ELL Environmental Holdings Limited
強泰環保控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1395)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2026

FINANCIAL SUMMARY

- Revenue for the six months ended 30 June 2026 amounted to HK$57.6 million (six months ended 30 June 2025: HK$80.8 million), representing a decrease of 28.7% as compared with that of the Last Corresponding Period.
- Gross profit for the six months ended 30 June 2026 was HK$28.6 million (six months ended 30 June 2025: HK$38.8 million), representing a decrease of 26.3% as compared with that of the Last Corresponding Period.
- Net profit for the six months ended 30 June 2026 was HK$6.7 million (six months ended 30 June 2025: HK$12.5 million).
- The Board has resolved not to declare the payment of any dividend for the six months ended 30 June 2026 (six months ended 30 June 2025: Nil).

The board (the "**Board**") of directors (the "**Directors**") of ELL Environmental Holdings Limited (the "**Company**") announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively, the "**Group**") for the six months ended 30 June 2026 (the "**Period**"), together with the relevant comparative figures for the corresponding period in 2025 (the "**Last Corresponding Period**") as follows:

* *For identification purpose only*

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2026

		Six months ended 30 June	
		2026	2025
	Notes	***HK$'000***	*HK$'000*
		(Unaudited)	(Unaudited)
Revenue	*4*	**57,597**	80,802
Cost of sales		**(28,992)**	(41,996)
Gross profit		**28,605**	38,806
Other income and net other gains and losses	*6*	**5,806**	977
Administrative expenses		**(18,485)**	(17,691)
Research and development expenses		**(60)**	(101)
Other operating expenses		**(646)**	(1,053)
Share of results of an associate		**44**	–
Finance costs	*7*	**(4,512)**	(5,801)
Profit before tax	*8*	**10,752**	15,137
Income tax expense	*9*	**(4,059)**	(2,664)
Profit for the period		**6,693**	12,473
Profit for the period attributable to:			
Owners of the Company		**6,746**	11,942
Non-controlling interests		**(53)**	531
		6,693	12,473
		HK cent	HK cent
Earnings per share	*11*		
— Basic		**0.61**	1.08
— Diluted		**0.61**	1.08

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2026

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Profit for the period	**6,693**	12,473
Other comprehensive (expense)/income		
Item that will not be reclassified to profit or loss:		
Fair value gain on investments in equity instruments at fair value through other comprehensive income ("**FVTOCI**")	**–**	813
Items that may be reclassified subsequently to profit or loss:		
Exchange differences arising on translation of foreign operations	**(7,908)**	8,632
Reallocation of cumulative exchange reserve upon disposal of a subsidiary	**102**	–
Fair value loss on debt instruments measured at FVTOCI	**(16)**	–
Other comprehensive (expense)/income for the period, net of nil income tax	**(7,822)**	9,445
Total comprehensive (expense)/income for the period	**(1,129)**	21,918
Total comprehensive (expense)/income for the period attributable to:		
— Owners of the Company	**(1,358)**	21,295
— Non-controlling interests	**229**	623
	(1,129)	21,918

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

	Notes	**30 June 2026 HK$'000 (Unaudited)**	31 December 2025 HK$'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		**32,417**	54,165
Receivables under service concession arrangements	*12*	**327,965**	341,601
Investment in an associate		**916**	–
Loan to an associate		**3,063**	–
Debt instrument at FVTOCI		**107**	123
Deferred tax assets		**1**	1
Prepayments and other receivables		**4**	296
		364,473	396,186
CURRENT ASSETS			
Inventories		**4,748**	4,943
Trade receivables	*13*	**3,851**	4,616
Receivables under service concession arrangements	*12*	**43,466**	31,759
Prepayments and other receivables		**5,932**	9,953
Income tax recoverable		**4**	4
Financial assets at fair value through profit or loss ("**FVTPL**")		**1,082**	1,968
Amount due from an associate		**5,506**	–
Restricted bank deposits		**17,536**	16,855
Cash and cash equivalents		**52,408**	49,030
		134,533	119,128
CURRENT LIABILITIES			
Trade payables	*14*	**5,012**	9,568
Other payables and accruals		**4,296**	7,843
Amounts due to related parties	*15*	**29,214**	–
Borrowings	*16*	**43,268**	43,282
Lease liabilities		**657**	500
Income tax payable		**1,438**	1,530
		83,885	62,723
NET CURRENT ASSETS		**50,648**	56,405
TOTAL ASSETS LESS CURRENT LIABILITIES		**415,121**	452,591

