

The unaudited gross profit margin for the Reporting Period was approximately 37.32%, representing a decrease of approximately 0.72% from approximately 38.04% as compared with the corresponding period of 2025.

Profit attributable to owners of the parent

The unaudited profit attributable to the owners of the parent for the Reporting Period was approximately RMB126.46 million, representing an increase of approximately 698.20% from approximately RMB15.84 million as compared with the corresponding period of 2025. Weighted average earnings per share amounted to approximately RMB94 cents for the Reporting Period.

WORKING CAPITAL

As at 30 June 2026, the Group's working capital (current assets less current liabilities) amounted to approximately RMB892.85 million (31 December 2025: approximately RMB758.77 million).

Gearing Ratio

As of 30 June 2026, the Group's gearing ratio *(Note)* was approximately 12.28% (31 December 2025: approximately 11.00%).

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

Foreign currency risk

The Group was not exposed to any transactional currency risk for the periods ended 30 June 2026 and 30 June 2025. However, the management of the Group constantly monitors the economic situation and its foreign exchange risk profile, and will consider appropriate hedging measures in the future should the need arise.

INTERIM DIVIDEND

The Directors did not propose to declare an interim dividend for the Reporting Period (six months ended 30 June 2025: Nil).

CONTINGENT LIABILITIES

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

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

EVENTS AFTER THE REPORTING DATE

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

MATERIAL ACQUISITION AND DISPOSAL

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

PROSPECT

The super-large dust collector industry in China is positioned for continued development opportunities through 2026 and beyond, driven by the confluence of strengthening regulatory requirements, ongoing industrial modernization, and technological advancement. As China transitions from the 14th Five-Year Plan period to the 15th Five-Year Plan, the policy framework for environmental protection is expected to maintain its emphasis on emissions reduction while potentially introducing more stringent standards for specific pollutants and industrial processes.

The expansion of the national Emissions Trading System to cover steel, cement, and aluminum sectors, with plans to encompass all major industrial emitters by 2027, will create sustained demand for advanced environmental protection equipment. Enterprises in these sectors will face increasing economic incentives to reduce their emissions through the adoption of high-efficiency dust collection systems, as carbon costs become an increasingly significant factor in operational economics. The Group anticipates that this regulatory evolution will generate substantial opportunities for equipment sales and service provision in the coming years.

The Group will continue to invest significant resources in the research and development of energy-efficient environmental protection devices to meet market demands for green technologies that deliver both environmental compliance and operational cost savings. Particular emphasis will be placed on developing dust collection systems with reduced energy consumption, enhanced automation capabilities, and improved integration with digital monitoring and control platforms. The Group's product portfolio expansion will encompass complementary environmental protection equipment including ash handling systems and flue gas desulfurization and denitrification devices, thereby enhancing the Group's market competitiveness through comprehensive solution offerings.

In 2026, the Group expects the implementation of the 80% ultra-low emissions compliance requirement for cement clinker production capacity by 2028 to drive a wave of equipment procurement and facility upgrades across the cement industry. Similarly, continued enforcement of ultra low emissions standards in the steel industry will generate ongoing demand for replacement and upgrade of existing dust collection equipment. The Group is well-positioned to capitalize on these market opportunities through its established product capabilities and customer relationships.

The Group will continue to explore strategic acquisition opportunities to enhance its capabilities and market position in the environmental protection and emissions reduction industry. Such acquisitions may encompass complementary technologies, geographic market access, or service capabilities that strengthen the Group's competitive position in the China market.

In the coming year, the Group will focus on capturing opportunities arising from the intensified regulatory environment while continuing to enhance its technological capabilities and operational efficiency. This approach will serve to consolidate the Group's market position and support sustainable business growth as environmental protection requirements continue to evolve.

The Group maintains confidence that as China advances toward its dual carbon goals, the application prospects for super-large dust collectors will continue to expand. The Group remains committed to contributing to the achievement of industrial pollution control and environmental protection objectives, positioning itself as a leading participant in China's environmental protection equipment industry.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

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

COMPLIANCE WITH THE MODEL CODE

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

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

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

AUDIT COMMITTEE

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

APPROVAL OF FINANCIAL STATEMENTS

The unaudited financial statements of the Group for the Reporting Period were reviewed by the Audit Committee and approved by the Board on 28 August 2026.

PUBLICATION OF RESULTS ANNOUNCEMENT AND INTERIM REPORT

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

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

Zhuji City, Zhejiang Province, the PRC
28 August 2026

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