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)
As at 30 June 2026

	Notes	**30 June 2026** *HK$'000* **(Unaudited)**	31 December 2025 *HK$'000* (Audited)
CAPITAL AND RESERVES			
Share capital		**111**	111
Reserves		**279,862**	280,469
Equity attributable to owners of the Company		**279,973**	280,580
Non-controlling interests		**(5,946)**	(5,353)
TOTAL EQUITY		**274,027**	275,227
NON-CURRENT LIABILITIES			
Amounts due to related parties	*15*	**72,840**	107,024
Borrowings	*16*	**33,367**	35,867
Lease liabilities		**472**	619
Deferred tax liabilities		**32,973**	32,290
Retirement benefit obligations		**1,442**	1,564
		141,094	177,364
		415,121	452,591

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

ELL Environmental Holdings Limited (the "**Company**") is incorporated in the Cayman Islands as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). The addresses of the registered office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1–1111, Cayman Islands and the principal place of business of the Company is Unit 2304, 23rd Floor, Westlands Centre, 20 Westlands Road, Hong Kong.

The Company acts as an investment holding company. The principal activities of its principal subsidiaries are engaged in the operation of wastewater treatment facilities, operation of biomass power plants, sales of wood pellets and provision of information technology services.

The condensed consolidated financial statements are presented in Hong Kong Dollars ("**HK$**"), which is also the functional currency of the Company.

2. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard (the "**HKAS**") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") as well as the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

3. 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.

Other than additional accounting policies resulting from application of amendments to HKFRS Accounting Standards, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2026 are the same as those presented in the Group's annual consolidated financial statements for the year ended 31 December 2025.

Application of Amendments to HKFRS Accounting Standards

In the current interim period, the Group has applied the following amendments to HKFRS Accounting Standards issued by the HKICPA, for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2026 for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11

The application of the amendments to a HKFRS Accounting Standard in the current interim period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

4. REVENUE

Disaggregation of revenue from contracts with customers

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Types of goods and services		
Operation services under service concession arrangements	**40,399**	40,096
Construction services under service concession arrangements	**—**	17,794
Sales of wood pellets	**7,607**	5,427
Information technology services	**770**	8,389
Revenue from contracts with customers	**48,776**	71,706
Imputed interest income on receivables under service concession arrangements	**8,821**	9,096
	57,597	80,802

5. SEGMENT INFORMATION

The Group is engaged in the construction and operation of wastewater treatment facilities, construction and operation of biomass power plant, sales of wood pellets and provision of information technology services. Information reported to the executive directors of the Company, being the chief operating decision maker ("**CODM**") for the purposes of resource allocation and assessment of performance focuses on geographical locations of its manpower and customers, including Hong Kong, the People's Republic of China (the "**PRC**") and the Republic of Indonesia ("**Indonesia**"). No operating segments have been aggregated in arriving at the reporting segments of the Group.

Segment Revenue and Results

The following is an analysis of the Group's revenue and results by reportable and operating segments:

Six months ended 30 June 2026 (unaudited)

	Hong Kong	**PRC**	**Indonesia**	**Total**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***
Segment revenue – external sales	**–**	**23,506**	**34,091**	**57,597**
Segment (loss)/profit	**(9,137)**	**9,779**	**10,110**	**10,752**
Unallocated expenses				**—**
Profit before tax				**10,752**

5. SEGMENT INFORMATION – continued

Six months ended 30 June 2025 (unaudited)

	Hong Kong *HK$'000*	PRC *HK$'000*	Indonesia *HK$'000*	Total *HK$'000*
Segment revenue — external sales	—	39,031	41,771	80,802
Segment (loss)/profit	(8,858)	13,688	10,307	15,137
Unallocated expenses				—
Profit before tax				15,137

6. OTHER INCOME AND NET OTHER GAINS AND LOSSES

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Bank interest income	**268**	312
Interest income from loans to an associate	**28**	—
(Loss)/gain from changes in fair value of financial assets mandatorily at FVTPL	**(954)**	513
Loss on disposal of property, plant and equipment	**—**	(3)
Gain on disposal of a subsidiary	**7,249**	–
Net foreign exchange losses	**(788)**	(560)
Others	**3**	715
	5,806	977

7. FINANCE COSTS

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Interest on borrowings	**1,914**	2,666
Interest on loans from related parties	**2,568**	3,123
Interest on lease liabilities	**30**	12
	4,512	5,801

8. PROFIT BEFORE TAX

Profit before tax for the period has been arrived at after charging/(crediting) the following items:

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Staff costs	**11,270**	7,295
Depreciation of property, plant and equipment	**2,553**	2,732
Less: Amount capitalised in inventories	**—**	(1)
	2,553	2,731
Cost of construction services	**—**	15,545
Cost of operation services	**21,647**	20,055
Cost of inventories recognised as an expense	**4,954**	5,979

9. INCOME TAX EXPENSE

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Current tax:		
PRC Enterprise Income Tax	**3,070**	2,915
Under provision in prior years:		
PRC Enterprise Income Tax	**620**	101
Deferred tax	**369**	(352)
	4,059	2,664

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

No provision for Hong Kong Profits Tax had been made as the Group did not generate any assessable profits arising in Hong Kong during the period (six months ended 30 June 2025: Nil).

Under the Law of the PRC on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both periods, except for a subsidiary which is entitled to a preferential tax rate of 15% for the six months ended 30 June 2026 and 2025 as determined in accordance with the relevant tax rules and regulations in the PRC with an expiration date of 31 December 2027.

The withholding tax on distributable profits is calculated at the rate of 5% (six months ended 30 June 2025: 5%) on total dividend distributed from the Group's subsidiaries in the PRC.

No provision for Indonesian income tax had been made as the Group did not generate any assessable profits arising in Indonesia during the period (six months ended 30 June 2025: Nil).

10. DIVIDENDS

No dividends were paid, declared or proposed during the interim period. The directors of the Company have determined that no dividend will be paid in respect of the interim period (six months ended 30 June 2025: Nil).

11. EARNINGS PER SHARE

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

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Earnings for the purpose of basic earnings per share	**6,746**	11,942

	Number of shares	
	Six months ended 30 June	
	2026	2025
	'000	*'000*
	(Unaudited)	(Unaudited)
Weighted average number of ordinary shares for the purpose of basic earnings per share	**1,107,300**	1,107,300

The diluted earnings per share is the same as the basic earnings per share for the six months ended 30 June 2026 and 2025 as there were no potential ordinary share in issue for both periods.

12. RECEIVABLES UNDER SERVICE CONCESSION ARRANGEMENTS

	30 June	31 December
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Receivables under service concession arrangements	**371,431**	373,360
Less: portion classified as current assets	**(43,466)**	(31,759)
Portion classified as non-current assets	**327,965**	341,601

The following is an aged analysis of receivables under service concession arrangements, presented based on the invoice date:

	30 June	31 December
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Billed within 3 months	**25,409**	14,409
Unbilled	**346,022**	358,951
	371,431	373,360

13. TRADE RECEIVABLES

	30 June 2026	31 December 2025
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Trade receivables	**3,855**	4,620
Less: Allowance for credit losses	**(4)**	(4)
	3,851	4,616

The Group had a policy of allowing a credit period of 30–60 days. The following is an aged analysis of trade receivables at the end of reporting period presented based on the invoice date:

	30 June 2026	31 December 2025
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
0–60 days	**833**	4,612
Over 60 days	**3,018**	4
	3,851	4,616

14. TRADE PAYABLES

The following is an aged analysis of the trade payables presented based on the invoice date:

	30 June 2026	31 December 2025
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
0–60 days	**4,664**	9,410
61–90 days	**9**	10
Over 90 days	**339**	148
	5,012	9,568

15. AMOUNTS DUE TO RELATED PARTIES

	30 June 2026 *HK$'000* **(Unaudited)**	31 December 2025 *HK$'000* (Audited)
Non-trading in nature:		
A related company	**35,390**	35,390
A close family member of a shareholder	**27,244**	24,744
A close family member of directors	**14,420**	20,040
A shareholder	**20,000**	21,850
A director	**5,000**	5,000
	102,054	107,024
Less: Amounts that is expected to settle within 12 months due within one year shown under current liabilities	**(29,214)**	—
Amounts that is expected to settle after 12 months shown under non-current liabilities	**72,840**	107,024

16. BORROWINGS

	30 June 2026 *HK$'000* **(Unaudited)**	31 December 2025 *HK$'000* (Audited)
Bank borrowings	**52,768**	49,000
Other borrowings	**23,867**	30,149
	76,635	79,149
Less: Amounts due within one year shown under current liabilities	**(43,268)**	(43,282)
Amounts shown under non-current liabilities	**33,367**	35,867

During the current interim period, the Group repaid bank borrowings of HK$2,000,000 (six months ended 30 June 2025: HK$2,000,000) and other borrowings of HK$6,466,000 (six months ended 30 June 2025: Nil), and obtained new bank borrowings of HK$5,769,000 (six months ended 30 June 2025: Nil) and new other borrowings of HK$1,454,000 (six months ended 30 June 2025: HK$3,557,000), respectively.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Operating across the PRC and Indonesia, the Group's portfolio comprises wastewater treatment facilities operations, biomass power generation, information technology services provision and wood pellets sales.

Through Rugao Hengfa Water Treatment Company Limited ("**Rugao Hengfa**"), the Group's wastewater treatment business recorded an increase in its contribution from operation services during the Period. This improvement was supported by the expansion of Rugao Hengfa's daily wastewater treatment capacity from 40,000 tonnes to 50,000 tonnes (the "**Rugao Expansion Project**"), which was completed in late October 2025. As the construction works for the Rugao Expansion Project were substantially completed in the previous year, no construction service revenue was recognised during the Period, resulting in a lower overall revenue contribution from Rugao Hengfa as compared with the Last Corresponding Period.

In 2026, the Rugao Economic and Technological Development Zone continued to expand and upgrade its industrial wastewater treatment infrastructure, supported by ongoing industrial development and increasingly stringent environmental requirements. Against this backdrop, the Group believes that demand for specialised industrial wastewater treatment services remains resilient. With its expanded treatment capacity and established operating presence in the Zone, Rugao Hengfa is well-positioned to support the region's continued industrial development and environmental sustainability.

Through the Group's biomass power supply business operated by PT Sentosa Jaya Purnama ("**SJP**") in Bangka, Indonesia (the "**Bangka Project**"), the Group has established an operating presence in the biomass power-generation market in Indonesia. The Bangka Project's 25-year fixed-price power purchase agreement with Perusahaan Listrik Negara ("**PLN**"), provides the Group with long-term contracted revenue visibility.

During the first quarter of 2026, the Bangka Project experienced challenges relating to raw material supply, together with certain technical issues, which adversely affected its contribution to the Group. The Group has taken measures to address these operational issues, and the performance of the Bangka Project has shown gradual improvement since the second quarter. The Group expects the operating performance of the Bangka Project to continue to improve in the second half of 2026.

The wood pellets business recorded a satisfactory increase in revenue contribution during the Period. The Group completed the disposal of 80% of its wood pellets business operated by PT Rimba Palma Sejahtera Lestari ("**RPSL**") in February 2026.

Our Group's information technology business, however, experienced a significant reduction in contribution following the termination of a customer contract in January 2026. As disclosed in the announcements of the Company dated 14 July and 22 July 2026, the Group planned to import new equipment to enhance the commercial value and utilisation of its energy assets by expanding into high-performance computing and digital infrastructure services. This initiative is expected to broaden the capabilities and applications of the Group's information technology business and support an increase in its revenue contribution in the second half of 2026.

During the Period, our Group's revenue decreased by HK$23.2 million, or 28.7%, to HK$57.6 million as compared with the Last Corresponding Period, mainly due to the absence of construction revenue from the Rugao Expansion Project and a reduction in revenue from information technology services. Gross profit decreased by HK$10.2 million, or 26.3%, to HK$28.6 million, while the gross profit margin improved from 48.0% for the Last Corresponding Period to 49.7% for the Period. Profit attributable to owners of the Company amounted to HK$6.7 million for the Period, compared with HK$11.9 million for the Last Corresponding Period, representing a decrease of HK$5.2 million, or 43.7%.

Additional financial data movements can be found in the section headed "FINANCIAL REVIEW" below.

OUTLOOK

Looking ahead, our Group will continue to focus on strengthening the performance of its existing businesses while pursuing opportunities that support sustainable and long-term growth across its operations in the PRC and Indonesia.

Our Group will continue to monitor regulatory, market and economic developments in the PRC and Indonesia and assess new opportunities selectively. While our Group remains positive on the long-term prospects of its environmental, renewable-energy and digital infrastructure businesses, it will remain prudent in managing operational, feedstock, customer concentration and market risks in order to support sustainable growth and enhance shareholder value.

FINANCIAL REVIEW

REVENUE

Our total revenue decreased by HK$23.2 million or 28.7% to HK$57.6 million for the Period from HK$80.8 million for the Last Corresponding Period. The decrease was primarily due to the decrease in construction revenue form the wastewater treatment facility expansion and enhancement of the Rugao Expansion Project and a reduction in revenue from information technology services during the Period.

COST OF SALES

Our total cost of sales decreased by HK$13.0 million or 31.0% to HK$29.0 million for the Period from HK$42.0 million for the Last Corresponding Period, primarily due to the decrease in construction cost associated with the Rugao Expansion Project during the Period.

GROSS PROFIT AND GROSS PROFIT MARGIN

Our gross profit decreased by HK$10.2 million or 26.3% to HK$28.6 million for the Period from HK$38.8 million for the Last Corresponding Period, primarily due to the decrease in revenue as discussed above. Despite the decrease in gross profit, our gross profit margin increased from 48.0% for the Last Corresponding Period to 49.7% for the Period.

OTHER INCOME AND NET OTHER GAINS AND LOSSES

Our other income and net other gains increased by HK$4.8 million or 494.3% to HK$5.8 million for the Period from HK$1.0 million for the Last Corresponding Period, primarily contributed to the gain arising from the sale of the wood pellets business completed during the Period.

ADMINISTRATIVE EXPENSES

Our administrative expenses increased by HK$0.8 million or 4.5% to HK$18.5 million for the Period from HK$17.7 million for the Last Corresponding Period, primarily attributable to the pensions costs incurred in the disposal of the wood pellets business.

FINANCE COSTS

Our finance costs decreased by HK$1.3 million or 22.2% to HK$4.5 million for the Period from HK$5.8 million for the Last Corresponding Period, primarily due to the decrease in weighted-average interest rate on the Group's loan borrowings and amounts due to related parties relating to the financing of the Bangka Project during the Period.

PROFIT BEFORE TAX

As a result of the foregoing, our Group recorded a profit before tax of HK$10.8 million for the Period as compared to a profit before tax of HK$15.1 million for the Last Corresponding Period.

INCOME TAX EXPENSE

Our income tax expense increased by HK$1.4 million or 52.4% to HK$4.1 million for the Period from HK$2.7 million for the Last Corresponding Period, mainly due to the increase in deferred income tax expense recognised by our subsidiaries in Indonesia during the Period.

PROFIT FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE COMPANY

Profit attributable to owners of the Company amounted to HK$6.7 million for the Period as compared to profit attributable to owners of the Company amounted to HK$11.9 million for the Last Corresponding Period, primarily due to the factors mentioned above.

LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

Our principal liquidity and capital requirements primarily relate to investments in our projects, construction and upgrading of our wastewater treatment facilities, purchases of equipment as well as costs and expenses related to the operation and maintenance of our wastewater treatment and electricity generating facilities.

As at 30 June 2026, the carrying amount of the Group's bank balances and cash was HK$52.4 million, representing an increase of 6.9% as compared with that of HK$49.0 million as at 31 December 2025. As at 30 June 2026, the Group's bank balances and cash of HK$4.7 million, HK$18.2 million, HK$3.1 million and HK$26.4 million were denominated in Renminbi ("**RMB**"), Hong Kong Dollars ("**HK$**"), Indonesian Rupiah ("**IDR**") and United States Dollars ("**US$**"), respectively (31 December 2025: HK$25.7 million, HK$5.1 million, HK$4.9 million and HK$13.3 million were denominated in RMB, HK$, IDR and US$, respectively).

BANK AND OTHER BORROWINGS

As at 30 June 2026, the total amount of our utilised bank borrowings was HK$52.8 million, of which HK$14.0 million was repayable within 3 years and HK$38.8 million was repayable on demand or within one year. HK$29.0 million and HK$23.8 million of the outstanding bank borrowings were denominated in HK$ and RMB, respectively (31 December 2025: HK$49.0 million were denominated in HK$).

Out of the HK$52.8 million outstanding bank borrowings, HK$14.0 million bore a floating interest rate of 2.5% per annum over the Hong Kong Interbank Offered Rate ("**HIBOR**"), HK$15.0 million bore a floating interest rate of 0.8% per annum over the HIBOR, HK$18.0 million bore a fixed interest rate of 3.0% per annum and 5.8 million bore a fixed interest rate of 0.59% per annum below China Loan Prime Rate (31 December 2025: HK$34.0 million bore a floating interest rate of 2.5% per annum over the HIBOR and HK$15.0 million bore a floating interest rate of 0.8% per annum over the HIBOR). We had HK$29.0 million unutilised banking facilities as at 30 June 2026 (31 December 2025: HK$29.0 million).

As at 30 June 2026, the Company had an outstanding borrowing from independent third parties of the Group amounting to HK$23.8 million (31 December 2025: HK$30.1 million), which bore interest rates 8.0% per annum.

As at 30 June 2026, the Company had outstanding amounts due to related parties of the Group amounting to HK$102.1 million (31 December 2025: HK$107.0 million) which bore a fixed interest rate of 6% per annum (31 December 2025: 6% per annum). Out of the HK$102.1 million outstanding amounts due to related parties, HK$29.2 million was repayable within one year and HK$72.9 million was repayable within two to three years (31 December 2025: HK$107.0 million outstanding amounts due to related parties was repayable within two to three years).

To the best knowledge of the Directors and management of the Group, all the interest rates of the above borrowings were determined at arm's length.

GEARING RATIO

Gearing ratio is calculated by dividing total debt by total equity and then multiplied by 100%, and total debt includes the interest-bearing bank borrowings, amounts due to related parties and other borrowings. Our gearing ratio decreased from 67.6% as at 31 December 2025 to 65.2% as at 30 June 2026, mainly attributable to the decrease in borrowings after repayments made during the Period and in turn reduced the overall gearing ratio.

CHARGE ON ASSETS

As at 30 June 2026, cash deposits amounted to HK$17.5 million were pledged to secure the interest-bearing bank borrowings granted to the Group (31 December 2025: HK$16.9 million).

TREASURY POLICIES

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the Period. The Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time. Surplus cash will be invested appropriately so that the Group's cash requirements for its strategy or direction from time to time can be met.

CAPITAL EXPENDITURES

Our capital expenditures consist expenditures for the Bangka Project in Indonesia. During the Period, our capital expenditures amounted to HK$1.7 million (Last Corresponding Period: HK$20.3 million), which were funded by funds generated from our financing activities.

FOREIGN EXCHANGE RISK

Individual member companies in the PRC and Indonesia within our Group have limited foreign currency risk as most of the transactions are denominated in the same currency as the functional currency of the operations in which they relate. However, as these principal subsidiaries mainly carry assets and liabilities in RMB and IDR, any appreciation or depreciation of HK$ against RMB and IDR will affect the Group's consolidated financial position which is presented in HK$, and will be reflected in the exchange fluctuation reserve.

The Group does not have a foreign currency hedging policy. The Group minimises foreign exchange exposure by converting its cash and cash equivalents in other currencies generated from the operation of its foreign operating subsidiaries to HK$.

CONTINGENT LIABILITIES

As at 30 June 2026, the Group had no material contingent liabilities (31 December 2025: Nil).

EMPLOYEE AND REMUNERATION POLICIES

As at 30 June 2026, the Group had 208 employees (31 December 2025: 271 employees). Employee costs, including Directors' emoluments, amounted to approximately HK$11.3 million for the Period (Last Corresponding Period: HK$7.3 million). The remuneration policy for our Directors, senior management members and general staff is based on their experience, level of responsibility and general market conditions. Any discretionary bonus and other merit payments are linked to the profit performance of our Group and the individual performance of our Directors, senior management members and general staff. The Group encourages the self-development of its employees and provides on-the-job training where appropriate.

The previous share option scheme of the Company was adopted on 5 September 2014 and expired on 4 September 2024, following which no further share options were offered and no share options remained outstanding. The Company did not adopt any share scheme following its expiration.

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS

Save as disclosed in this announcement, the Group did not have any other significant investments, material acquisitions or disposals of assets, subsidiaries, associates or joint ventures during the Period.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in this announcement, the Group has no plan for other material investments or additions of capital assets as at the date of this announcement.

EVENTS AFTER THE REPORTING PERIOD

References are made to the announcements of the Company dated 14 July and 22 July 2026 (the "**Acquisition Announcements**"). Unless defined otherwise, capitalised terms used herein this section shall have the same meanings as those defined in the Acquisition Announcements.

On 14 July 2026, the Buyer, an indirect non-wholly owned subsidiary of the Company, entered into the Sale and Purchase Agreement with the Seller, pursuant to which the Buyer shall purchase the Equipment from the Seller at a consideration of US$3,512,000 (equivalent to approximately HK$27,393,600).

The ASIC equipment will be deployed within the Group's data center to provide managed digital processing capacity and related infrastructure services to customers under long-term commercial arrangements. By integrating power generation with data center operations, the Group expects to improve the utilisation of its generating assets, diversify its revenue streams, and capture greater value from electricity that may otherwise be exported to the grid or remain underutilised.

The Directors believe that the Acquisition will strengthen the Group's digital infrastructure capabilities, improve operational flexibility in allocating available power resources between different commercial applications, and position the Group to benefit from the growing demand for energy-intensive computing services.

The Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**"), and is therefore subject to the notification and publication requirements under Chapter 14 of the Listing Rules.

Save as disclosed in this announcement, the Group has not undertaken any material event subsequent to the end of the Period and up to the date of this announcement.

INTERIM DIVIDEND

During the Board meeting held on 26 August 2026, the Board resolved not to declare the payment of any interim dividend for the Period (Last Corresponding Period: Nil).

This decision reflects the Board's commitment to preserving funds for future strategic initiatives and operational needs, ensuring the Company remains well-positioned for long term growth and resilience.

CORPORATE GOVERNANCE PRACTICES

The Company strives to maintain a high standard of corporate governance, and has applied the principles and complied with all the mandatory disclosure requirements and the applicable code provisions as set out in the section headed "Part 2 — Principles of good corporate governance, code provisions and recommended best practices" of the Corporate Governance Code contained in Appendix C1 (the "**CG Code**") to the Listing Rules throughout the Period and up to the date of this announcement.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as contained in Appendix C3 to the Listing Rules (the "**Model Code**") as its own code of conduct governing the securities transactions by the Directors. Following specific enquiries made by the Company with all the Directors, all of them have confirmed that they had complied with the required standard as set out in the Model Code during the Period.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the Period, neither the Company nor any of its subsidiaries purchased, sold (including sale of treasury shares, if any) or redeemed any of the Company's listed securities.

As at 30 June 2026, the Company did not hold any treasury shares.

AUDIT COMMITTEE'S REVIEW

The Company has established an audit committee (the "**Audit Committee**") in compliance with Rule 3.21 of the Listing Rules and paragraph D.3 of the CG Code for the purpose of reviewing and providing supervision over the Group's financial reporting process, risk management and internal controls. The Audit Committee comprises three members, namely Ms. Ng Chung Yan Linda (who is also the chairlady of the Audit Committee), Mr. Ng Man Kung and Ms. Leung Bo Yee Nancy, all being independent non-executive Directors. The Audit Committee has reviewed with the Company's management the accounting principles and practices adopted by the Group and the unaudited interim results of the Group for the Period and this announcement.

PUBLICATION OF INTERIM REPORT

This results announcement is published on the Stock Exchange's website (http://www.hkexnews.hk) and the Company's website (http://www.ellhk.com). The interim report of the Company for the six months ended 30 June 2026 will be disseminated and dispatched to the shareholders of the Company (the "**Shareholders**") and will be available on the respective websites of the Stock Exchange and the Company in due course in the manner as required by the Listing Rules.

APPRECIATION

I would like to take this opportunity to express my most sincere thanks and gratitude to our Shareholders and various parties for their continuing support, and to my fellow Directors and our staff for their dedication and hard work during the Period.

By Order of the Board
ELL Environmental Holdings Limited
Chau On Ta Yuen
Chairman

Hong Kong, 26 August 2026

As at the date of this announcement, the Board comprises Mr. Chau On Ta Yuen (Chairman), Mr. Chan Kwan (Chief Executive Officer), Mr. Chan Pak Lam Brian and Mr. Chau Chi Yan Benny as executive Directors, Mr. Radius Suhendra as a non-executive Director, and Ms. Ng Chung Yan Linda, Mr. Ng Man Kung and Ms. Leung Bo Yee Nancy as independent non-executive Directors.